

STRATEGIC SECURITY ISSUES DELEGATION TO TAIWAN & THE PEOPLE'S REPUBLIC OF CHINA

June 22 – July 1, 2008

PREVENTIVE DEFENSE PROJECT
NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS
CHINA FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES
TAIWAN MINISTRY OF FOREIGN AFFAIRS

The Preventive Defense Project, a research collaboration of Harvard and Stanford Universities co-directed by Ashton Carter and William Perry, in association with the National Committee on U.S.-China Relations, led a bipartisan civilian/military delegation to Taiwan and the People's Republic of China (PRC) from June 22 to July 1, 2008.

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The delegation's trip took place at a time of great ferment in both Taipei and Beijing, with both sides emphasizing the possibility of an unprecedented thaw in cross-Strait relations. The delegation met with Taiwan President Ma Ying-jeou and his senior advisors on their 33rd day in office. In Beijing we met with very senior PLA officials with whom it has had an informal

“Track 2” dialogue dating back to Jiang Zemin’s time in office. These officers, and the ARATS (Association for Relations Across the Taiwan Straits) officials and scholars we met with in the PRC, were as focused as Ma himself on cross-Strait developments. In Beijing, the delegation also discussed East Asian regional issues and U.S.-China relations. The delegation also had the rare opportunity to visit the island of Kinmen – the Quemoy of Cold War fame – just a few thousand yards off the mainland coast and to learn of its defenses against attack from its capable commander, LTG Ron Lu.

This report highlights key observations from our delegation’s meetings.

FINDINGS: HIGH EXPECTATIONS FOR CROSS-STRAIT RELATIONS

1. All of our government interlocutors in Taiwan, from the President on down, indicated their wish to move forward, step by step (from economic, to international space, on to security issues) to achieve long-term stabilization of the Taiwan Strait. This three-part partition of the prospects for progress – in increasing order of difficulty and complexity – was echoed on the mainland.
2. In various ways and with various words, all our interlocutors indicated there currently is a window of opportunity in cross-Strait relations that has not existed since the early 1990s and probably not since 1949.
3. Because of both foreseeable and unforeseeable events (such as either diminished support for the Ma government as it makes hard decisions, or as the world economy deteriorates), this window of opportunity probably will not remain open indefinitely. There is a need for all parties to move positively and as rapidly as conditions permit.
4. Our delegation heard clearly in Taipei that sound ties with Washington are central to Taiwan being confident enough to proceed boldly with the mainland. All Taiwan Government interlocutors stated unequivocally that they wished to see U.S. weapons sales notifications go to the Congress. They argued that Taiwan needed to be a “hard ROC,” difficult for the PRC to coerce, in order for Taiwan to move forward with the mainland from a position of confidence and strength.
5. Both sides see the first basket – economic issues – as being the most straightforward. First there will be direct cross-Strait passenger (“charter”) flights (still going through Hong Kong airspace), then cargo, then sea lanes, etc. Restrictions on Taiwan investment on the mainland and PRC investment on Taiwan will also be eased over time. PRC tourism to Taiwan is growing rapidly.
6. In Taiwan, there was the expectation that economic relations would make rapid progress and that the next set of issues – political issues, especially “international space” for Taiwan – would constitute a litmus test for PRC sincerity. The Ma government states quite clearly that it understands that its participation in international organizations must be functional and not of a character that connotes statehood. Taiwan is prepared to adopt different names in different organizations. We received the impression on the mainland that progress on the World Health Assembly (WHA) is

possible. All the Taiwan leaders also called for a “diplomatic cease-fire,” whereby Taiwan would retain the 23 countries that currently recognize it, the mainland would retain the 171 that currently recognize it, and neither side would contest recognition of the other. Taiwan stresses that by agreeing to such a cease-fire, the mainland will positively affect Taiwan popular attitudes. But officials on the mainland were non-committal on this issue.

7. Ma Ying-jeou won the March election with 58 percent of the vote,¹ but he is most worried about the 42 percent of voters who opposed him. His strategy for the future is to build a light blue/light green coalition (the middle of the Taiwan political spectrum). Therefore, he needs quick victories to consolidate his support in the center. It is in this context that responsiveness on issues such as WHA from the mainland is key. If Ma loses the center of the Taiwan polity, the “window of opportunity” closes. PRC officials voice a concern that is also related to politics on Taiwan: what if the mainland gives ground on international space now, only to find that the Kuomintang (KMT) loses to the Democratic Progressive Party (DPP) in a few years and the gains are exploited for the purpose of pursuing independence?
8. Currently, Taiwan sees no reduction in the actual level of threat represented by the PRC military force posture in the Taiwan Strait area as a result of the KMT victory. However, President Ma was favorably “surprised” by President Hu Jintao’s initiative on a “peace agreement” in October 2007. Taiwan affirmatively wants the United States to move forward on arms sales, as noted above. Chinese officials continue to suggest that the PLA’s intermediate range missile deployments facing Taiwan are on the table in some unspecified manner for a deal involving the United States, as stated by Jiang Zemin to President Bush in 2002 (though it must be borne in mind that Chinese missile deployments are significantly larger now than they were in 2002).
9. In Taiwan, we authoritatively heard that Taiwan wishes to proceed in establishing “representative offices” of some sort (preferably Straits Exchange Foundation and ARATS) but there was understanding this might take some time. There apparently was some confusion in last spring’s visit of Wu Poh-hsiung on this issue.
10. In our meetings on the mainland with Chen Yunlin (chairman of ARATS) and Xu Caihou (deputy chair of the Central Military Commission), we heard understanding of the situation, moderation, an expression of intention to meaningfully respond, a sense that things would move rapidly on the economic front, and that progress would be more measured on the international space and security fronts. We were given to expect positive movement in the WHA sometime reasonably soon, in a non-sovereign country capacity), but not any time soon for the parent World Health Organization, because of sovereignty issues. Reading between the lines, these senior officials are still trying to interpret the wishes of Hu Jintao, who has made a number of forward-leaning

¹ Edward Cody, “Taiwan Voters Elect New President: National Ma Ying-jeou’s Win Likely to Ease Tensions with China, Pleasing U.S.,” *Washington Post*, A-12, March 23, 2008. Full text available at: <http://www.washingtonpost.com/wp-dyn/content/article/2008/03/22/AR2008032200442.html>.

statements on cross-Strait issues since Ma's election. We heard a bit of anxiety from the PLA that the "1992 Consensus," to the degree it emphasizes "respective interpretations" could become a slippery slope heading toward "two Chinas."

Policy Implications: Major and permanent reduction in cross-Strait tension strongly serves U.S. interests. America's cooperation with China to confront terrorism (including nuclear terrorism), climate change, environmental pollution, energy shortage, global health problems, challenges to the world economy and financial system, bilateral trade problems, Iran, North Korea, and failed states, among many other issues, can be substantially enhanced as and if Taiwan recedes as a bilateral issue. More centrally, the military hedging that occurs between the United States and China in part because of cross-Strait friction adds to a gray cloud of mutual strategic suspicion. Cross-Strait stabilization for a long period, should it occur, would be strategically significant. Chinese officials and scholars have, if anything, an even stronger view that a breakthrough in cross-Strait relations will deeply affect U.S.-China relations in a positive way.

The Chinese and Taiwan governments have made enormous strides in improving relations in the last five weeks. While both sides are willing to proceed, failure to reach a comprehensive agreement during this window of opportunity risks creating a trapped transition. For reasons unrelated to cross-Strait relations, either government could lose its mandate to proceed toward a comprehensive agreement, so it is impossible to predict how long this window of opportunity will remain open. For instance, deterioration in the world economy could adversely affect Taiwan so that the Ma government loses support for all of its initiatives, including cross-Strait initiatives. The Hu/Wen government could lose support because the Olympics don't go as well as planned or because some other incident causes it to lose support for an eased cross-Strait policy.

Lack of a comprehensive agreement ultimately will block progress on a number of fronts. Significant reduction of military tension will require a peace agreement of some description. Taiwan's meaningful participation in international organizations and affairs will require an agreement that defines Taiwan's status in mutually agreeable terms, even if temporarily.

Should the improvement become trapped in transition, our ability to cooperate with China on a range of critical issues will be degraded. Conclusion of a comprehensive agreement under the 1992 Consensus and the concept of no unification, no independence, and no force is achievable over time, and the sooner the better. With political will on both sides, drafting such an agreement is feasible. The U.S. must, as Secretary of State George Shultz said in 1987, "foster an environment in which such developments can continue to take place."²

² George P. Shultz, "Address before the Dalian Management Training Center" (address, Shanghai, China, March 3, 1987). Excerpts from *U.S. Department of State Bulletin* available at: http://findarticles.com/p/articles/mi_m1079/is_v87/ai_5050002?tag=untagged.

REGIONAL SECURITY ISSUES

Chinese officials and scholars voiced a general belief that the security situation in East Asia is satisfactory to them. China will not object to the United States being a “resident” military power (in the words of Secretary of Defense Robert Gates)³ so long as its several bilateral defense alliances and partnerships are not knitted together into an overall alliance that excludes China.

Chinese officials and scholars are pleased with the Six-Party Talks and bristle at the suggestion, made by some in the delegation, that the Talks are an overall failure as they failed to prevent the development of several North Korean nuclear weapons and an underground test. China believes the multilateral framework of the Six-Party Talks can be applied to other regional issues.

Both Chinese officials and scholars made it clear that China will not play a stronger role in trying to curb Iran's nuclear program. They offered a variety of reasons for this stance ranging from unwillingness to join what they view as a confused U.S. policy to claims that China has no leverage (despite the fact that it is a member of the UN Security Council and Iran's largest trading partner).

U.S.-CHINA RELATIONS, INCLUDING MILITARY-TO-MILITARY CONTACTS

Chinese civilian and military leaders see improved cross-Strait relations as removing a major impediment to U.S.-China relations. This factor looms larger in Chinese eyes than it probably does in the eyes of most Americans. While an auspicious time for U.S.-China relations in this sense, the Chinese are also highly aware that U.S. elections will produce a season of rhetoric hostile to China followed by start of a new U.S. administration will take some time to assess and develop policy. Americans, for their part, cannot help recognizing the overriding attention by the government and people in Beijing to the upcoming Olympics. (The delegation visited the Olympic sites.)

PLA leaders continue to attach importance to China of military-to-military contacts. This has long been a topic of discussion in the Preventive Defense Project's Track 2 meetings with Chinese leaders,⁴ since our delegations consist mostly of defense and military figures.

³ Robert Gates, “Challenges to Stability in the Asia-Pacific” (address before 1st Plenary Session at the 7th IISS Asia Security Summit: Shangri-La Dialogue, Singapore, May 31, 2008). Full text available at: <http://www.iiss.org/conferences/the-shangri-la-dialogue/plenary-session-speeches-2008/first-plenary-session-challenges-to-stability-in-the-asia-pacific/first-plenary-session-the-hon-robert-gates/>.

⁴ For information regarding earlier Track Two meetings of the Preventive Defense Project, please see “Of Note” section of preventivedefenseproject.org website at: http://belfercenter.ksg.harvard.edu/project/2/preventive_defense_project.html?page_id=15.

Policy Implications: Our delegation sees, buttressed by prospects of increasing cross-Strait stability, real opportunity for more robust military-to-military ties between U.S. armed forces and the PLA which would contribute to improved Sino-American relations. Acknowledging that mil-to-mil efforts should not exist for their own sake, but rather within the context of overall U.S.-China policy objectives, we advanced the following points:

1. The purpose of enhanced mil-to-mil ties is to increase exposure, communication, understanding, and eventually trust, in the relationship between U.S. and Chinese military systems.
2. Joint war fighting proficiency is not among the foreseeable objectives, but collaboration on humanitarian assistance (HA), disaster relief (DR), and search and rescue (SAR) are goals we should pursue.
3. There should be a structure for consistent interaction, rather than an *ad hoc* process, that gives continuity to these mil-to-mil relations. We see some activities, such as existing Defense Consultative Talks (DCT) to be mostly run from Washington. Most programs would be overseen by PACOM, particularly those involving the uniformed military.
4. The range of activities should include:
 - High level exchanges, such as those between service chiefs and major functional and regional commanders;
 - Mid level exchanges at, say, the O6 level;
 - Service school exchanges;
 - Resumption of academic attendance by PLA officers at major U.S. academic institutions;
 - Service Academy opportunities for PLA officers in the United States on a trial basis;
 - PLA participation at the Asia Pacific Center in Honolulu;
 - Exercise observer exchanges, mainly but not exclusively, in the PACOM AOR (Area of Responsibility); and
 - HA, DR, SAR collaboration.
5. The notion of reciprocity or transparency in mil-to-mil exchanges continues to be an issue, and provisions of the National Defense Authorization Act 2000 continue to cast a chilling effect many years later. General balance in the *quid pro quo* nature of exchanges should be the guideline, and should be monitored. We need to acknowledge that exact balance will never be the case...as it is not with other militaries with which we interact.
6. Chinese language proficiency should be strongly encouraged at service academies as well as at other accession programs.

CLIMATE CHANGE ISSUES

On the subject of climate change, the Chinese side demonstrated a greater public flexibility than in the past to the idea of working with the United States and other big emitters to deal with the

problem of carbon in the atmosphere. One Chinese participant acknowledged that China had surpassed the United States as the biggest emitter of the gasses that contribute to global warming. This participant believed that China was ready to work with the United States on a range of issues to meet this challenge, including working towards greater energy efficiencies, new sources of renewable energy, and conservation efforts. This promises to be a much bigger area of conversation and hopefully concord between America and China in the period ahead.

ALPHABETICAL LIST OF OFFICIALS IN TAIWAN AND ON THE MAINLAND & PARTICIPANTS IN THE PRC DIALOGUE

Taiwan Meetings

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