



Cross-Taiwan Strait Relations: Managing Triangular Dynamics

**By Ryan L. Hass
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The Forum on Asia-Pacific Security of the National Committee on American Foreign Policy (NCAFP) conducted its annual cross-Taiwan Strait dialogue in New York City April 3-4, 2019. The conference involved some 30 scholars and former officials from the United States, the PRC, and Taiwan for two days of closed-door talks under Chatham House ground rules. All comments were treated as not-for-attribution and represented the personal views of participants. While differences of opinion were clearly and directly articulated, the meeting was conducted in a respectful and constructive atmosphere.

The meeting took place against a relatively charged backdrop. Several days prior, a Chinese J-11 jet fighter had crossed the Taiwan Strait median line for 43 minutes, a duration that suggested the incident was not accidental. Chinese President Xi Jinping's January 2 speech on Taiwan also was fresh in participants' minds, as was the Democratic Progressive Party's (DPP) resounding defeat in November 2018 local elections. In Taiwan, the presidential election season was beginning to heat up, following former Premier Lai's announcement that he would challenge President Tsai for the DPP nomination. Meanwhile, U.S.-China relations were clouded by ongoing and unresolved trade tensions, as well as by media reports of Washington's intent to sell F-16 jets to Taiwan.

Topics of discussion included cross-Strait dialogue and communication, economic relations, relations with the United States, Taiwan's international space, cross-Strait security issues, domestic politics, and recommendations for the future.

Key Takeaways

- Participants viewed the coming months, with sensitive anniversaries and presidential campaigns in Taiwan and the United States, as a period of heightened cross-Strait risk. Although participants did not express alarm about the prospect of any deliberate military provocation, multiple participants warned that risks were rising of unplanned incidents leading to unintended escalation.

- There was not a shared view among participants on the causes of deteriorating cross-Strait relations. Chinese participants generally associated the dynamic with Tsai's refusal to accept the 1992 Consensus and growing American expressions of support for Taiwan, whereas U.S. and Taiwan participants consistently raised concern about the effects of Beijing's hardening approach on cross-Strait relations.
- There was a gap in interpretations of President Xi's January 2 speech. Many Mainland participants described the speech as reflecting broad continuity in policy and viewed Xi's promotion of "integrated development" across the Taiwan Strait as a significant directional signal of Chinese intentions. Multiple U.S. and Taiwan participants, by contrast, saw the speech as hardline and unhelpful to efforts to manage cross-Strait relations.
- There was broad agreement among participants that a negative spiral has emerged on issues relating to Taiwan's international space; however, participants held different diagnoses of the causes of the negative spiral. Participants did not betray optimism that the negative spiral would be reversed in the foreseeable future.
- U.S. and Taiwan participants expressed sharp concern with reports of Chinese interference in Taiwan's political processes, and U.S. participants recommended that the Tsai administration make more information about such efforts publicly available, both to raise awareness among Taiwan voters and also to deter future such attempts at external manipulation of electoral processes. Chinese participants disputed the allegations, cited an absence of evidence to support such claims, and indicated that the broader problem was an absence of international consensus on boundaries of acceptable state behavior in cyberspace.
- Recognizing the growing security risks in the Taiwan Strait, participants generally supported a recommendation for all three sides to exercise reciprocal restraint during the period running through Taiwan and U.S. presidential elections. There also was discussion of the need for all three parties to respect a policy of "no surprises" on actions that touch on cross-Strait sensitivities.

Cross-Strait Dialogue and Communication

There was a rare level of consensus among participants on the rising level of risk in the Taiwan Strait. A Mainland observer characterized developments over the past year as moving from a "cold peace" to a "cold confrontation, with a high risk of possible crisis." This observer judged that cross-Strait risks were elevated by a diminishing tolerance for perceived challenges, an end to the previous diplomatic truce, growing friction over issues related to Taiwan's international space, and an expanded military dimension to cross-Strait signaling. Even in spite of these risks, Beijing had not abandoned its dual-track approach of pursuing cross-Strait integration while at the same time seeking to deter incremental Taiwan steps toward independence. Even though cross-Strait official channels were frozen, cross-Strait trade, investment, and tourism had experienced year-on-year gains in 2018. From Beijing's perspective, 2019 would be a critical

year, given that it represented the 70th anniversary of the founding of the People's Republic of China, the 40th year of U.S.-China relations, and presidential campaigns in both Washington and Taipei. Beijing was focused on risks, particularly concerns that Washington would “play the Taiwan card” to challenge China, and/or that Tsai or Lai would follow Chen Shui-bian's example of stoking cross-Strait tensions for DPP electoral advantage.

From a Taiwan perspective, the year ahead most likely would be characterized by “instability, uncertainty, and unpredictability.” A Taiwan participant identified three major events that affected cross-Strait relations in the past year. The first was Beijing's decision to allow Taiwan people to apply for Chinese residence permits, an invitation that over 70,000 people had accepted. The second was Taiwan's November 2018 local elections, which had weakened President Tsai and the DPP. The third was President Xi's January 2, 2019, speech, which had narrowed room for strategic ambiguity. This participant commented that Xi's speech had constituted a leap backward from the 1992 Consensus, which had allowed for one China with separate interpretations. The participant observed that the 1992 Consensus now no longer seemed to be enough for Beijing; Beijing now wanted to take a step further by equating the 1992 Consensus with “one China, two systems.” Multiple Taiwan participants commented that such an effort was not conducive to cross-Strait stability.

An American presenter noted that cross-Strait relations remained frozen, with trend-lines pointing away from any type of thaw. The fundamental alienation between the two sides was shown through the juxtaposition in content between President Tsai's January 1 speech, President Xi's January 2 speech, and President Tsai's rebuttal to Xi's speech. This commentator highlighted that Beijing's interpretation of the 1992 Consensus appeared to be narrowing, with Beijing no longer seeming willing to countenance that each side of the Strait would maintain separate interpretations of the Consensus.

Participants exchanged views on whether cross-Strait dialogue would resume if there was a change in power in Taipei following 2020 presidential elections, and if so, what subjects would be discussed. There was discussion of whether a KMT victory in the 2020 presidential election could create unrealistic expectations in Beijing that could lead to crisis if/when such expectations were not met, particularly given the lack of political consensus within Taiwan on whether to enter into political talks with the Mainland. Chinese participants generally were reticent to offer specific proposals of subjects that would be up for discussion, beyond suggesting that a resumption of cross-Strait talks could begin with social, economic, and judicial issues that could expand over time into political areas.

There was a clear contrast in perspectives on the nature and meaning of President Xi's January 2 speech. While American and Taiwan participants rarely speak with one voice, there was broad consensus among these participants that Xi's speech, and particularly his unwillingness to renounce use of force and his invocation of “one country, two systems,” was seen as tone-deaf and hardline. Mainland participants, by contrast, emphasized the broad continuity of policy reflected in Xi's speech, described the domestic context in which the speech was given—wherein hawkish voices had been calling for more aggressive actions toward Taiwan—and suggested that the speech reflected Xi's desire for Beijing to take greater initiative in guiding cross-Strait

developments. Several Chinese participants grumbled that Tsai had deliberately distorted Xi's message for her own political ends by equating the 1992 Consensus with one country, two systems, which, they argued, had never been Xi's intent.

Relative to the previous year's proceedings, there was less concentration of analysis on Tsai and more attention paid to a range of political personalities in Taiwan (e.g., Ko Wen-je, Han Kuo-yu, Lai Ching-te). Whereas last year many participants predicted that Tsai would be re-elected to a second term, such sentiment was not echoed widely again this year. There also was more attention paid to reports of Chinese interference in Taiwan's political process than the previous year.

Economic Relations

Even as political links across the Taiwan Strait have remained frozen, economic links have remained active. A Chinese participant noted that cross-Strait trade grew 13 percent in 2018 to \$227B, with a surplus in Taiwan's favor. One notable area of decline, however, was investment flows. Investment flows from Taiwan to the Mainland were down 23 percent in 2018, while Mainland investment in Taiwan remained very low—less than \$200M—according to participants.

From a Taiwan participant's perspective, there had been a gradual diminishment in enthusiasm from Taiwan for cross-Strait commercial activity dating back to at least 2010, before Tsai assumed office. Factors informing this trend included the Mainland's increasing environmental standards, rising labor costs, more stringent social safeguards, and a slowdown in Chinese economic growth. The U.S.-China trade war has accelerated this trend, causing more Taiwan-based firms to pursue hedging strategies of keeping operations on the Mainland while pursuing expansion outside of the Mainland. A Taiwan participant explained that many Taiwan firms were using Tsai's "New Southbound Strategy" to build out operations in India, Indonesia, Thailand, Vietnam, and other parts of Southeast Asia. The participant noted that a similar hedging strategy also was being pursued by South Korean and Japanese multinational firms. At the same time, some Taiwan companies had begun requesting government assistance to relocate operations back to Taiwan. Over the past year, Taiwan's Ministry of Economics had approved requests to support relocating roughly 10 firms from the Mainland to Taiwan.

From a Mainland perspective, the goal of deepening cross-Strait economic integration was to prevent Taiwan from taking steps toward independence, and to pull Taiwan closer to the Mainland. While cross-Strait trade had been growing, there remained stubbornly low interest from Mainland businesses in investing in Taiwan. A Chinese participant quipped that Chinese businesses invest everywhere in the world except Taiwan. This was due largely to Taiwan restrictions on Mainland investment and a perception that investing in Taiwan was too politically sensitive. Mainland participants expressed split views on whether deepening social and economic ties were leading to strengthening political ties. While one participant questioned whether the strategy was bearing fruit, others suggested it was still too soon to tell whether such an approach would yield desired results. Rather than approaching unification from a top-down

approach, there was momentum toward viewing it as a bottom-up approach on the Mainland, with social and economic integration serving as a foundation for future political unification. Another Mainland participant highlighted President Xi's emphasis on "integrated development" in his January 2 speech, and suggested that it was an important signal of China's commitment to deepening social, economic, and eventually political integration over the long-term.

No one described the U.S.-China trade or economic relationship as stable or healthy. Participants observed a sharp decline in two-way investment flows between the United States and China. There was broad recognition that economic ties likely would remain strained even following the conclusion of any trade agreement. An American participant noted that a broader systemic competition between U.S. and Chinese models of aid, trade, and investment lie beneath specific issues of contention. Whereas American economic relationships were highly conditional on acceptance of rules governing economic exchanges, the Chinese model was no less conditional, but the tradeoffs were more implicit. Chinese aid, trade, and investment were implicitly conditional on acceptance of Chinese "core interests." Chinese trade partners that were seen to be insufficiently attentive to Chinese sensitivities could have their aid, trade, and investment benefits rescinded at any time by Beijing.

An American participant warned of the risks to both the United States and China of weaponizing economic tools for security objectives, e.g., China's requirement that multinational firms in select industries identify Taiwan as a province of China on their websites as a condition of their ability to operate in the Mainland. This participant asked, "Just because major powers can use economic leverage in competition as a tool, is it wise to do so? Should there be economic leverage control talks? A code of conduct?"

In contrast with the 2018 discussion, there was virtually no discussion of a U.S.-Taiwan free trade agreement, or of the implications of any such agreement on cross-Strait relations. There were several references to China's 31 measures, but relatively less discussion than the previous year.

Relations with the United States

There was broad recognition that 2019 would be a sensitive year in cross-Strait relations, given the 40th anniversary of the establishment of U.S.-China relations, the 40th anniversary of the Taiwan Relations Act, and upcoming elections in Taiwan and the United States. There was no dispute that U.S.-China relations had deteriorated over the past year, and that both sides presently were locked in a cycle of escalating distrust of the other.

On U.S.-Taiwan relations, a U.S. participant observed that the relationship was comprehensive and built on a shared commitment to democracy and shared values. From Washington's perspective, cross-Strait relations had worsened in the past year.

Washington was troubled by indications that the Mainland was disrupting the cross-Strait status quo. These included President Xi's affirmation in his January 2 speech that China would not renounce the use of force, increased PLA activities around Taiwan, Chinese coercion against U.S. companies on issues relating to Taiwan, China's breaking of the diplomatic truce, Chinese efforts to exclude Taiwan from international bodies that do not require statehood as a condition of participation, and China's refusal to enter into dialogue with Taiwan's elected authorities. Washington would need to react to actions by either side to change the status quo. The U.S. urged both sides to engage in constructive dialogue and to exercise patience, creativity, and flexibility.

Chinese participants responded that President Tsai had changed the status quo by refusing to accept the 1992 Consensus. Tsai also had taken lots of incremental changes in the political and economic realm that cumulatively had raised concerns on the Mainland. The Trump administration also had taken actions of concern to Beijing, including President-elect Trump's congratulatory phone call with Tsai. Several Chinese participants also noted that U.S. officials had characterized Taiwan as being of "strategic importance" to the United States, and asked about the meaning of such statements. They also asked what role—if any—Taiwan would have in the U.S. Indo-Pacific strategy.

U.S. participants acknowledged that in the past, U.S. officials had been more reluctant to characterize Taiwan as being of "strategic importance," but changing cross-Strait circumstances had caused Washington to approach the issue more directly. Washington viewed the Mainland's actions toward Taiwan as not proportional. Beijing's actions toward Taiwan also were impinging on American interests. Beijing made a mistake in wooing a lame duck government in El Salvador, a country where it has limited economic or other interests, to switch recognition from Taipei to Beijing. This was perceived in Washington as part of an effort by Beijing to challenge the United States globally, and it would elicit an American response. U.S. participants also denied assertions that the U.S. was playing a "Taiwan card" to apply pressure on the Mainland, noting that the U.S. sought to strengthen U.S.-Taiwan relations for their own sake.

U.S. and Taiwan participants registered strong concerns about Mainland efforts to influence political discourse on Taiwan through cyber, monetary, and media efforts. They noted that Mainland actors had become increasingly active prior to the November 2018 local elections. PRC participants responded that such arguments were not convincing, particularly given the lack of publicly available evidence to support such claims. From Beijing's perspective, the broader challenge was the absence of any internationally-accepted rules for state behavior in cyberspace. There needed to be a balance between freedom of speech and social order, but there was not yet any international understanding on where that balance should rest.

Taiwan's International Space

The discussion on Taiwan's international space revealed a hardening of perspectives. Chinese participants pinned blame for Taiwan's shrinking international space on Tsai's unwillingness to accept the 1992 Consensus. U.S. and Taiwan participants responded that Beijing's pressure tactics were "counterproductive," and in some cases, dangerous.

Chinese colleagues indicated that Beijing's decisions on questions relating to Taiwan's international space were informed by Tsai's positions on cross-Strait relations and her handling of international relations. Beijing's policy decisions on Taiwan's international space were used as instruments to influence Taiwan behavior, either by providing a reward or a punishment. Beijing also sometimes took into consideration the impact of its decisions on Taiwan's public opinion toward the Mainland.

A Chinese participant said Beijing had lost all hope for Tsai, and some on the Mainland were suggesting she was worse than Chen Shui-bian. Tsai has responded to pressure from Beijing by trying to use external forces against the Mainland, e.g., by seeking to unite with the United States against China, by seeking to integrate Taiwan into the Indo-Pacific strategy, and by proposing to launch a security dialogue with Japan. Under such circumstances, the Mainland felt it necessary to "knock out" five of Taiwan's diplomatic allies, block Taiwan's participation in international fora such as ICAO and WHO, and deny Taiwan the ability to enter into regional or bilateral free trade agreements. From Beijing's perspective, Washington was siding with Taipei and against the Mainland, and viewing Beijing's efforts on Taiwan through the prism of U.S.-China great power competition. The more Beijing squeezed Taiwan's international space, the more Taiwan had been turning to Washington for support, and the more Beijing felt compelled to squeeze Taiwan's international space further in response. The description of this cycle of actions, and its underlying strategic mistrust, is one example of the negative spiral in cross-Strait relations.

From a close observer of Taiwan's perspective, Beijing's actions reflected its failure to adjust to the new reality that Washington would not back down and privilege engagement with Beijing over pushback against Beijing's pressure tactics. A participant observed that Beijing's actions toward Taiwan were generating momentum in Washington toward viewing China as a competitor and Taiwan as a partner. China's bullying of Taiwan only would accelerate this perceptual shift.

An American participant emphasized the public health risks associated with Beijing's efforts to deny Taiwan participation in World Health Organization-related events and technical data. The most recent example was Beijing's refusal of Taiwan participation in a WHO-sponsored meeting on influenza vaccines at a time of an African swine flu outbreak on the Mainland. Pandemic threats knew no borders, and Beijing's decision to withhold technical data was counterproductive and dangerous. Beijing was maintaining a similar posture on INTERPOL and UN-related agencies, despite the fact that Tsai has not been pushing for UN membership or pressing for acceptance of any nomenclature for Taiwan participation in international bodies

that the Mainland would find objectionable. The American participant characterized the Mainland's position as "unjustified, selfish, and indefensible."

Security Issues

There was considerable discussion of rising security risks in the Taiwan Strait. Although participants did not evince anxiety that there would be a deliberate military provocation in the foreseeable future, many did express concern about the growing risk of unintended escalation resulting from an unplanned encounter in or near the Taiwan Strait. This concern was punctuated by news reports preceding the conference of a Mainland J-11 fighter jet crossing the median line and flying on the Taiwan side of the line for 43 minutes, an act that two American participants described as the most aggressive provocation involving a military airframe in the past two decades. There was general agreement that all three sides were involved in an action-reaction cycle, but there was dispute over which party bore responsibility for initiating the cycle.

A Taiwan participant lamented that Beijing was using every means to "isolate, humiliate, and punish Taiwan." Beijing had become more assertive and less patient, including through its naval and air activities encircling Taiwan. This participant characterized the J-11 flight across the Taiwan Strait centerline as a status quo-altering event that was "dangerous, reckless, and provocative." The risks inherent in the event should compel efforts by both sides of the Taiwan Strait to revive a tacit understanding to maintain the centerline, the participant suggested. The participant also noted steps Taiwan was taking to strengthen its self-defense, including by investing in indigenous development on submarine design, unmanned aerial vehicles, and a jet trainer, as well as the establishment of a cyber-command.

A Mainland participant agreed that security risks were rising, but cautioned that the situation had not reached a point of crisis. This participant pinned blame for the deterioration in the security environment on Tsai's refusal to accept the 1992 Consensus, her gradual pursuit of Taiwan independence, and growing U.S. activism on Taiwan, most visibly through increased Congressional involvement in Taiwan affairs. There were three reasons why crisis had not emerged, though: (1) Tsai had not flagrantly pursued independence in a manner similar to Chen Shui-bian; (2) the Trump administration had stayed relatively cautious in its implementation of Congressional resolutions; and (3) central authorities in Beijing had resisted public calls for greater urgency in pursuing unification, instead prioritizing the path from integrated development to peaceful unification.

This Mainland participant identified three possible paths forward for cross-Strait security developments: (1) continued tensions, but below the level of crisis (muddling through); (2) crisis, prompted either by American activism on Taiwan or by attempts from Taiwan independence advocates to roil tensions to activate their political base in upcoming elections; or (3) relaxation of tensions. To achieve a relaxation of tensions, all three parties would need to make contributions. Taiwan leaders would need to avoid "playing with fire" on cross-Strait issues during an election year. A future Taiwan president would need to recognize that both sides of the Taiwan Strait belong to one China. The Mainland would need to fortify its

confidence that time was on its side. The United States would need to refrain from hollowing out the unofficial nature of its relationship with Taiwan. Washington must avoid releasing any “wrong signals” to Taiwan independence forces, and also remain mindful that Beijing had no room for compromise on issues relating to Taiwan.

From a Mainland perspective, the risk of military contingencies caused by accidents or miscalculations had been rising, given that all three militaries increasingly were operating more frequently in proximity to each other. In the past, there had been three crises in the Taiwan Strait. A future crisis would be more difficult to manage than previous ones, given the major changes that have taken place in the U.S.-China relationship. The United States and China needed to prioritize crisis avoidance in the Taiwan Strait in order to prevent a cold or hot war from emerging.

An American participant acknowledged the risk of unintended escalation. The participant identified several contributing factors, including the absence of direct, authoritative, and open channels of communication between Taipei and Beijing; growing strains in U.S.-China relations; limitations on all three sides’ ability to quickly clarify the intentions of the others’ actions after incidents occur; and Beijing’s increasingly indelicate expressions of displeasure to events on Taiwan. Noting that the next two years would present a uniquely sensitive period, the American participant proposed that all three sides pursue an understanding to exercise reciprocal restraint, meaning that no side would take steps to establish new precedents during this period. Taipei would refrain from new laws, regulations, or referenda that would foreclose any future cross-Strait scenarios. Beijing would avoid further squeezing Taiwan diplomatically, militarily, or economically, and would not interfere in Taiwan’s political affairs. Washington would not expand the scope of visits by senior U.S. military officers to Taiwan, and uphold a policy of transits—and not visits—by Taiwan’s elected leaders. This would be a mutually unsatisfying approach intended to limit risk of unintended escalation.

If such a coordinated effort proved beyond reach, a more modest path to risk reduction would involve a reaffirmation between Washington and Taipei of a “no surprises” approach to cross-Strait policy decisions, the establishment of an authoritative and active channel between Washington and Beijing to address on a sustained basis each side’s concerns regarding cross-Strait developments, and reconstitution of a reliable channel between Beijing and Taipei to manage incidents when they arise, so that intentions could be clarified and impulses toward rapid retaliation dampened.

Participants discussed the merits of initiating discussion of a code of conduct for military operations around Taiwan, or short of that, regularizing a practice of informing the other sides of decisions or actions that touch on areas of sensitivity relating to Taiwan. Such efforts would be intended to minimize surprises that could generate overreactions to events.

There was considerable discussion of the intent underlying the J-11 incursion across the Taiwan Strait centerline. When pressed, Chinese participants provided several explanations, ranging from the flight being in response to regularized and publicized U.S. Navy transits of the Taiwan Strait, to gradual loosening of restrictions on Taiwan presidential transits of the United States,

to Tsai's steady efforts to separate Taiwan from the Mainland, to news reports that the United States would sell F-16s to Taiwan. The main point of commonality in the Chinese explanations was that the incursion was done deliberately in order to signal displeasure with cross-Strait developments.

Several U.S. participants balked at what they characterized as Chinese efforts to define the boundaries around unofficial relations between the United States and Taiwan. They argued that such matters were for the United States and Taiwan to define, and not for the Mainland to dictate.

Domestic Politics

There was considerable discussion on the evolving political atmosphere in Taiwan leading up to the January 2020 elections, including in sizing up the relative strengths and weaknesses of potential candidates. There also was examination of factors contributing to greater U.S. Congressional activism on Taiwan. Discussion of political developments in the Mainland was conspicuously absent, despite queries to Chinese participants on the subject.

A Chinese participant provided an analysis of the internal political situation in Taiwan, noting that the November 2018 local elections were a referendum on Tsai, and Tsai emerged from it considerably weakened. Before the 2018 local election, it had been conventional wisdom (in Beijing) that Tsai would not be challenged for the DPP nomination. Following the election setback, former Premier Lai chose to challenge her, and to fragment the DPP in the process. There also was public dissatisfaction with Taiwan's economic performance and with the absence of stability in cross-Strait relations. These factors provided an opening for a KMT candidate to prevail in the 2020 presidential election.

This Chinese participant also warned that recent public expressions of support by Washington for Taiwan, such as the Taiwan Travel Act, sent the wrong message to Taiwan independence forces. This participant warned the United States not to fall into the "Taiwan trap," whereby Taiwan pursues secessionist activities and then calls on Washington to bail it out.

A Taiwan participant said the results of the November 2018 local elections were not informed by cross-Strait developments or by Taiwan's economic growth, which had been relatively healthy. A key factor was how benefits were distributed within society. There was dissatisfaction with Tsai over labor and pension reform and lack of progress on social reforms. Referenda also were used to mobilize voters to the polls. These factors created space for populist candidates such as Ko Wen-je and Han Kuo-yu to attract support. Looking ahead to the January 2020 presidential election, there was uncertainty among Taiwan participants over who would secure the nomination of the DPP and KMT parties, but a broad consensus among participants that if the DPP and KMT put forward "strong candidates," Ko Wen-je would not have a viable path to victory.

A Taiwan participant with a Blue background warned that PRC interference in Taiwan's election process would do more to harm than to help Beijing's preferred candidate. Mainland participants disputed that Beijing had interfered in the 2018 local elections. A U.S. participant suggested that the Tsai administration should make evidence of election interference publicly available, both as part of a broader effort to deter future interference and also to educate the Taiwan public.

A U.S. participant briefed the group on views in Congress toward Taiwan, noting that the Taiwan caucus is understood to be the second largest caucus in Congress (behind Israel), with roughly 40 percent of the House and 33 percent of the Senate among its members. The Taiwan caucus exists to organize support for Taiwan. The caucus is bipartisan. There is little domestic political risk for members of Congress in showing their support for Taiwan, which is generally viewed as a close friend, a democratic model, and an important trading partner. Many bills passed by Congress on Taiwan are non-binding; they authorize or encourage the Executive Branch to take actions that it already has the authority to take.

Conclusions and Recommendations

Participants expressed a high degree of consensus that cross-Strait relations were entering a sensitive phase and that careful management would be needed by all three sides to navigate upcoming anniversaries and elections. Participants held predictably divergent analyses on the causes of rising cross-Strait tensions. Mainland participants often associated the trend with Tsai's unwillingness to accept the 1992 Consensus and the United States' increasing expressions of support for Taiwan. By contrast, U.S. and Taiwan participants more often saw rising tensions emanating from decisions by Beijing (e.g., squeezing Taiwan's international space, saber-rattling through speeches and military demonstrations around Taiwan, interfering in Taiwan's electoral processes, etc.). No participant expressed a view that any side would gain advantage by allowing tensions to escalate to the point of crisis. From these observations, several recommendations were generated.

A U.S. participant suggested that:

- All parties exercise restraint, avoid surprises, and seek to conduct relations within the existing frameworks for conduct of cross-Strait, U.S.-Taiwan, and U.S.-China relations that have helped preserve the peace for the past 40 years.
- Beijing and Taipei reconstitute an authoritative back-channel to minimize surprises and mitigate risk of unintended escalation.
- In the run-up to Taiwan's presidential election, Beijing reduce PLA activities around Taiwan.
- Beijing reach out to Taipei to promote pragmatic cooperation, for example in responding to the African swine flu outbreak.
- Tsai adhere to commitments laid out in her inaugural speech.

- Taipei educate the Taiwan public on identifying misinformation, and pass new legislation to regulate cash flows into political campaigns.
- Washington publicly convey U.S. policy on a consistent basis, including its opposition to Taiwan independence and to unilateral actions by either side to alter the status quo.
- The Trump administration hold firm against Congressional encouragement to take actions that exceed the existing framework for conduct of unofficial relations with Taiwan.

A Chinese participant recommended “three don’ts:”

- Don’t underestimate the priority that Beijing places on unification.
- Don’t exaggerate the China threat or Mainland unilateral attempts to change the status quo.
- Don’t excessively play the Taiwan card to contain China or challenge its rise.

Warning of the risk of a potential crisis, this participant suggested that it would be important for all sides to find ways to clarify their definition of the status quo, Taiwan independence, and the parameters of unofficial relations. The participant also anticipated that Beijing would seek reassurance from Washington that the United States opposed Taiwan independence.

A U.S. participant recommended that Beijing use more calibrated measures to signal its displeasure than through penetrations of the median line with fighter jets. This participant also recommended that Taipei and Beijing study their exchanges during the period following Tsai’s election and inauguration in order to develop lessons learned that could be applied to future leadership transitions in Taiwan. Reciprocity and follow-through were necessary ingredients for generating mutual trust, the participant stressed.

While there were notably few causes for optimism of any breakthroughs in cross-Strait relations in the foreseeable future, all sides expressed hope for prudent management of cross-Strait differences and avoidance of crises over the coming months.

**THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY'S
FORUM ON ASIA-PACIFIC SECURITY (FAPS)
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A CROSS-STRAIT RELATIONS CONFERENCE

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