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RELATIONS

Panel Two:
Cross-Strait Political and Security Issues

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PANEL 2: CROSS-STRAIT POLITICAL AND SECURITY ISSUES

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RAYMOND BURGHARDT

Chairman of the Board
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Moderator:

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PROCEEDINGS

BONNIE GLASER: I'm Bonnie Glaser and I'm a senior advisor for Asia and the Freeman Chair for China studies here at CSIS, and I will be moderating the second panel today, which is on cross-strait political and security issues.

Of course, we have heard that Xi Jinping has emphasized really continuity in the cross-strait relationship, but many observers nevertheless are predicting that China might get impatient toward Taiwan. And we've recently heard, I think, comments by President Ma Ying-jeou suggesting, I would say, increasingly explicit language stating, I would say, quite clearly that political dialogue is off the table and that military confidence-building measures will also not be discussed during his second term. So, I think that raises a lot of questions for the future of cross-strait political security issues, and very pleased that we have three excellent speakers on our panel to discuss these issues.

I will just introduce them all together, and then invite them up separately to give their remarks. We'll be hearing first from Professor Zhao Quansheng, who is a professor of international relations and director of the Center for Asian Studies at American University, and many of you may know that he also served as director of the Division of Comparative and Regional Studies there at AU.

And then we will have Dr. Wang Kao-cheng, who is professor of the Graduate Institute of International Affairs and Strategic Studies at Tamkang University. And he is a PhD from University of Pennsylvania, and served as national assemblyman in Taiwan from '96 to 2000 and in 2006.

And then wrapping up we will have Dr. Richard Bush, who of course is a senior fellow at the Brookings Institution and director of its Center for Northeast Asia Policy Studies.

So, I'll ask each of our speakers to please not exceed 15 minutes, and that will leave us plenty of time for Q and A. So, we'll start with you, Dr. Zhao.

ZHAO QUANSHENG: Good morning everybody. I have prepared five points -- - talking points here, but Bonnie just said we have 15 minutes. So, three minutes per point.

I would like to make an analysis of the cross-strait political and security issues from Beijing's perspective, but of course it's my own understanding of Beijing's position and the policy. And of course, later we will have more Q and A for more discussion.

First, current status. Second, economic versus political integration. Third, major obstacles. And fourth, Beijing's policy and the response. And finally, future directions. So, those are my five prepared points.

The first one, current status. Over the past decade, particularly after Ma Ying-jeou's --- I mean, over the not really past decade, but since Ma Ying-jeou's regime, the major

status of cross-strait relations is that the relationship stabilized. So, we don't really hear some wording or some terms such as “troublemaker” and others.

But nevertheless, there are still --- even though overwhelmingly positive towards Ma Ying-jeou, but there are still ambivalent feelings that economics are pretty smooth, the integration --- but political lags behind. So, wondering what is the first part of one question asked, whether there are hidden agendas or not. So there are some kinds of suspicions as well.

The current status also includes the new policy teams as we can see over the past year. Ma Ying-jeou's second term, and also in Beijing, Xi Jinping and others of the administration. And each side also constructed security, foreign policy, and Taiwan's policy teams. We all understand, for example, Xiong Jujing replaced Wang Yi, and also same thing happened in Taipei. So, we do see each side has new teams working, like (Chinese) replaced (Chinese), among others. All of those kind of new personnel.

But nevertheless, of course the cross-strait relations still are closely monitored and controlled by the top leaders. From Beijing's side is Xi Jinping and (Chinese) and from Taipei's side is Ma Ying-jeou.

Second topic is economic versus political integration. Needless to say, there is much progress in economic integration and the percentage by ICFAR. So, it's much faster in terms of bilateral cross-strait relations in the economic dimension. The other dimensions, such as cultural and education, we also have seen very much progress. I'm not going to give you details, but the --- whether there is a linkage between economic integration and political integration is a huge question mark. As we can see from this morning's --- Emerson's presentation, it's not necessarily so --- at least from public opinion survey in Taipei. So, that's also presented a puzzle that is why this is the case. So this is the second issue I would like to do.

And thirdly is, what are the major obstacles from Beijing's perspective in terms of political and security dimensions? There are four obstacles. First, still domestically --- I mean, inside Taiwan we do see a great pressure from so-called green camp. So, Ma Ying-jeou has to be very much considering this opposition camp. And also, of course, public opinion, others who could not move to fast.

The second obstacle is still identity issues. That issue is not totally solved. We understand (inaudible) has a de-finalization campaign, and even though Ma Ying-jeou made some corrections in that direction, but still the sentiment of parting from mainland China is still there.

And thirdly, of course, I guess Beijing also realized that Beijing's current development, particularly political reform, is far from satisfaction moving towards unification. So I guess that's also clear.

And lastly is the so-called external factors from Beijing's perspective. One, of course, U.S. arms sales to Taiwan and provide security protection. And the other is Japan. Most recently, the diversionary agreement regarding a way to divide Taiwan from mainland China.

Let me move to the fourth question that I prepared. That is, Beijing's policy and response. In general, my understanding is that comparatively with the Chen Shui-bian regime, Beijing is much less worried about the future independence. However, it's still concerned about the direction.

Therefore, I would say that Beijing preferred to put pressure continued, not --- you know, in terms of, for example, the so-called --- the cease fire of diplomatic war. And the pressure --- even though with that direction, but still in terms of international --- so-called international space, still very limited and less negotiable.

The communication across Taiwan Strait, from my understanding, is pretty much through internal and internal first. There are a lot of dialogues, for example, from (Chinese) and others. But in a way, also sort of informal because even (Chinese) and others is not really --- and (Chinese) --- is not really necessarily representing Ma Ying-jeou fully. So, there are many internal and informal Chinas, and continue for negotiation.

But at the same time, we do see there is potential for institutionalizing for China. For example, now talking about mutually setting up representative offices in Beijing and Taipei. And another possibility --- so now, let me move to --- oh, another policy and response is looking for more opportunities to have cooperation in security and the political dimensions, such as disputing the South China Sea. So there is certainly pressure from Beijing to making Taiwan have a positive reaction along these lines so that there might be either --- most likely an informal style of cooperation in this security dimension. But naturally, there is also much discussion among retired generals and retired diplomats from both sides.

And finally, let me just touch upon the future directions. I would say that from Beijing's perspective, very much of course looking forward to a possible breakthrough during the second Ma regime, and in particular whether he is a new leader. There is a huge question mark that is whether it's possible for the next three, four years there will be a Xi-Ma summit. So, I guess that's the much-hoped breakthrough. But of course, like I said, it's a big question mark because Ma already pledged he's not going to move fast.

And the other directions is to expand bilateral consultation in both international and security affairs. I already mentioned some specific cases, such as the South China Sea dispute. I understand --- and also Diaoyu/Senkaku. I understand every year for the past couple of years there are --- if we can use the term --- that it's the Track 2 or Track ½. That scholars and semi-officials meeting together to discuss those issues.

And needless to say, Beijing is also ready to provide economic continued benefits to Taiwan, so-called the dividend of reform and the economic growth. And the hope for future potential, if we can watch, that it's the --- what I already mentioned. The institutionalization of cross-strait channels and institutions. That is still under negotiation, but it's likely to happen.

So, overall my sense of that is in general, it's less worried but still concerned that there will be continued pressure from Beijing to move toward not only economic integration, but

further a possible breakthrough in political dimension. Thank you. (*Applause*)

MS. GLASER: Thank you, Professor Zhao, and thank you for being succinct and clear. I welcome that, and we'll expect the same from our next speaker, Professor Wang Kao-cheng. You're next.

WANG KAO-CHENG: Okay. Thank you, Bonnie. I feel very honored to be here to present my observations about the future cross-strait relations. I first want to thank Dr. Christopher Johnson and Dr. Richard Bush's invitation to be here.

I will provide a so-called --- Taiwan's perspective on this issue. Also, I think I cannot represent the whole Taiwanese. I can just be an observer from Taiwan to provide my observation on this issue. I will also provide slide documents to express my ideas, so that you can understand what I say more clearly.

My talk will divide into three sections. One is the possibility to have such a talk in the next few years. The second was if this talk --- what are those issues that Taiwan would want to address in the talk? The third part is what I would think is the best strategy to promote that kind of political and secure dialogue across the strait.

First, about the likelihood of talks and the political and security issue in the next few years. My personal feeling is that at least from Taiwan's side --- although China is pushing on that issue --- I think is very few in the next few years, especially in Ma's second term. I got that conclusion based on the following reason. First, I think that most Taiwanese prefer to maintain the status quo, which Professor Emerson alluded and provided empirical data.

I also have simple data, including a poll conducted by Taiwan's minister of affairs consult, recently in the last month. It showed that 86 percent of Taiwanese support maintaining the cross-strait status quo. That means no unification with China and no independence of Taiwan.

So, many people worry about that if there is a cross-strait political negotiation being set, that might represent the beginning of an evolution into a so-called unification negotiation. So you don't worry about that kind of talk. So given that status, that's why Bonnie just mentioned in a recent interview this month, President Ma said that he thought Taiwanese do not currently regard the cross-strait political dialogue as immediate.

Second, I think there would be a strong opposition from Taiwan's opposition party, DPP, if there is talk settled between the KMD government and Beijing. I think that DPP ideologically oppose the future invocation between China and Taiwan. So, they will consider any of that kind of dialogue. That means the KMD government wants to push towards that end, so that they will strongly oppose that kind of talk.

And DPP currently has 46 in the Yuan, which has totally 113 seats. That means that the DPP has accounted for 35 percent in the Yuan, which constituted a strong opposition force in Taiwan's political stage.

Third, I think the present mind, just present popularity is quite low. According to a survey done by an independent survey company in March, in fact President Ma's trust rate was only 26 percent. Distrust rate was about 56 percent. And also, according to another source of local Taiwan TV station done in January of this year, Ma's approval rate was only about 14 percent. So given that kind of low popularity and approval rate, I think it's very difficult for President Ma to strongly push an issue which is not liked by the opposition parties and most Taiwanese.

So, that's why President Ma said in that interview that in the new future he will still adhere to the principal of economics first and political later in promoting the cross-strait relationship.

First, the political stance of the two sides still diverges substantially. The bottom line is that Beijing considers Taiwan as part of it and does not recognize the existence of a Republic of China that is Taiwan. But on the other hand, Taipei insists that the ROC has still existed after 1949, and includes Taiwan. Given that diversified political position, I think it needs more effort to get a talk to reach a consensus.

Fifth, on the political issue --- I'm sorry, on the security issue. I think that many Taiwanese are skeptical on the effectiveness of the cross-strait security agreement. I think there's two reasons for that. First, the gap of military capability between the two sides is quite large. So, I think that Taiwan lacks a kind of confidence to have a real negotiation on the security arrangement of the two sides.

The second. China is so far still an authoritarian regime. Many Taiwanese worry that if there is a security agreement reached between the two sides, whether China can sincerely honor its commitment to that kind of securement. So, I think many Taiwanese so far still doubt the effectiveness of a security agreement between the two sides, if it is reached.

So, I think the best of the previous five reasons --- I get a conclusion that President Ma, I think, is subjectively --- he himself is reluctant to promote political dialogue across the strait. And objectively, I think he faced a strong constraint from Taiwan's society and opposition party to conduct that kind of talk.

Secondly, I will discuss --- but if there is talk on the political and security issue, what does Taiwan expect from that kind of dialogue? I think that on the political issues, Taiwan at least will desire two things. First, we would like to have equality of political status across the strait through that of political negotiation. According to --- in fact, according to the ROC constitution, we can accept the so-called One China Principles. That's no question. But we think that the ROC government still exists, and it covers both the Taiwan and mainland China.

So, I think given the One China Principle, we would demand equal footing position versus the mainland --- versus Beijing. So, I think we would have --- we would expect -- we had better that China at least can admit the existence of the ROC government. And starting from that position, to pursue the future political relations across the strait.

But that means that we are pursuing a two-state policy. I think we can consider that one special relationship under the One China Principle. That is not a state-to-state relationship, but a special relationship between the two sides on the One China Principle.

Second, I think Taiwan will require that we will have more international space under the One China Principle. Given the development of less --- the few years --- right now, Taiwan is an observer of the WHA. We think that's a good development, but we expect that this model can be applied to more UN special agencies and other international organizations, especially currently. Taiwan government is strongly pursuing participation in the UN FCC and ICAL.

And also, we think if there is a better arrangement that we not just get observer status. If we can grant a formal membership in those organizations, that would be more preferred by the Taiwanese government. Of course, that can be done under the One China Principle.

Regarding the security issues. On the military side, we can accept to create the confidence-building measures across the strait. However, given the gap between the capability of Taiwan and mainland China, we will expect that China may do some initiative to show its kindness to Taiwan, and also give the Taiwanese confidence to pursue that goal. So, we will require that maybe China at least, you know, reduce its military strength currently against Taiwan. For example, the Taiwanese government has demanded that maybe China can remove its missiles currently against Taiwan before that kind of talk be conducted.

Regarding the CBM. We can accept the usual content of CBM. That is that we can increase the --- include that both sides are increasing its military transparency, sending up communication channels to avoid the extent of conflict and create some restraint measures on each side's military capabilities and activities. And of course, we will pay attention that there should be effective censorship mechanisms to assure that China would adhere to those CBMs reached.

Regarding the peace agreement. I think it's a political arrangement. We think that if there's a talk on that, at least there should be already a strong economic and social base reached across the strait. That is, that we would like to have more engagement in the interaction between the two sides so that the Taiwanese would be more familiar with the mainland China, and also more accepted in mainland.

And if there is a preliminary CBM reached, that would be better. Or at the very least, we think that China should also take the initiative to reduce the military strength against Taiwan before that kind of talk can be conducted. And after that peace agreement is reached, we also hope that there should be effective censorship mechanisms to assure China's adherence to that agreement.

Finally, given those difficult obstacles, my idea --- my opinion is that if we both want to promote that kind of relationship, I think there's several steps that can be considered by

both sides. First, I think both sides can start from a Track 2 platform. Second, I think both sides should promote that talk based on the principle of incrementalism, consensus reached by two sides, and equality. Third, I think the PRC should establish communication with the DPP to reduce the domestic obstacles from Taiwan. Fourth, I think the PRC should take extra steps to reduce military deployment against Taiwan before those talks can be conducted. That's my point.

Thank you for your attention, and I welcome your comments. Thank you.

(Applause)

MS. GLASER: Excellent. We'll turn now to our last speaker, Dr. Richard Bush.

DR. BUSH: Thank you very much, Bonnie. Thank you all for coming. My job is to provide the American perspective on all of this. Of course, the United States is a very pluralistic, even polarized country. And so, it's impossible to sort of capture the full range of American views in any one session. My good friend Ray Burghardt will give us, I think, a very good reflection of the Administration's point of view. So, what you're going to hear from me is just the views of one humble scholar.

I would like to talk about these issues at really two levels. One is more of a strategic or macro level, and then one is more specifically military level.

I think in broad strategic terms what has happened in the last five years has been a real boon to the United States. If we think back to the situation before 2008, it was one of increasing mutual fear among all three parties in this triangle. I mean, the strongest fear was between China and Taiwan, where each side feared that the other was going to do something that would challenge its fundamental interest, and then it had to take steps to hedge against that and you had kind of a vicious circle. The U.S. fear was that through some kind of miscalculation or excessive action, that the two sides would slip into a conflict that neither wanted. And then, we would be involved.

So, this was not an easy time. There were white knuckles all around. And what happened after --- really, starting in 2005 with some initiatives by President Hu Jintao were some steps taken by the CCB leadership and then by President Ma Ying-jeou that involved a certain amount of risk, at least domestic political risk, but sought to reassure each --- reassure the other and expand on areas of cooperation.

And so far, this has worked well. And as I say, it's good for the United States. This is one less problem we have to worry about on an hour-by-hour basis, and we have plenty of problems around the world and we even have some new problems in Asia. So, this has been good. And based on the implicit linkage that exists between what Taiwan does in cross-strait relations and U.S.-Taiwan relations, our ties with Taiwan have improved over the last four years.

Now, some Americans looking at this situation draw some rather stark conclusions, and they've formed kind of the bookends for the American discussion of this issue. One view is that essentially Taiwan is abandoning the United States. That it is moving towards a

strategic choice essentially to bandwagon with China, and to no longer feel that it needs the U.S. security commitment and a strong relationship with the United States. I mean, this is the idea of Finland-ization.

On the other hand, you have people who suggest that Taiwan or, specifically, our security relationship with Taiwan, is becoming, in effect, a strategic liability for the United States. And that our commitments to Taiwan get in the way of a productive relationship with China, and that is the strategic imperative for the United States so we should find some way to reduce commitments to Taiwan and yield the benefits of that --- accrue. I agree with neither of these views. I think the mainstream view is that there are still very good reasons for the United States to remain committed to Taiwan and to help Taiwan in appropriate ways, and I think that's the dominant view so far.

Now, that's happened to-date. What's likely to happen in the future? We all know what China would probably like to happen. It's that there be movement to discussion of political and security issues, and that there therefore be progress on the road to achieving China's ultimate goal, and that's unification. I'm not saying unification right away, but movement in that direction.

Similarly, we all know what President Ma intends, and that is not too much. He's set a pretty low set of expectations for his second term, things that are do-able and yield some benefit. But he has said pretty explicitly that political talks or talks on political issues are premature. He's not quite clear how a formal peace accord would contribute to Taiwan's security.

I think that President Ma has a good sense of the political constraints that are binding him to sort of limited and cautious action. One is the political environment in Taiwan itself, and Emerson's data I think have only sort of justified that view. Then there's what I think is a conceptual gap between Beijing and Taipei. It's essentially over the status of the Republic of China, which previous speakers have discussed.

So, I think that what we're likely to see for the remainder of President Ma's term is a slowdown in the momentum of cross-strait relations, maybe even some kind of stall. I think there will continue to be progress in the economic area, and maybe the cultural area, but these will probably be more difficult because they affect more domestic interests. I think it remains important that the two sides do a good job of implementing well what they've already agreed to to build confidence for the future.

I think that this situation is fine for the United States. We have always taken the view, I think, that as long as U.S. national security interests are not affected, we're happy for the two sides of the strait to set the pace and scope of cross-strait interaction and I think that a slowdown in momentum does not really affect our national security interests.

There is the lurking question, which Bonnie alluded to, and that is, what if China loses patience? I don't think China will lose patience in the near-term, by which I mean the rest of President Ma's presidency, three more years. As we've heard, the starting point of the Xi

Jinping administration is continuity, and I think a realism about what is possible given the current Taiwan political environment. Still, we hear complaints and grouching from scholars, at least, about Ma's intentions and a lack of seriousness.

The situation becomes more interesting, if I could use that word, if the DPP were to return to power in 2016 or 2020. I hope that Beijing doesn't overreact in that situation. You know, it has learned how to cope with the DPP administration. It has a decent playbook, and the United States is part of that playbook. And I think, you know, the United States from long experience of dealing with political transitions in democratic countries would find ways to adjust as well.

The most pressing question, I think, is whether Beijing loses patience and then resorts as a result to an approach of pressure and intimidation. And Emerson's data is interesting on this, that Taiwan's people don't want unification, at least in the current setting, but they expect it's going to happen. Well, you know, one of the ways it would happen is that if Beijing stepped up the pressure on Taiwan.

I think that this would pose a big challenge for the United States because a Taiwan that submitted to pressure would do so without any violence having occurred, probably, but still it would not be a voluntary choice. So, that would be complicated for us.

Obviously the ultimate forum of pressure and intimidation is military coercion. And so here I'm sort of shifting from the macro to more of the micro. We have seen a PRC military buildup that has continued, and that has changed the threat environment in which Taiwan exists.

Now, one would expect in this situation for Taiwan to acquire capabilities that are, number one, appropriate to this changing threat environment, and number two, also enhance deterrence against hostile action, capabilities that would raise the risks of PRC coercion and complicate any temptation to move in that direction.

The big question is: how to do that? I think we're aware that for a long time there's been a bit of a disconnect between Taiwan and the United States about what capabilities Taiwan really needs, and there's an impression at least from the outside that Taiwan prefers capabilities that make more of a political statement, and the United States prefers capabilities that have a military utility. This isn't a black and white thing. We understand the political value of arms sales, and Taiwan understands military utility, but it's a question of emphasis.

In this regard, I would like to cite a very interesting statement that a Pentagon official, Peter Lavoy, made on this issue in October 2011. And Dr. Lavoy said, lasting security for Taiwan cannot be achieved simply by purchasing limited numbers of advanced weapons systems. Taiwan must also --- and the word "also" is important --- devote attention to asymmetric concepts and technologies that maximize Taiwan's enduring strengths and advantages.

I think there's some very interesting implications in this statement, but I think I've

run out of time. And I will close only by making an advertisement, and that is for another program that Brookings and CSIS are doing together next Monday on the recent --- the quadrennial defense review that Taiwan has just released. I think our discussion will speak to these issues. The program will take place at 2 o'clock at Brookings. This is kind of a home-and-home series (*laughter*), and we welcome all of you to attend. Please tell your friends. Thank you very much.

MS. GLASER: And for that event we will have the vice defense minister from Taiwan, Andrew Yang. Andrew Yang will be in town for that, so we welcome all of you to join.

So, three very rich presentations and raises, I think, a lot of issues to discuss. I am going restrain myself, but I might jump in later.

So, let's open it up to the floor now for questions and comments. Please wait for the microphone, identify yourself, and be brief so that we can work in as many questions as possible. Right over there.

QUESTION: Ken Meyer. What do the Taiwanese perceive is the United States' motivation with regard to its involvement with Taiwan?

MS. GLASER: All right, we're going to collect a couple of questions and then we'll come back to the panel. Over here?

QUESTION: Hi, (inaudible) for *China Daily*. It seems to me that the problems laid out here, I mean, by Dr. Wang are sort of a temporary obstacle that can be overcome, like communicating with DPP or, you know --- and like missile deployment. You know, that can be done tomorrow if, you know, I think DPP doesn't go the way --- I mean, if the future government doesn't go the way Chen Shui-bian did a decade ago.

My question is really, I mean, how accurately can we today predict things like decades from now? Obviously 40 years ago no one can predict that people in Taiwan and mainland can travel freely. I mean, I think Justin Yifu Lin obviously didn't predict that when he swam across the strait. And also, I think no one imagined that Justin Lin would have made a trip to mainland, in like 2004. So, just in 20, 30 years.

So, we probably can't predict things three, four years from now. But I mean, we are talking --- I mean, no one ---

MS. GLASER: Is there a question?

QUESTION: Yeah. No one is thinking that unification will be achieved in three or four years, but we are talking about something 30 years from now. So, how accurate do you think these predictions should be?

MS. GLASER: Okay. And then we'll take one more and we'll come back to the panel. Over there?

QUESTION: Jeffrey Lin from Senator Angus King's office. I was wondering --- well, going --- I hope this isn't going too deep into the bushes, so to speak, but --- pardon an unintentional pun. But, what level of cooperation between the U.S. and Taiwan would be that it wouldn't necessarily irritate China because --- to a great degree. For example, we've seen in recent arms deals, such as the sale of Apache attack helicopters to Taiwan that China hasn't raised as big a fuss as it did, say, back in 2001 when we sold them KIT-class guided missile destroyers. Thank you.

MS. GLASER: Sorry, my microphone was not --- who would like to start? Okay, Professor Wang?

DR. WANG: Well, Chinese say that the stupid bird flies first, so. I think Taiwan's understanding about Americans as to this --- that there is some in Taiwan that are honestly worried that we're too closed to mainland China, especially on the political and security issues. So, they are worried that that might interfere with --- the way they administer to sell advanced weapons to Taiwan. I would say that's not representative of the whole Taiwanese voice, but just a concern there. That's one thing.

About the future of cross-strait relations, I'm not predicting the 30 or 40 years later. I'm talking about based on the data I get on President Ma's second term. But like I said, that we --- in fact, the world continues the cross-strait economic and cultural engagement. Hope that with the development of that kind of relationship, that both sides, you know, can continue to improve the political relations and find a way to solve that difficulty.

From my understanding, I cannot represent China's attitude, but I would think that given the recent improvement of cross-strait relations, probably I think China will be concerned very much of the U.S. sales of submarines or more advanced jet --- flight to Taiwan. But still, I mean, that given the improvement of cross-strait relations, that we still don't know that kind of development will constrain China's reactions to those sales of weapons. Thank you.

DR. ZHAO: One question about the future directions. And also, the question about maybe the next 10 years.

We all remember when Nixon and Kissinger visited Beijing, meeting with Mao Zedong. And Mao said to him, you know, we have --- we can wait for 100 years. So, not only 41 years passed. So there are still, in that case --- that's a long time to --- and also, if I recall my own experience, that exactly 30 years ago in San Francisco Asian studies and social Asian --- the first open dialogue cross-strait relations among scholars. That is Professor Chiu Hung-da of University of Maryland and myself in San Francisco. We had that discussion. Later the two articles were published in *Asian Survey* in 1983.

So, if we look at that experience, it's already 30 years past. We are still discussing, you know, relatively along similar lines what would happen and what is each side of position. So, it seems like it will continue, at least from this morning's discussion for number of years, for years.

Nevertheless, I guess from Beijing --- like I mentioned earlier, from Beijing's perspective there is also pressing hope that might be a breakthrough during Ma's second attrition. But of course, like also everybody mentioned here, it's unlikely to happen but there are still hopes.

DR. BUSH: Bonnie, let me speak to the issue of PRC tolerance about arms sales. I mean, ideally Beijing would prefer that we sell nothing to Taiwan, and that we had no security commitment to Taiwan because, in their view, that would improve the chances for successfully negotiating unification on Beijing's terms. Taiwan has a different view of the connection between the security relationship and negotiations, but that's a different issue.

But in the real world, arms sales exist and will continue. It's hard to know what governs Beijing's reaction at any point in time. There are political circumstances that affect its response on each occasion. I think it's fair to say that Beijing objects most to systems that give Taiwan the ability to strike targets on the mainland, such as advanced fighter aircraft and submarines.

MS. GLASER: I would just add one point on the issue of Beijing's policy toward Taiwan. I really think that the most important variable is whether or not the mainland continues to see time on its side.

I think it's very interesting if we, you know, link together some of these issues that were talked about in the first panel and this panel. That the mainland is quite aware of the fact that support for unification and Taiwan has demonstrated in the polls is actually declining. And yet, I don't think it has lost confidence that time is on its side. And I would venture to say that if a DPP president were to come back to power, that China would not instantly conclude that time is not on its side. After all, they survived eight years of a DPP president. So, it would be interesting to try and tease out this issue of what would make Beijing actually change its assessment that time is on its side. Because I think if they did, that that would be a moment where we would see potential instability in the cross-strait relationship.

So if anybody wants to comment on that, we can do that after we collect a few questions. Over here, Eric Lowe?

QUESTION: Hi, Eric Lowe with the *Fair Observer*. My comment is basically, you know, like the thing about, you know, like --- you just talked about like what would make China lose patience? I think that the only thing that could make China lose its patience is, of course, a DPP president would be one of the things, but not exactly. But I think how the U.S. reacts, I think that's --- even from what the Chinese have been thinking of is more like, you know, Taiwan is part of them already in their estimation. Whereas, anything that can change this kind of thinking would be a threat to their unification.

I think that it's not playing to their hands that the U.S. is not directly involved in the talks or whatever. It's a good sign that we don't see a kind of interference, so I don't think that would be a situation that would lead to a confrontation or something.

MS. GLASER: Okay.

QUESTION: Thank you very much. I have a question to the three professors. I would like to know what's the role of Taiwan in U.S. rebalance to Asia? And is there some changes in U.S. policy to Taiwan after 2010? Thank you.

MS. GLASER: Good question, okay. We'll take one more from the back.

QUESTION: Norman Fu with *China Times*. It's been predicted that if Ma Ying-jeou or Hu Jintao, before, and now Xi Jinping can achieve some kind of accord in the cross-strait they'll both win the Nobel Peace Prize.

So, I would like to submit this question to the panelists. Whether in your belief that Ma or Xi Jinping have that kind of burning desire to win the Nobel Peace Prize? If that's the case, I would like to ask Dr. Bush whether the United States --- I know the U.S. policy. The policies are always, we don't want to get involved because of the failure of the Marshall Mission in the mid-'40s. However, the U.S. has been involved for the past century or so in the Taiwan Strait.

So, my question to Dr. Bush and perhaps even to Ambassador Burghardt, whether the U.S. would like to serve as a sort of guarantor for the signing of such a peace accord? Just like Clinton did for the Oslo accords between the PLO and the Israelis. That's my question.

MS. GLASER: All right. We'll take that two-finger if it's very short and then we'll come back to the panel.

QUESTION: Gregory Holt from *Radio Free Asia*. Just a follow-up on Norman. China has already two very important persons who have got the Nobel Peace award. One is Dalai Lama, who is outside China. The second one is Liu Xiaobo, who is still in jail.

So my question is, were China and Taiwan eventually to be united as a single nation, can the Chinese leader get the Nobel Peace award by the condition that there are two very important Nobel laureates --- one is sitting outside, one is still in jail? Thank you.

MS. GLASER: I would hope that the goal here is to maintain peace and stability, not win the Nobel Peace Prize, but I'm going to turn the floor over to our panelists who would like to start. Richard?

DR. BUSH: To address Bonnie's question and Eric's about PRC in patients and views of time --- whether time is on its side. I would speculate that maybe it would reassess the situation if it decided that KMT and tensions had changed, that Go Min Dong leaders no longer held out the idea of unification, at least as some sort of ultimate goal. That they were, as Beijing would define it, interested in two Chinas or one China, one Taiwan, and that was all.

On the role of Taiwan in U.S. re-balancing, first of all it is a matter of record that

Secretary Clinton, in talking about U.S. policy towards Asia, referred to Taiwan as an economic and security partner. I would phrase it a little bit differently. I think that first of all, Taiwan is, if you will, an implicit beneficiary in the U.S. rebalancing policy because I think the heart of that is to maintain our presence in East Asia --- economic, military, diplomatic, and so on. And I think that contributes to Taiwan's welfare. I think also Taiwan is an implicit contributor to U.S. goals because it believes in peaceful resolution of disputes, following international law, and expanding areas of cooperation.

On the Nobel Peace Prize questions. I have no idea what the Nobel committee would do if there was some kind of grand bargain. On Norman's question having to do with guarantors. First of all, it's quite a hypothetical question, but I guess the threshold issue is, would Beijing --- which regards this as an internal issue --- want an external party to be a guarantor? The United States or anybody else. I think I doubt that. Thanks.

DR. ZHAO: The question on when Beijing would lose patience. I guess essentially this is just a different format of another kind of question that is, when China would use military force.

This question has been discussed for many years, like I mentioned earlier, even during the era of Deng. I remember at least on one occasion there are sort of four conditions. My own understanding summarizes into eight Chinese characters. That is, (Chinese). That is the first title is Taiwan independence, and second (Chinese) is external forces intervene, and thirdly (Chinese) internal chaos. And then the last, (Chinese) is last for long, long time without any sign of unification.

So, (Chinese) and also there is another one, Soviet Union. You know, different occasion, different --- you know, whether Taiwan would approach Russia. But I guess that's no longer --- because (Chinese) already under control of the United States.

MS. GLASER: Nuclear weapons, which was raised at one time ---

DR. ZHAO: That's right.

MS. GLASER: --- as a potential precipitation of an attack.

DR. ZHAO: So, I guess all of those elements may not --- I guess, except the last one. But my understanding is that as long as the sign is not really moving toward separation, then China still can wait for that. But the question, of course, is judgment. That's one reason.

So, earlier we talked about the Xi-Ma summit and whether that would happen, and also mentioned the Nobel. I guess the obstacle definitely seems like not from the mainland part but is from Ma Ying-jeou. We all understand political constraints and others making Ma very reluctant if it's not impossible to open his own way to meet with mainland China leaders, and that's turned to the question of U.S. position.

I guess just like any external power's status quo would be a preferred situation, you know, including the United States and Japan. But at the same time, I guess both Washington and Tokyo realize that it's not that something they can totally control. Just like the Korean Peninsula. If you ask North Korea or South Korea whether they'd prefer unification, all the major powers may not prefer that, but at the same time they also understand that it's maybe beyond individual major powers' control. It ultimately depends on the cross-strait people, whether they would like to achieve unification.

DR. WANG: Responding to Bonnie's question. I think that China's law passed in 2005, the Inter-Excession Law list strict conditions that either we use military or non-peaceful means to solve the Taiwan issue --- that can be a reference, although it's not a guarantee. But I think it's a reference.

My personal thinking is that as long as, you know, Taiwan's economy relies on China continues to increase --- as long as the United States --- I'm sorry, China can hold a strong military capability to deter Taiwan's movement to a formal interdependence. I think that the China mainland would lose that patience in solving this dispute.

Regarding Taiwan's role in the U.S. strategy, I think we can contribute two things. First, we have to stabilize the cross-strait relationship. I think that's also benefit to U.S. interests in this area. And secondly, through the, you know, excessive interaction between Taiwan and China. We have to change China's, you know, view on political democracy and modernization process.

I think we can contribute partially to change China's development to move toward a more liberal and democratic direction. I think that's Taiwan's role that it can play in U.S. strategies.

MS. GLASER: Yes, I recall President George W. Bush once said that Taiwan is a beacon of democracy. I think we have a few more minutes, if we'd like to take a few more questions. Up front.

QUESTION: Thank you, Bonnie, and thank you to all the panelists. I'd just like to make a short comment on the earlier points.

MS. GLASER: Please introduce yourself. Thank you.

QUESTION: I'm with Taipei Representative Office office. In Professor Zhao's remarks you mentioned that cross-strait may seek more cooperation, maybe in security area. For example, South China Sea or East China Sea. And the last question from previous panels also asks whether China and Taiwan may line up on the East China Sea issue? I would just like to clarify that from the very beginning, Taiwan has taken a very different approach from mainland China's approach, and we are very firm on our sovereignty claim on the East China Sea, or Diaoyutai.

But also, we also believe that we can shift disputes and we also hope that that

concerned parties can take a peaceful approach on this issue. Therefore, last August my government proposed an East China Sea peace initiative and recently --- actually, earlier this month we just signed an official agreement with Japan. So, that all shows we have been taking a very different approach from mainland China, and we are firm on the peaceful approach. Thank you.

MS. GLASER: Okay, thank you. Any more questions? Nadia?

QUESTION: Hi, Nadia Chow with the *Liberty Times*. Richard, I have a question for you. Today you mentioned asymmetric capability, and in your book you said that the U.S. should consider helping Taiwan to develop its missiles. So, I wonder can you elaborate? What do you think, you know? What would you suggest here for the asymmetric capability Taiwan could have?

Some people in Taiwan believe like Frank Hsieh and (inaudible) two weeks ago believe Taiwan is going to face a daunting challenge ahead. Is this strategy a risk and challenge? Some people also believe that Taiwan has a strategic opportunity in the near future. I wonder, well, you know, the panelists. What's your assessment? Thank you.

MS. GLASER: Okay. Well, there's lots of hands. We'll just take one final one, the woman right there.

QUESTION: I'm Sharon Shin, I'm starting my PhD in political science this fall at Stanford where I'll be focusing on China. So, I think Dr. Bush's mentioned there's a theory like in the U.S. Even though it's not, like, mainstream thinking that Taiwan is pursuing further ties with China and trying to alienate itself from the U.S. And on the Taiwan side there's also an abandonment theory because a lot of people think that the U.S. is pursuing further ties with China and it's not to be trusted.

So, could you comment on, say, the Taiwanese leadership's perception of its --- well, or its confidence in the U.S.-Taiwan alliance and whether it actually provides an incentive for it to pursue further ties with the mainland? Thank you.

MS. GLASER: Okay, thank you very much. One additional point that I'd like to throw out, if any of our three panelists would like to comment on. Frank Hsieh from the DPP has been talking about this (Taiwanese) or different interpretations of constitutions, and if anybody could comment on what implication that might have for the cross-strait relationship and whether this might be acceptable to Beijing as a basis for going forward, even though of course other DPP members, including the party chairman, has not yet stated whether this would be acceptable for him and for the party?

All right? So let's --- why don't we start at the other end again. Richard?

DR. BUSH: Just briefly, because we're running out of time. On the question here about abandonment. The United States has been improving ties with mainland China, you could say, since the 1950s, slowly but surely, and Taiwan has always worried about being abandoned

but it never happens. And I think what's important is, you know, what the mainstream view is and what U.S. interests are. I think my perception of the Taiwan leadership's view of this is that it remains convinced that the United States is a very important factor in sort of Taiwan pursuing its own interests and will continue to be so.

On the military question, let me clarify on the issue of missiles. The important thing here for the United States is whether Taiwan's development of missiles remains or is within the parameters of the missile technology control regime. I mean, that's the key variable.

I think that in general, the sorts of capabilities that at least I'm talking about when I use the words "asymmetric" and that its capabilities that make it increasingly difficult or very difficult for the PLA to take the island of Taiwan.

On --- did I get them all? What was your question. Oh. I'll just repeat my --- that I have an allergy towards any attempt to address complex issues with four-character expressions. *(Laughter)*

MS. GLASER: Even (Chinese) *(Laughter)* I won't put you on the spot.

DR. WANG: Okay, I just want to quickly respond to Bonnie's questions. From my understanding, I think that Frank Hsieh's proposal probably cannot replace the so-called '92 Consensus in pursuing the cross-strait relations for two reasons.

First, I think even the DPP has no consensus about that term, and what does that constitution represent? That means 1949 --- the constitution before 1949 made in China, or that constitution amended after 1991 in Taiwan, which has different meaning about the boundary of sovereignty of the ROC.

Secondly, using constitutional consensus to replace the '92 Consensus, from my understanding Beijing has no interest because like the word One China --- the '92 Consensus, at least One China was a different interpretation. But they use the constitutional consensus --- the one channel worth will be wiped out from that phrase. I am afraid that Beijing will consider that, you know, recession from Taiwan's previous position regarding these issues.

So, I think that my personal opinion that it may not, you know, contribute better than the '92 Consensus. Thank you.

DR. ZHAO: Again, starting with Bonnie's question, Frank Hsieh. My understanding is that Frank Hsieh's statement is not regarded as official DPP position, but DPP actually has tried to dismiss any --- including his so-called private visit to mainland China. So in that case, it may not expect China really taking that seriously because it is a DPP position.

Having said that, anything that departs from the total independence from China --- any individual --- and not to mention, Frank Hsieh's high position under Chen Shui-bian) administration would be welcome. So, I would think it's a positive sign from --- and that's also reflected PRC making an effort to reach out with the DPP and try to reach some understanding.

And the question from --- I forget your name. Yeah. About --- yeah, I think that's a good point. That is, even though both Beijing and Taipei regarded the Diaoyutai/Senkaku as part of Chinese territory, you know, of course when you say Chinese you can say so-called greater China or only Taiwan. But that itself is different from Japan's position, because Japan regarded Senkaku as Japanese sovereignty and position.

So, I think even though you emphasize the difference between Beijing and Taipei --- but to me, fundamentally in terms of sovereignty position, there is overlap. There are similarities.

Don't forget, Ma Ying-jeou's dissertation at Harvard Law School, right? And he made that clear it's not part --- but of course, the East China Sea Peace Proposal is a welcome move in terms of --- as long as that's not a Japanese sovereignty. But having said that, I do think that recently reached fishery agreement Beijing has certain suspicions that --- not necessarily towards Taipei, but rather toward Tokyo. That's an effort from Japan's side to really separate Beijing and Taipei so that the two sides could not have so-called united front facing Japan.

MS. GLASER: Well, thank you. This has been an excellent panel, and before we thank all of our speakers again I'll just mention lunch is in the back. We're going to have Ambassador Raymond Burghardt as our speaker after everybody gets their food and sits down, probably maybe about 15, 20 minutes. So, again, please join me in thanking our speakers.

[Recess]