



Cross-Taiwan Strait Trilateral Meeting Report

**By Raymond F. Burghardt
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Introduction

The NCAFP held its annual trilateral meeting with an influential group of analysts from the United States, the PRC and Taiwan on March 28-29, 2017 in New York. A list of participants is included in the appendix.

This report is divided into several sections: The Current State of Cross-Strait Relations; The View from the PRC; The Taiwan Perspective; The Role of the United States; and Conclusions and Recommendations.

The Current State of Cross-Strait Relations

Participants from Mainland China, Taiwan and the United States were in agreement that relations across the Taiwan Strait could now be described as a “cold peace” or a “hardening stalemate.” Beijing continues to insist that formal cross-Strait dialogue will remain suspended until the Tsai Ing-wen Administration accepts the “92 Consensus” or some other unambiguous “One China” formula. Since at least last October, neither side has done much to find a new formula. While participants all saw relations between Beijing and Taipei as having deteriorated in the past six months, they also agreed that the situation was “not dire” or “not heading toward a crisis.” One well-known expert from Taiwan summarized the situation as “neither hopeful nor hopeless.”

Participants gave credit to leaders on both sides of the Strait for showing restraint. Neither side wants confrontation or conflict. Both sides are currently focused on domestic issues. The twenty cross-Strait agreements (on transportation, trade, law enforcement, etc.) successfully negotiated during the Ma Ying-jeou Administration continue to be quietly implemented. Day-to-day cooperation goes on to find practical solutions such as arranging additional flights for the Lunar New Year; allowing a Taiwan Center for Disease Control (CDC) representative to visit the Mainland to observe how an avian flu outbreak is being handled; exchanging prisoners; or transferring money in enforcement of court decisions. In the first quarter of 2017 cross-Strait trade increased by 19 percent over the figure for first quarter 2016. More than 400,000 Mainland Chinese tourists visited Taiwan in the first



quarter of this year. There has been some reduction in people-to-people exchanges, but in general social and economic interaction has been maintained.

Mainland scholars attributed the relatively stable situation to: (1) Beijing's patience, based on confidence that time is on its side; (2) Tsai Ing-wen's generally moderate, non-provocative approach. Beijing adheres to its long-term strategy of "peaceful reunification through peaceful development," regardless of the alternation of political parties holding office in Taiwan. As one Beijing scholar put it, the Chinese leadership is "not on pins and needles" over the stalemate in economic and political engagement. If Taiwan does not accept the One China principle, Beijing is prepared to suspend all official communication indefinitely while "increasing military and economic asymmetry" across the Strait. Another Mainland scholar suggested that neither Beijing nor Taipei has much incentive to be in a hurry for dialogue.

At the same time, Mainland scholars conceded that—with the notable exception of the phone call to then President-elect Trump—Tsai Ing-wen has avoided provocative moves. In the words of one respected Mainland expert, Tsai has "performed better than expected." The Mainland scholars praised statements by Tsai's Ministers that cross-Strait agreements and relations are not "international." Taiwan participants, especially those close to the ruling party, predictably agreed that Tsai has been cautious. They emphasized that in the face of harsh criticism from radically pro-independence "Deep Greens," Tsai has refused to replace moderate cabinet members and has supported a version of the Cross-Strait Relations Supervisory Act that differs little from that of the KMT.

Although participants were relieved that stability is continuing, they warned that the situation is fragile. PRC speakers cautioned that without consensus on One China, maintenance of stability cannot be guaranteed. One Mainland speaker suggested that "cold peace" was now changing into "limited confrontation," marked by military actions by Beijing such as sending the carrier Liaoning through the Taiwan Strait and fighter jet sorties circling the island.

There still is deep mutual mistrust. Both sides see things happening on the other side as worrisome. Experienced observers on both sides of the Strait, as well as American experts, fear that unexpected developments—a military accident, U.S.-Taiwan high-level exchanges, or a provocative Tsai statement on sovereignty—could quickly undermine stability. This concern is deepened by the absence of authoritative dialogue to resolve misperceptions and misunderstandings. In the words of one KMT-affiliated expert, the lack of dialogue "leaves little room for mistakes."



The pervasiveness of distrust could be found in the meeting’s lengthy debate about whether the Tsai Administration is advocating “de-sinicization,” a deliberate effort to weaken Chinese identity and strengthen a sense of separate Taiwanese identity. Mainland scholars variously described this supposed trend as “soft independence” or “democracy independence.” Evidence was detected in the “transitional justice” actions that have frozen and could ultimately nationalize most of the KMT’s assets; efforts to remove place names, signs and other public references to Chiang Kai-shek (“chu Jiang”); and textbook changes. The Mainlanders saw Tsai’s “ambiguous” stance on the 92 Consensus as a strategy of seeking to establish a “new normal,” or a small but significant step toward independence.

Taiwan participants, especially those sympathetic to the DPP but including some Blues as well, dismissed these concerns as a serious misreading of Taiwan’s society and politics. The Taiwanese see on the Mainland increased popular ill-will toward the people of Taiwan, mistreatment of Taiwan businessmen operating on the Mainland, increased calls for non-peaceful reunification and new pressure from Beijing on Taiwan’s international space.

One subject of general agreement was that Track II talks such the one in which we were engaged are useful and important now to reduce mistrust. Mainland participants said that it had been difficult for some of them to get permission to attend this trilateral meeting.

The View from the PRC

Mainland scholars noted that President Xi Jinping’s chief goals are to build (1) a “moderately prosperous” society by 2021, the 100th anniversary of the founding of the Chinese Communist Party; and (2) a democratic, prosperous, free China by 2049, the 100th anniversary of the founding of the People’s Republic of China. These domestic goals are now the Chinese leadership’s chief focus. Taiwan remains a “core issue,” but not an urgent one. At the two recent leadership meetings (National People’s Congress and Chinese People’s Political Consultative Conference) there was little public discussion about Taiwan and none by Xi Jinping. Remarks made by other leaders about cross-Strait relations focused on opposing independence. One Mainland scholar drew attention to what he saw as an important but under-reported statement by President Xi in March 2015: That the vital and decisive element for the future of cross-Strait relations is the development of Mainland China itself. The participant said this statement means that the policy of peaceful reunification through peaceful development will not change.



Mainland scholars expected that as long as Tsai Ing-wen refuses to return Taiwan to a One China consensus, Beijing's pressure on Taiwan will steadily increase, including efforts to shrink further Taiwan's international space. At the same time, they expected Beijing would try to increase the Mainland's attraction to the people of Taiwan through unilateral policies such as ID cards, internships and job opportunities on the Mainland.

Other noteworthy points made by Mainland participants included:

- If the DPP would “freeze” the independence clause of its party constitution, Beijing will see that as an important positive step. They suggested that it would not be sufficient to allow resumption of official talks, which would require agreement on a common One China formula, but “Tsai would not be disappointed by the result.” Trust could eventually come from abandonment of the goal of independence. One participant clarified that renouncing independence does not mean accepting Beijing's terms for unification.
- If official cross-Strait talks are resumed, they would not be on political issues. The two sides could resume negotiations on the two agreements on trade in services and goods, discuss RCEP or other means of regional trade integration, as well as law enforcement issues.
- The U.S. has effectively taken a pro-DPP stance by insistently urging dialogue and by not criticizing Tsai Ing-wen's ambiguity on One China.
- Mainland scholars were uncertain as to how the Trump Administration would deal with Taiwan, expressing some concern about rumors of an upcoming \$4 billion arms sale and of cabinet-level visits to the island.
- As China's capabilities increase, so does popular pressure to take a harder line on Taiwan. Moderates are afraid to speak up.



The View from Taiwan

Taiwan participants appealed to those from the Mainland not to look at Taiwan politics solely in terms of cross-Strait relations. Seeing transitional justice and other current developments as creeping independence is wrong and increases mutual mistrust. Taiwan has not demanded preconditions for dialogue and has not rejected or denied the importance of cross-Strait relations.

Taiwan participants had their own concerns about the lack of clarity in the Trump Administration's policies toward Taiwan. They continued to worry that the U.S.' Taiwan policy might be negotiable with Beijing, used as leverage for economic interests. Going further, a KMT expert suggested by "doing nothing" to reestablish cross-Strait relations, the Tsai Administration had put Taiwan at the mercy of great powers.

Some Taiwan participants noted major international events that will be held in Taiwan over the next two years: university games; a major flower show; and the Asian Games. If handled well, these events could provide opportunities for modest progress through functional interaction between organizations on both sides of the Strait.

With few exceptions, Taiwan participants saw the KMT as having disintegrated as a political force and predicted it would not revive in the foreseeable future. Therefore the PRC has no other choice but to deal with the DPP. Within Taiwan, the factionalized state of the KMT means that Tsai is unable to achieve her stated goal of a Blue-Green consensus on cross-Strait policy.

One prominent Taiwan participant who has known Tsai Ing-wen for many years thought that the Mainland fundamentally misunderstands her. He suggested that Tsai's years studying at the London School of Economics had the most important influence in shaping her thinking. She could best be understood as a "socialist" rather than as an independence advocate.

The U.S. Role

An American speaker stated that U.S. policy toward Taiwan would continue to be based on America's enduring interests, as embodied in "our One China policy" based on the Taiwan Relations Act and the three joint U.S.–PRC communiqués. The U.S. has a strong interest in cross-Strait stability, has no position on the status of Taiwan, and maintains that Taiwan's status must be resolved peacefully.



The U.S. will continue to provide defensive weapons to Taiwan, which Washington sees as giving Taiwan the confidence necessary for productive cross-Strait engagement. The U.S. notes that the PRC has not renounced the use of force against Taiwan and that preparation for a potential cross-Strait conflict is the main driver behind China's military modernization.

The U.S. is concerned about Beijing's continued pressure on Taiwan's international space, including Beijing's establishment of diplomatic relations with São Tomé and Príncipe. The U.S. will continue to push for Taiwan's meaningful participation in international organizations including the World Health Assembly. Washington will also encourage both sides of the Strait to demonstrate patience, flexibility and creativity in their search for a way to resume dialogue. Meanwhile, the U.S. maintains a strong economic and cultural relationship with Taiwan based on shared values.

American experts saw Tsai Ing-wen as a pragmatic leader. They noted that she is a skilled trade lawyer—by nature a dealmaker—and if the Mainland wants her to embrace “One China,” she will need to get something in return.

In response to questions from Mainland and Taiwan participants, Americans responded that Taiwan policy may change in small ways but there would be little or no change in U.S. interests. Americans said they would not be surprised to see an arms sale to Taiwan in the first half of 2017, but no one expected one in the range of \$4 billion.

American experts pressed Mainland Chinese on how Beijing might respond to DPP renunciation or “freeze” of the independence platform in its party constitution, noting that a vague offer from Beijing would not move the DPP to action. Back-channel assurance of a substantial PRC response would be needed. U.S. participants also drew attention to President Tsai's public acceptance of the ROC constitution, an implicitly “One China” document, an action for which she seems to have received little credit in Beijing.

American participants were generally dismissive of Mainland complaints about “de-sinicization” in Taiwan, observing that embrace of traditional Chinese culture is now deeper in Taiwan than on the Mainland and that Taiwan never experienced the convulsions of cultural destruction that have ravaged China's heritage.



Conclusions and Recommendations

There was general agreement among participants that it is desirable and possible to maintain the cross-Strait stability that has prevailed since President Tsai's inauguration last year, with the 20 cross-Strait agreements continuing to be implemented. Some participants—including from the Mainland—even suggested that maintaining this somewhat fragile stability (“agreement without agreement”) might be the best that can be hoped for over the next few years.

Breaking the “One China” consensus stalemate to achieve a resumption of authoritative and productive cross-Strait dialogue will be much more difficult, although few were prepared to say it was impossible. Continued and even increased people-to-people exchanges, Mainland economic incentives and Track II discussions were all suggested as important ways to slow the drift toward separate identities and to reduce misunderstandings.

Short of an explicit embrace of some form of One China policy, the most promising steps by Taiwan to break the stalemate could be a freeze or renunciation of the DPP's independence platform and/or a direct and clear statement expanding on what it means to comply with the ROC Constitution. Progress toward a new consensus will almost certainly require resumption of dialogue in a confidential back channel.

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