



NCAFP Conference on U.S.-China and Cross-Strait Relations

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I. Introduction

A distinguished group of U.S. and PRC officials and scholars, including a senior delegation from China's Taiwan Affairs Office (TAO), met on May 27-28 in New York for a comprehensive review of cross-Taiwan Strait ties and the current state of U.S.-China relations. Given the history of previous such gatherings, the atmosphere was collegial and substantive.

The discussion of U.S.-China relations focused on President Xi Jinping's coming fall state visit to Washington, DC. Much had been accomplished bilaterally in recent years, with the direct involvement of President Xi and President Barack Obama, including during their successful November 2014 summit in Beijing. Yet China's rapid rise also brought to the surface certain questions about how America, a historic Asia-Pacific power with global reach, would accommodate the emergence of China and its recently more assertive behavior.

Speakers uniformly stressed the importance of avoiding a clash between these two major powers. The United States remains a major player in the region, with broad economic, political and military reach. Yet discussants also recognized the growing influence of China—economically, politically and militarily—in East Asia. Participants expressed hope that President Xi and President Obama could further strengthen areas of cooperation and successfully manage differences during their September summit.

American speakers expressed particular concern over China's seemingly aggressive policy in the South China Sea. This area has become a source of anxiety not only to the U.S., with its commitment to freedom of navigation in the region, but also to many Southeast Asian nations, some of whom have competing claims in those waters. It is hoped that China will exercise restraint and engage its regional partners in constructive talks aimed at delineating the legal basis under international law of territorial claims in this volatile region.

Nowhere was such active engagement more necessary than on cross-Strait issues. Many participants believed that Taiwan's January 2016 presidential and Legislative Yuan (LY) elections could challenge the recent tranquility of relations between Beijing and Taipei. These elections hold the real possibility of the return of the opposition Democratic Progressive Party (DPP) to the Presidential Palace and possibly even a first-ever DPP majority in the LY.

Much attention was paid by both sides to DPP Chairwoman Tsai Ing-wen's presidential candidacy. The ruling Kuomintang (KMT) party is in disarray. The KMT's most prominent political figure, Eric Chu, has steadfastly denied any intention of standing as his party's candidate in the elections. This has made Tsai the strong favorite to win office next year which would end eight years of KMT rule on the island.

With Tsai due to visit Washington in early June, Chinese speakers were blunt in their belief that she remained wedded to pro-independence policies which would seriously roil cross-Strait ties if she came into power in 2016. They urged the U.S. to send Tsai a strong warning during her trip to the United States. Beijing's greatest fear is that a Tsai presidency would serve as a replay of DPP President Chen Shui-bian's tumultuous tenure in the first eight years of this century. Tsai's visit has now concluded and her careful discussion of cross-Strait doctrine seemed to satisfy American policymakers of her seriousness in seeking to avoid conflict in the Strait should she become Taiwan's next President in the spring of 2016.

American speakers sought to draw distinctions between Tsai and the more combative Chen. They also reminded their Chinese counterparts that Beijing's refusal to have any dealings with Chen when he first took office in 2000 had contributed to the subsequent deterioration of cross-Strait ties. Meanwhile, economic and trade relations across the Strait were now greater than ever, making it difficult for any Taiwan leader to court confrontation with its neighbor.

American participants urged restraint on the part of China, and a willingness to engage the winner of next January's elections during the four-plus month period before he or she took office. They also predicted that Tsai would retain the overall spirit of cross-Strait economic cooperation that characterized President Ma Ying-jeou's eight years in office.

II. Background

President Xi Jinping's more assertive approach to foreign policy issues raised questions about how the Chinese leader would manage cross-Strait ties. Some felt his background in Fujian Province gave him a closer understanding of Taiwan, given the broad business ties that province had developed with Taiwan over the past twenty-five years. Others worried that he might be less patient than his predecessors in dealing with the Taiwan issue.

The U.S. and China have carefully managed the Taiwan issue since the 1970's, through rapid economic and political change on the island and the emergence over the past thirty-five years of China as an economic and political superpower. We enjoy a framework for conducting bilateral relations that has withstood previous challenges. This experience will stand both sides in good stead as they prepare to cope with the democratic choice of Taiwan's electorate come January 2016. It will also be important that whoever wins the U.S. presidency in fall of 2016 come into office with a solid

understanding both of the importance of strong U.S.-China relations, and America's commitment to democratic Taiwan.

III. Keynote Speakers address U.S.-China and Cross-Strait Relations

The Chinese keynote speaker

The conference began with presentations by senior PRC and U.S. representatives. The PRC representative began by characterizing U.S.-China relations as in good shape, citing President Obama's meeting in Beijing last November with President Xi Jinping, and the upcoming Xi visit to Washington in September.

He then shifted to the cross-Strait issue, highlighting the importance of the "1992 Consensus" as the foundation for peaceful development with Taiwan. He quoted President Xi as saying that without adherence to the "1992 Consensus" and the "one-China principle" as the basis for peaceful development, there cannot be either peace or development. He also highlighted the Chinese people's focus on these principles.

The speaker then shifted to the possibility that the DPP would win next January's presidential elections. Citing the experience of 2000, when Chen Shui-bian became the island's leader, the speaker warned that a DPP victory would roil cross-Strait relations again. He claimed that Tsai Ing-wen was primary author of the "state-to-state theory" issued by President Lee Teng-hui in 1999, and that Tsai had also influenced President Chen's cross-Strait positions.

The speaker cited the PRC's unwillingness to compromise with Chen Shui-bian in 2000. He then indicated Beijing would be unable to work with Tsai Ing-wen unless she embraced the same principles that had allowed Beijing to engage with the Ma Administration these past seven years.

The Chinese speaker linked successful management of the cross-Strait issue to healthy U.S.-China relations. Only if the Taiwan question were properly handled could U.S.-China relations thrive. He hoped for constructive efforts by Washington, such as sending a clear signal to the DPP and Chairwoman Tsai during her upcoming U.S. visit.

Linking a "proper" U.S. attitude toward the Taiwan question to both U.S.-China relations and broader regional peace and stability, the Chinese speaker expressed his hope that our bilateral ties would continue to prosper. He concluded by making clear he was delivering an official message from his leadership.

The American keynote speaker

The American speaker began by reporting that during his recent trip to Taiwan he had met with all the island's key political figures. He also drew attention to a recent speech in Washington by a senior U.S. Government Asia specialist that focused on our Taiwan policy. From President Obama on down, there is broad support for Taiwan and its democratic system. The U.S. supports the ability of the Taiwan people to determine their own future, free from coercion. In that context, the U.S. continues to support the island's ability to defend itself against any external threat.

The continued goal of strengthening U.S.-Taiwan ties will require leadership and wisdom on both sides. The speaker indicated these same qualities were important for China to exhibit. He then spoke about the remarkable success of Taiwan's democratic development over the previous thirty years. The emergence of a political system that respects the rule of law, human rights and democratic processes has disproved the myth that such attributes were incompatible with Asian values. As President Obama stated in his Brisbane speech last year, Taiwan has shown that democracy was not simply a western value.

The American speaker made clear the U.S. would not take sides in Taiwan's upcoming elections, but rather would work with whoever emerged from that process. Washington was preparing to welcome Chairwoman Tsai's early June visit. They will listen to what Tsai has to say, and also ask her lots of questions. Washington would welcome other candidates should they choose to visit. Regardless of who wins in January, the U.S. side expected close cooperation to continue with our Taiwan friends.

Stable cross-Strait ties continued to be important to the U.S. Washington has its own "one-China principle," though it might not be the same as the PRC version. The U.S. version is based both on the three Joint Communiques, as well as the Taiwan Relations Act (TRA). The speaker welcomed continued cross-Strait dialogue between Taipei and Beijing. But the content, pace, scope and solutions to this dialogue must be decided by the people of Taiwan.

As to the "1992 Consensus," it can only be the basis for cross-Strait ties if both sides agree on that formulation. While the U.S. urges Beijing to exercise patience, restraint and creativity, it recognizes the enormous benefits of closer cross-Strait ties to both sides. Regardless of the specifics, the U.S. hopes to see both sides exercise restraint and responsibility.

The American speaker then addressed the Chinese speaker's remarks. It was clear that the Chinese side was concerned about the possibility of a Tsai victory next January, something the speaker felt was likely, given current trends. The KMT was in disarray, and it was far from clear even who their candidate would be.

Frankly speaking, the American speaker did not think China had the same tools to influence the outcome of this election that it had employed in the past. These had previously included organizing flights so Mainland-based Taiwan voters could participate in the balloting, and warning the DPP candidate and her supporters. So the speaker had hoped for a more creative approach from the Chinese side than he had heard from the senior PRC official today. He also urged Beijing to show greater creativity in the remaining nine months before the elections.

The Chinese speaker had spoken of not compromising principles 15 years earlier, when Chen Shui-bian took office. Yet the “1992 Consensus” wasn’t even clear at that point. President Ma also speaks about the sovereignty of the Republic of China, so there are differences between Beijing and the KMT as well. The American keynote speaker concluded by citing the wonderful capability of the Chinese to bridge such differences with creative thinking, and urged that to come into play now.

Discussion

The Chinese speaker, responding to the American’s presentation, questioned U.S. support for Taiwan’s democratic process if it leads to championing of independence. He asked the American keynote speaker if Tsai was an independence activist like Chen Shui-bian. If she were, how would the U.S. respond? He also made clear that any Taiwan political figure that accepts “one China” would find a dialogue partner with Beijing.

The American speaker, in responding, noted that for over forty years, the U.S. view of “one China” has differed from that of China. But he expected the U.S. side would make clear, during Tsai’s upcoming visit to Washington, that the U.S. would not accept any move toward *de jure* independence. He also made clear the U.S. does not see Tsai as anywhere near the activist that Chen Shui-bian was. They are two very different personalities. Tsai was more analytical, bringing her background as a lawyer to these questions. That said, if the DPP did push independence in the way former President Chen had, the U.S. would make its disapproval known.

The Chinese keynote speaker, in his final remarks before departing the conference, made clear his government was unhappy with the U.S. receiving Tsai in Washington now that she was a candidate for the presidency.

IV. Discussion of key themes

U.S.-China relations

Referencing China's growing stature, an American speaker saw increased military tension between our two countries, as well as economic and ideological competition. Properly managing these issues was essential. Earlier hopes in the West that a rising China would trigger greater openness in its political system had thus far not played out, further heightening tensions.

We also faced growing economic tensions, including over currency rates, IPR and cyber-spying. China's further growth would push it to integrate more with the global economic system, though this might take another 5-10 years. We were currently entering into a riskier period in bilateral relations, this speaker noted, calling for greater dialogue. A Chinese speaker also acknowledged the need for greater dialogue to manage these tensions.

An American speaker welcomed signs that China is not trying to drive the U.S. away from its longstanding role as an Asia-Pacific power, while acknowledging Washington also has to recognize China's growing clout. Perhaps the two sides needed to look at some adjustments to the current global system. He preferred joint U.S.-China efforts to adapt the current system, to any idea that the entire system needed to be scrapped. This was particularly true of current tensions in the South and East China Seas, and more generally, in our two countries' military relations.

The rest of Asia is concerned by growing Chinese capabilities, and seeks a continuing robust U.S. presence in the region as a balancing force. This was particularly the case in economic relations. Chinese overseas investment seeks to lock up access to natural resources. There is also greater aggressiveness by the PLA, particularly in the South China Sea. This threatens freedom of navigation, and is exacerbated by recent PRC development of small atolls and islands. The increasing military presence in the region, including construction of a submarine facility on southern Hainan Island, worried China's neighbors. Another concern was the apparent effort to restrict the ability of Chinese students returning from study in the U.S. to acquire jobs back home.

A Chinese speaker cautioned against Beijing and Washington allowing third powers in Asia to manipulate our competition into something harmful to both of us. He cited the examples of Vietnam and the Philippines in the South China Sea. American speakers responded with concern over recent aggressive Chinese steps there, including the building up of an atoll into an airstrip capable of deploying PLA forces into contested waters.

An American speaker reported concern in Washington, as well as among our friends in the region, over the impact on Freedom of Navigation in this busy shipping zone. He noted the Law of the Sea would not even recognize the Fiery Reef area where China was now building military facilities as a legitimate maritime feature. A Chinese speaker indicated other regional players were also building up their presence on disputed islands in this area.

A Chinese speaker spoke of contrasting views here, noting the sense in his country that the U.S. was blocking Beijing's participation in TPP. This had led to the emergence of new organizations like the Asian Infrastructure Investment Bank (AIIB) and the Shanghai Cooperation Organization (SCO) Bank. The international monetary system was now looking to shift toward greater reliance on the RMB. China believed it was seeking to supplement the U.S. role in Asia, but Washington seemed to see these moves as a challenge to its traditional dominant role. China has supported the U.S. on the Iranian nuclear issue, Afghanistan reconstruction, North Korean nuclear developments and efforts to counter instability in the Middle East. Both sides should work at identifying ways to complement one another's role.

This Chinese speaker laid out four possible options. First would be sticking to the old model, which he termed a "lose-lose" option. A second one was for China to establish a new order, with the U.S. becoming strategically passive. The third would be for the U.S. to establish a new order, excluding China. But the fourth option, which he labeled the best, would be for the U.S. and China to work together to fashion a new approach to the region. Henry Kissinger and Michael Swaine had put forward similar proposals to this last Chinese suggestion. Both our countries now faced a heavy historical responsibility. We needed to avoid past mistakes.

A second Chinese speaker continued in this same vein. As a rising power, China faced the challenge of dealing with the U.S. and its superpower status. He saw it as possible for both of us to work together in defining a new kind of power relationship between our two countries. One could look back at the emergence of the U.S. as a global power a century ago for ideas to deal with China's rise today, he concluded.

An American speaker noted the Chinese view that failure by Tsai Ing-wen to embrace the "1992 Consensus" could have a negative impact on U.S.-China relations, particularly if it was perceived that the U.S. was tolerant of such a Taiwan position. Thus it would be necessary, he suggested, to view such Taiwan actions in the broader context of U.S.-China ties. He recalled President Bush's public rebuke of Chen Shui-bian during a meeting with the PRC Premier. But he also reminded the Chinese that America's "one China" is not necessarily the same as China's version of the concept.

Another Chinese speaker felt the DPP's overconfidence that it could manage U.S. and China was misplaced. He claimed a DPP leadership could not effectively play the role of a "responsible stakeholder," given the party's background and the views of its hardliners on cross-Strait ties. It will not accept the "one-China principle" or the concept of the ROC. He predicted that in the end, a DPP government would play the independence card against the KMT. This would prove a major challenge to U.S.-China relations. This speaker felt differences over Taiwan would be more damaging to Washington's relations with Beijing than either the South China Sea or Diaoyu/Senkaku Island issues.

A Chinese speaker worried that tensions over Taiwan would make it harder to avoid the Thucydides Trap, leading to major tension between our two countries. As an antidote to this, he proposed the U.S. and PRC sending a joint message to Taiwan so it does not miscalculate the stakes in the upcoming elections. This would be aimed at testing Taiwan's willingness to be part of a new model of great power relations, as discussed by President Xi and President Obama. This speaker suggested the U.S. and China would exercise a combination of encouragement, pressure and control to ensure Taiwan makes the right choices in the upcoming election.

Xi Jinping's statements and his role in Taiwan policy

An American speaker believed Xi Jinping's recent crackdown domestically has had a negative impact on the views of Taiwan political leaders and the general public there on closer ties with the Mainland. Xi's new emphasis on nationalism could also backfire with the people of Taiwan. Another American speaker highlighted President Xi's role on cross-Strait ties. Many have been suggesting Xi learned how to deal with Taiwan issues while serving in Fujian Province.

But the speaker believed this was based on false logic, as the type of people Xi would have dealt with there were not representative of broader Taiwan public opinion back home. Jiang Zemin had shown wisdom and an ability to adjust his views on Taiwan while in office. Hopefully President Xi could do the same. An American asked how Xi would respond to a Tsai victory in next January's presidential elections. Would he extend an olive branch to Taiwan?

China and the DPP

A Chinese speaker feared that the DPP was overconfident in its ability to deal with the Mainland, if it returns to power. He suggested the DPP believed it could win over the PRC leadership on sensitive issues like independence and "one China." But Xi Jinping was a tougher leader than Jiang Zemin, and will show less tolerance toward a DPP regime. An American suggested if Tsai wins, she could be Taiwan's President until 2020 or 2024. Taiwan's economic relationship with the Mainland was significant. So it would be an important issue for China to consider before it acted punitively.

An American said in a recent meeting with Tsai she made it clear she understands the importance of Taiwan's economic ties with the Mainland. So he predicted she would be unlikely to act rashly. Many DPP supporters in the business community were heavily invested in the Mainland.

A Chinese speaker thought Beijing would likely punish the DPP in two ways in the event of a Tsai victory: by commission and omission. Punishment by commission would involve ending the Mainland's diplomatic truce and cutting back on the \$100B in cross-Strait trade; by omission via cancelling trade agreements. Because of the power disparity between China and Taiwan, this Chinese speaker believed China possessed many more tools to punish Taiwan than Taipei had to punish Beijing.

Another Chinese speaker predicted Beijing would not be as rash as in the past during the transition; i.e. there would be no missile tests. But if Tsai takes office without having shown a desire to work with the Mainland, China "will do something." He regretted that Ma had not revised Taiwan's textbooks, which he hinted had earlier been changed to promote a greater Taiwanese identity during Chen Shui-bian's rule. So this speaker was pessimistic about prospects for peaceful reunification (i.e. because Taiwan's youth were more hostile to China as a result of DPP propaganda in textbooks).

Tsai Ing-wen's presidential candidacy

An American speaker believed too heavy-handed an approach by China to Tsai's candidacy could actually backfire in Taiwan. Another American reminded the Chinese that Beijing's failure to engage Chen Shui-bian after he took office had contributed to Chen's later feistiness. This speaker's point was to encourage China to keep channels of communication open should Tsai win the presidency. A Chinese speaker worried that a possible DPP majority in the LY following next January's elections could remove an important internal check on Tsai and her party, as concerns critical cross-Strait issues. So Tsai should not be overconfident that Beijing will view her party's success with indifference.

Another American speaker emphasized that Tsai was a very different personality than Chen, so one should not readily assume that her policies, if elected, would echo those of the first DPP President. A Chinese speaker bluntly stated that Beijing does not trust Tsai, fearing she will threaten the cross-Strait status quo. He said most Chinese view Tsai as the driving force behind then-President Lee Teng-hui's 1999 "state-to-state theory," as well as some of Chen Shui-bian's controversial cross-Strait policies. He said it would be difficult for Tsai to overcome this widespread feeling in Chinese policy circles.

An American predicted that Tsai would win, and would not push issues concerning the Mainland, but would rather run against Ma Ying-jeou's domestic policies. He predicted 80-90% of the campaign would focus on domestic issues, including the economy, environment, nuclear power and wealth inequality. None of these issues had much to do with cross-Strait relations.

Another American felt that unless the PRC provoked her, Tsai would remain cautious during the campaign. One speaker hoped China wouldn't repeat something like their demonstrative missile tests in the 90's., and urged Beijing instead to try to influence her. This speaker agreed with an earlier American participant's comment that China won't attack Taiwan militarily. But he asked about possible economic and political pressure. Would China place pressure on Taiwan's other economic partners? If it did, what would Taiwan's reaction be? He posed the question, "is time on China's side?"

A Chinese observer felt the Mainland's reaction would depend on Tsai. They will judge her by her actions. If she keeps balance and preserves past economic agreements, that would be more important than what she says. Another Chinese felt Tsai might surprise people She had opposed Ma's policies in opposition, but if she wins, how would she respond as President? The two sides have reached many agreements. Would she honor or oppose them?

An American speaker expressed concern that China might seek to precipitate a crisis if Tsai wins, even if she does not take actions seen by us as provocative. A Chinese speaker suggested that it would be helpful if the DPP could embrace the 1947 ROC Constitution, which recognizes a version of "one China."

Tsai Ing-wen's June visit to the U.S.

Several Chinese speakers made clear their government opposed Tsai's upcoming visit to Washington as a presidential candidate. If she avoided clarification on the key cross-Strait issues during her visit, this will be seen in Beijing as a bad sign. For example, he felt Tsai viewed the ROC as a *de facto* independent nation, based on her prominent role in the "state-to-state" theory of 1999. He urged the U.S. to push Tsai to clarify her views during her visit to Washington.

Tsai contacts with the PRC

The keynote American speaker again mentioned that Tsai had hinted to him she had lines of communication with the Mainland. He claimed Tsai had discussed in detail with him exchanges with some people in Beijing. He sought confirmation from the Chinese participants that this was in fact the case. He believed China should encourage such channels to avoid misunderstanding and miscalculation. If Tsai wins in January, such links would be especially important during the more than four month interregnum between election and inauguration.

Responding, a Chinese speaker expressed doubt that Tsai or other members of the DPP had any high level contacts with the PRC. He claimed this would only become possible if Tsai accepts the “one-China principle.” An American acknowledged perhaps Tsai had been boasting, but was struck that she had provided a great deal of detail concerning the alleged contacts. Another American reminded the session that Tsai would be the first Taiwan president who had visited the Mainland, as she had visited there as an academic in the 1990’s.

Taiwan democracy

An American speaker noted that Taiwan had met Sam Huntington’s definition of a mature democracy, having passed through two peaceful transfers of power over the past fifteen years. Now there is the prospect of a third such transition next January, should the DPP regain the presidency. This provided a strong example to other emerging democracies around Asia, and highlighted China’s lack of such open institutions.

A Chinese speaker believed American stress on the exemplary role of Taiwan democracy on China’s own internal system could complicate both cross-Strait and U.S.-China relations. This speaker also wondered whether U.S. support for Taiwan’s democracy would lead Washington to mute its criticism of possible DPP attempts to pull away from cross-Strait cooperation.

An American speaker suggested robust U.S. support for Taiwan and its turn toward democracy has helped give the island the confidence to develop its democratic system and to explore closer ties to the Mainland. He also suggested China was fortunate to have the example of Hong Kong and Taiwan, two ethnically, linguistically and culturally Chinese governances that offered valuable development models from which China could draw.

One country, two systems

A Chinese speaker cited “one country, two systems” as affording Taiwan some international space. But an American speaker responded that the “one country, two systems” model had never been of much interest to Taipei. This was truer than ever in the wake of China’s strident response to Hong Kong student protests over universal suffrage during the previous fall.

The 1992 Consensus

A Chinese speaker wondered how Washington would respond if Tsai refused to accept the “1992 Consensus.” Another Chinese participant highlighted the centrality of a common understanding between Beijing and Taipei on this concept over the previous eight years. This had permitted progress on a whole range of cross-Strait issues. A Tsai victory could threaten all this progress, placing a huge onus on Washington to weigh in with her.

Reunification

An American speaker wondered if Beijing still felt time was on its side on the central question of reunification. A Chinese speaker reaffirmed that the PRC would continue to base its policy on that approach. None of the other Chinese speakers contested that view.

Taiwan's international space

Several American speakers expressed concern that China had not worked hard enough with the KMT government to provide greater international space for the island since 2008. They felt this had undermined the Ma Administration. For example, China had not been responsive to Taipei's expressed interest in becoming a member of AIIB. This had played poorly within Taiwan public opinion. A Chinese speaker said if Tsai was not willing to adhere to the positive policies of President Ma, Beijing could easily peel off 5 or 6 of Taipei's diplomatic partners right away. So, he concluded, Tsai needed to take responsibility if she wins.

An American speaker thought Taiwan could play an important role in TPP, as well as in APEC, where it was already a member. He hoped Taiwan could be involved in AIIB and the Silk Road Belt, two new PRC economic initiatives. On the other hand, Taipei could suffer from Chinese-imposed economic sanctions, so Tsai needed to exercise caution there. Another speaker said room for flexibility was demonstrated by both Taipei and Tokyo when Ma's government recently reached a fishery agreement and a bilateral investment treaty (BIT) with Japan.

An American noted that President Ma had not fared that well with China on international space, while acknowledging that Tsai could jeopardize even these minor advances. Another American speaker suggested in the past it had been possible to find appropriate nomenclature allowing Taiwan to get involved in lots of international organization. So the precedent was out there. One U.S. speaker reminded the group of China's clumsy handling of rare earths sanctions against Japan, suggesting Beijing needed to recognize that such steps could backfire.

An American speaker urged the Mainland to find a way to work more effectively with Taiwan on international space. For example, if China offered Taipei less than full membership in AIIB, there'd be a problem. He urged Beijing not to impose limits in these cases. China could also block Taiwan from participating in TPP by weighing in with third countries to oppose its admission into the trading group. This speaker felt it was not in Beijing's interest to see Taiwan's economy decline. Besides, Taiwan's leadership will insist on its dignity, whether DPP or KMT.

An American predicted that if elected, Tsai would not seek to reverse economic cooperation agreements with PRC. A Chinese speaker suggested America could play a role, by encouraging Taiwan not to oppose warmer cross-Strait relations. An American reminded the group that nothing stays secret in Taiwan's open society, so if the Chinese played games with Taiwan on international space, everyone would quickly know. This speaker also criticized the Chinese Ministry of Foreign Affairs (MFA) for always pushing aggressively against Taiwan on international space. He suggested someone in Beijing should rein the MFA in on such matters.

“One-China principle”

If Tsai does not embrace the “one-China principle,” one American speaker suggested, and China seeks to punish her and her party for this, it will complicate cross-Strait relations. If China seeks to blame the U.S. for failing to stop such action by Tsai, it will only deepen the perception in the U.S. that Beijing is pushing too hard on Taipei. Coupled with a more aggressive PRC stance on the South China Sea, this could push our bilateral relations into troubled waters. Another American speaker doubted Tsai would accept “one China,” and hoped China could accommodate this position and not punish Taiwan. He hoped Tsai and the DPP could clarify their definition of the ROC, like Ma, who saw this as representing all of China.

Taiwan youth's views

One Chinese speaker expressed concern over the attitude of young Taiwan citizens, many of whom were pushing for their own separate “Taiwan identity.” An American felt Taiwan youth recognized the major role China plays in their future. Another American urged China to open up the internet if it wanted to work better with Taiwan's youth. Because of these restrictions, young Taiwanese cannot have free exchanges with their Chinese counterparts.

A Chinese speaker said it would be bad for Taiwan's youth to continue pursuit of a sense of identity separate from China. Another Chinese regretted that both Chinese and Taiwan youth are alienated, and blamed the governments on both sides for not creating greater opportunities for them. An American agreed that China's current approach to youth and the internet was counterproductive.

This speaker also reported claims of discrimination against overseas Chinese students seeking to bring home their educational skills, acquired in U.S. universities, to the domestic Chinese job market. He labeled this a worrisome trend. This speaker predicted China's current draft NGO law would have a negative impact on free exchanges with the outside world, including Taiwan. All of this contributed to a poor impression of China among Taiwan's youth. An American speaker spoke anecdotally of how Taiwan students on American campuses found it very difficult to discuss political issues with their counterparts from China.

V. Recommendations

An American speaker in this session offered a series of ideas both for U.S.-China relations and for managing Taiwan. The key recommendations for U.S.-China relations were a) to be cautious to avoid mistakes as our two militaries continue to strengthen their capacities in the region, b) to prepare for changes in Taiwan, and c) to keep in mind the many other issues important to our bilateral ties. These included managing events in the Korean Peninsula, cooperating on anti-terrorism and anti-piracy, expanding environmental efforts and finding ways to work together on global humanitarian assistance.

His suggestions for both Washington and Beijing to properly manage the Taiwan issue included avoiding a situation where Taiwan became a bilateral flashpoint and making clear to Taiwan areas of greatest concern to them. Beijing and Taipei also needed to continue their dialogue, and China needed to respect the views of its Taiwan interlocutors. Finally, Beijing needed to demonstrate flexibility in working with a possible Tsai presidency.

The Chinese presenter also presented recommendations for the U.S., for China, and for both countries. For the U.S., he urged Washington to make clear to Tsai Ing-wen that the “one-China principle” was essential to cross-Strait stability; that reversing cross-Strait progress achieved under Ma Ying-jeou would be troublesome; and to always keep in mind the overall importance of U.S.-China relations in dealing with the Taiwan question.

For China, he urged Beijing to abandon its old mentality and prepare to deal directly with the DPP, and also with the people of Hong Kong over their concerns; to keep an open mind on the Taiwan elections; to speed up political reform, including introducing rule of law, protection of human rights and democracy within China itself; and to welcome an active role for the U.S. in Asian security matters.

For both the U.S. and China he suggested a mutual pledge not to use force in settling their disputes; to apply rule of law to international matters, not the rule of war; and that the two sides should respect and appreciate each other’s contribution to global matters.

There was general agreement over these proposals by the rest of the attendees. One Chinese speaker suggested the DPP abandon its independence platform as obsolete, and seek to define its own version of the “1992 Consensus.” But he also urged the U.S. to put pressure on Tsai Ing-wen to change, while offering greater PRC flexibility on Taiwan’s “international space” if Tsai accepted the “1992 Consensus.” One American speaker urged China not to focus too much on the DPP party platform if Tsai wins, since she will still be the President of the ROC. Another American speaker suggested China recognize that “one country, two systems” lacks any appeal to Taiwan, noting that Xi Jinping had paradoxically recently reiterated this timeworn idea for managing cross-Strait relations.

Both American and Chinese speakers placed great stress on Xi Jinping's September 2015 summit in Washington with President Obama. Easing tensions in the South and East China Seas should be one priority. Seeking greater commonality in terms of emerging regional economic structures like AIB and TPP would be valuable. Looking at contingency plans for the Korean Peninsula was also suggested.

VI. Conclusion

Clearly cross-Strait relations, as well as the U.S.-China relationship, face significant challenges in the coming months. If, as is widely predicted, Madame Tsai Ing-wen wins the presidency early next year and takes office on May 20, 2016, China will be watching closely for any signs that the DPP leader might roll back understandings reached during President Ma's term in office. The United States, while committed to the continued development of Taiwan's flourishing democracy, will also seek to avoid any actions, by either side of the Strait, to heighten tensions.

We have solid precedent for successful navigation of these challenges. Friendly U.S.-China relations have now enjoyed bipartisan U.S. support for more than forty years. It is unlikely that a return to power by the DPP would be as fraught with uncertainty as was the case when Chen Shui-bian took office in 2000. Madame Tsai Ing-wen is an experienced politician, jurist and economist, who well understands the challenges she would face, both domestically and internationally, should she become Taiwan's next leader. Her June 2015 visit to Washington apparently reassured U.S. policymakers that she will handle sensitive cross-Strait issues responsibly if elected next year.

Perhaps the most important point that emerged from our two days of discussion was confirmation by the PRC that they were prepared to be patient on the fundamental question of reunification. So long as China does not force a confrontation with the next leader of Taiwan, the rich experience all sides have accumulated in managing this complex question should allow us to weather the political changes of the coming two years. This will include America's presidential elections in fall of 2016, which will bring a new leader into the White House in January 2017.

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MAY 27TH & 28TH, 2015

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