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CHINA-TAIWAN RELATIONS

ADRIFT WITHOUT DIALOGUE

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In February, President Trump told President Xi Jinping that the US would honor its one-China policy. This eased concern that the new administration would radically change US policy toward Taiwan, but it remains unclear how the Trump administration will deal with specific Taiwan issues. Relations between Beijing and Taipei have continued to be in an unstable but calm state in the early months of 2017. The formal channels of dialogue remain closed and no significant effort has been made to reopen them. In the meantime, practical issues have been dealt with, sometimes constructively but often in ways that exacerbate the lack of trust. This unstable and risky situation will likely continue in the months ahead.

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In February, President Trump told President Xi Jinping that the US would honor its one-China policy. This eased concern that the new administration would radically change US policy toward Taiwan, but it remains unclear how the Trump administration will deal with specific Taiwan issues. Relations between Beijing and Taipei have continued to be in an unstable but calm state in the early months of 2017. The formal channels of dialogue remain closed and no significant effort has been made to reopen them. In the meantime, practical issues have been dealt with, sometimes constructively but often in ways that exacerbate the lack of trust. This unstable and risky situation will likely continue in the months ahead.

Continued uncertainty about Trump's policy

Before his inauguration on Jan. 20, Presidentelect Trump continued to express doubt about the one-China policy, which he had begun to do in early December. In an interview with the Wall Street Journal published on Jan. 13, Trump said the policy was "under negotiation" - a notion that China consistently rejects, including in this instance. Other members of the Trump administration, and later Trump himself, made statements that the United States would uphold its one-China policy. In his confirmation hearing on Jan. 11, then Secretary of Statedesignate Rex Tillerson stressed the importance of the US commitments to Taiwan described in Taiwan Relations Act and the Assurances. In a subsequent written submission, Tillerson told the Senate that "the people of Taiwan ... should not be treated as a bargaining chip." A delegation from Taiwan attended the inauguration, as in the past.

The realities of governing seem to have altered Trump's views. A White House statement released after President Trump's phone call with Xi Jinping on Feb. 9 said that "President Trump agreed, at the request of President Xi, to honor our 'one China' policy." President Tsai Ing Wen did not comment at the time, but when asked in an interview in April, she commented that the one-China policy had been US policy for a long time. The presidential office spokesman seemed to express relief that the US had returned to its established policy. He implied that Taipei had been alerted in advance and commented that Trump's action was important for regional stability.

Presidents Trump and Xi met at Mar-a-Lago on April 6-7. US officials indicated before the meeting that Trump had already affirmed the one-China policy, and that there is "no such thing" as using Taiwan as a bargaining chip. The meeting did not result in a joint statement, and Taiwan was not mentioned in US readouts. Initial press reports implausibly said that the issue was not raised, but PRC Foreign Minister Wang Yi said that Xi had reiterated China's principles regarding Taiwan and urged the United States to respect them. Trump's response has not been reported, though Taiwan's Foreign Ministry indicated that it was told by the US government after the meeting that Trump's response had been standard and that the US would continue to uphold its commitments under the Taiwan Relations Act. In a podcast recorded in Washington on April 12, Acting Assistant Secretary of State for East Asian and Pacific Affairs Susan Thornton said, "the situation has sort of been established that the US policy is not going to change."

Yet there are signs that President Trump and some in his administration approach Taiwan as a function of US-China relations. In his confirmation hearing, in response to a question specifically about Taiwan and the one-China policy, then Secretary of State-designate Tillerson reaffirmed commitments to Taiwan but also referred to a "whole of China" approach and "balancing forces in our relationship [with China] that need to be dealt with"; while visiting Beijing in March, Secretary Tillerson echoed Chinese talking points including "mutual respect," which many interpret to refer to China's core interests including Taiwan. Finally, in an interview with Reuters on April 27, Trump said that because of Xi Jinping's apparent agreement to help pressure North Korea on its nuclear and missile programs, another Trump-Tsai phone call would be unwise "right now" because it would cause difficulty for Xi. Trump added that he would want to "speak to" Xi before any such call. This unsophisticated public statement seemed to contradict the spirit, but not the letter, of President Reagan's Six Assurances to Taiwan.

Details of how Trump and his administration will approach Taiwan and cross-strait relations also remain unclear, in part because his bureaucracy remains significantly understaffed. There are signs other officials consider Taiwan more in its own right. There are reports that the administration is considering a major sale of

arms to Taiwan; US Trade Representative nominee Robert Lighthizer told the Senate Finance Committee in March that he plans to develop a stronger bilateral trade and investment relationship with Taiwan; Taiwan's representative in the United States, Stanley Kao, attended a March 22 meeting of the Global Coalition to Counter ISIL that was led by Secretary Tillerson; and American Institute in Taiwan Chairman James Moriarty said in Taipei in late April that the United States continues to support Taiwan's "meaningful and substantive contributions" to the international community, particularly participation in the World Health Assembly.

Still no basis for talks

After assessing President Tsai's Double Ten Day address last October, Beijing concluded that Tsai would not accept the 1992 consensus on one China. Since then no significant effort has been made to reach a mutually agreed framework for cross-strait dialogue. The important formal channels for communications remain closed. Whatever discreet back channel that once existed seems not to be functioning. When asked, Beijing continues to state that acceptance of the 1992 Consensus and its core meaning that Taiwan and the mainland both belong to one China remain the condition for resuming dialogue.

Late last year, then President of the Taiwan Studies Institute (TSI) Zhou Zhihuai suggested that scholars from the two sides should explore alternative formulations that would consistent with the core meaning that Taiwan and the mainland belong to one China. Since then, Zhou has retired and his suggestion has not been repeated. In January, Straits Exchange Foundation (SEF) President Tien Hung-mao urged Beijing to join in a search for a new consensus. Both President Tsai and Mainland Affairs Council (MAC) Chang Hsiao-yueh have suggested that later in 2017 it would be desirable to explore a new model for cross-strait interaction. In late April, Tien indicated Tsai would make new comments in a speech on May one-year anniversary inauguration. In a May 2 interview, Tsai again called for the two sides to develop a new model for maintaining cross-strait peace. Whether these suggestions will be followed remains to be seen.

In the meantime, Taipei has adhered to Tsai's pledge to have a consistent, predictable, and sustainable policy. When the cross-strait agreement oversight bill was considered briefly in the Legislative Yuan (LY), the administration opposed it being considered by the Foreign Affairs and Defense Committee rather than by the Internal and Administration Committee. Foreign Minister David Lee opposed this because cross-strait relations are not foreign relations, and MAC Minister Chang Hsiao-yueh agreed, cross-strait agreements are international agreements. Those positions were in keeping with President Tsai's pledge to handle cross-strait issues in accordance with the Constitution. The Tsai administration regularly urges the resumption of dialogue. For example, in January SEF President Tien invited Association for Relations Across the Taiwan Strait (ARATS) Chairman Chen Deming to Kinmen. ARATS predictably stated that a meeting would be meaningless without acceptance of the 1992 consensus.

Beijing leaders have continued to emphasize their opposition to separatism. In part, this reflects Beijing concern about steps toward what "desinification" by calls the administration, but also criticism in China that Taiwan is moving toward "peaceful separation." In March, TAO Minister Zhang said Taiwan independence was the greatest threat. Premier Li Keqiang's work report to the National People's Congress stated that China would never permit anyone to separate Taiwan from the motherland. This was a shortened version of what Chinese scholars now frequently cite as General Secretary Xi Jinping's "six anys" statement last November that, "We will absolutely not permit any person, any organization, any political party at any time using any form to split apart any single part of China!" Xi did not comment on Taiwan at this year's National People's Congress.

On a practical level, Politburo Standing Committee member Yu Zhengsheng told the party's annual Taiwan Work Conference in January that Beijing was preparing new policies to make it easier for people from Taiwan to study, work, establish businesses, and live in China. The Taiwan business community hopes the new measures will grant Taiwan invested enterprises "national treatment" in China. Although this pledge has been repeated frequently, including in Premier Li's work

report, no new measures have yet been announced.

Managing cross-strait developments

Meanwhile the practical aspects of cross-strait relations have to be managed without formal dialogue. In January, a second exchange of detainees and criminals was carried out under the 1991 Kinmen Agreement. In February, the Ministry of Justice (MOJ) in Taipei returned confiscated funds to a PRC victim in accord with the judicial assistance agreement. MOJ has about NT\$200 million (\$6.67 million) of other funds due victims, but has not been able to work out procedures for returning them. Beijing wants the money returned directly to victims. In March, Beijing allowed Taiwan Center for Disease Control officers to visit Guangdong quietly to observe the treatment of H7N9 avian flu sufferers after a Taiwan citizen was infected while in China. These were specific examples of the low-level contacts that are continuing with little or no publicity under the 23 existing crossstrait agreements.

However, these constructive steps were overshadowed by actions that exacerbated cross-strait distrust. China persuaded Vietnam and Spain to send Taiwan citizens suspected of telephone fraud to Beijing, despite Taipei's efforts to have them sent to Taiwan. Lam Wingkee, one of the Hong Kong book dealers who had been abducted to China in 2016, was invited to attend the Taipei Book Festival in February. Fortunately, Lam's activities were limited and attracted less attention than anticipated. In February, Culture Minister Cheng Li-chun made changes in the Chiang Kai-shek Memorial and established a commission to consider the memorial's future. In March, after news stories surfaced that Taiwan colleges had signed pledges not to expose PRC students to sensitive political subjects, the Ministry of Education issued regulations requiring prior approval of all agreements Taiwan universities sign with mainland counterparts.

On March 9, Zhou Hongxu, a former mainland exchange student, was arrested in Taiwan on suspicion of espionage. On March 19, Lee Mingche, a civil society activist affiliated with the Wen Shan Community College in Taipei, disappeared upon leaving Macau Guangdong. Commentators speculated the detention was linked to Zhou's arrest. With increasing public attention to Lee's disappearance, SEF and the MOJ made inquiries that went unanswered. The Tsai administration was caught in the middle. Civil society groups were criticizing Beijing but also appealing to the Tsai administration to secure Lee's release. The Kuomintang (KMT) criticized the Democratic Progressive Party (DPP) for not having the ties with Beijing needed to help detained citizens.

On March 29, the TAO said publicly that Lee Ming-che was being investigated for damaging national security. The MAC demanded that Lee be released, and MOJ offered legal assistance to Lee's wife, Lee Ching-yu. On April 9, the TAO said that letters from Lee would be sent to the family through an appropriate channel. It turned out the channel was a retired intelligence officer working for a KMT legislator. Lee Chingyu rejected the letter as being signed under duress and accused the KMT of collaborating with Beijing. On April 10, Beijing prevented Lee Ching-yu from traveling to Beijing and said that accusations were complicating the issue. After a month, the Lee case was fueling hostility in Taiwan. Taipei Mayor Ko Wen-je expressed concern about security for the large mainland contingent planning to participate in the world Universiade games in August. In a late April interview, President Tsai urged Beijing to resolve the issue quickly to avoid damaging relations.

On April 15, a Mainland tourist, Zhang Xiangzhong, sought political asylum in Taipei, saying he had been inspired by Lee Ching-yu to seek asylum. Taipei determined that Zhang did not have a valid claim to persecution, and Zhang voluntarily returned to China. The Lee case illustrates the cost of not having established dialogue channels, the difficulty of managing issues absent such channels and how unresolved issues can cascade into other problems.

KMT remains adrift

The KMT continues to be beset by internal dissension and financial problems. Party chairperson Hung Hsiu-chu has disagreed with the DPP caucus in the Legislative Yuan (LY) over political tactics. The party has not gone beyond partisan opposition to define a clear alternative to the Tsai administration. The DPP continues to pursue its effort to divest the KMT of its financial resources under the ill-gotten assets legislation.

The KMT has scheduled the important chairmanship election for May. The campaign has occasioned divisive attacks among the six potential candidates. Efforts to grow the party's shrinking membership before the election have produced accusations of vote buying and new ghost members. Although all the other candidates have returned to the KMT's standard "one position on China, respective interpretations," Chairperson Hung continued to advocate her more ambitious agenda for a peace agreement and a common understanding on one China with Beijing. It seems very unlikely that the campaign will strengthen the party regardless of which of the candidates is elected. This is a matter of concern for Beijing.

International

China continued to suppress Taiwan's participation in multilateral organizations and, increasingly, in bilateral relationships. As of late April, Taiwan had not received an invitation to the May 22-31 World Health Assembly (WHA). President Tsai told Reuters on April 27 that a bv China to block Taiwan's decision participation in the Assembly would have a significant effect on cross-Strait relations. On May 8, TAO Minister Zhang stated that Taiwan would not be able to participate in the WHA unless it accepts the 1992 Consensus on One China. The TAO spokesman blamed the DPP for Taiwan's not being invited. President Tsai had no immediate comment but her spokesman expressed "deep regret and disappointment." Minister of Health Chen Shih-chung said he would continue his WHA efforts and lead a delegation to Geneva in any event.

Though AIT Chairman Moriarty expressed support for Taiwan's participation in the WHA, Beijing may have received unintended support in sidelining Taiwan when President Trump signed an executive order withdrawing the United States from the Trans-Pacific Partnership. The United States likely would have been the strongest supporter of Taiwan's aspiration to join TPP in the second wave of accession.

A Joint Working Group of China and the Association of Southeast Asian Nations (ASEAN) made progress developing a framework for a code of conduct on maritime activity in the South China Sea. Taiwan is a claimant and occupies features in the South China Sea, but is

not a party to the working group. Philippines officials stated this is out of respect for the one-China policy. In March, Taiwan's Foreign Ministry said that any code of conduct will not be binding on Taiwan if it is not a party to negotiations, and the defense minister announced that the ROC Navy would increase patrols in the area.

Beijing's interference in bilateral affairs appeared to increase. President Tsai visited Republic of China (ROC) partners Honduras, Nicaragua, Guatemala, and El Salvador January 7-15. She made transit stops in Houston and San Francisco, meeting Sen. Ted Cruz and other politicians. While Tsai was traveling, PRC Foreign Minister Wang Yi was in Nigeria, and announced that Nigeria had instructed Taiwan to downgrade its representative office there and move it from the political capital Abuja to the commercial center Lagos. The next day Wang announced \$40 billion in new Chinese investment in Nigeria. Later in January, the foreign minister of Burkina Faso said in an interview that his country had rejected proposals from Chinese entities for up to \$50 billion to cut diplomatic ties with Taiwan, and reiterated that Taiwan is a friend and partner; officials in Swaziland made similar statements. In March, Taiwan's deputy foreign minister told the LY that relations with ROC partners in the Caribbean were unstable because China is "setting fires" there.

China and the Vatican, Taiwan's highest-profile formal diplomatic partner, appeared to make progress in longstanding efforts to resolve their historical grievances and systemic incompatibility, particularly with respect to the appointment of bishops. Though suppression of Taiwan is not the primary driver of China's apparent interest in a better relationship with the Vatican, a breakthrough on pastoral issues including bishops would likely lead at some point to mutual diplomatic recognition, and the termination of the Vatican's diplomatic relationship with the Republic of China.

Japan, on the other hand, has enhanced its interaction with Taiwan – perhaps to compensate for uncertain and unsteady support from the United States. In early January, Japan changed the name of its representative office in Taiwan from "Taipei Office of the Interchange Association, Japan" to "Japan-Taiwan Exchange Association." Taiwan is planning a similar update, renaming its Association of East Asian

Relations as the Association of Taiwan-Japan Relations as early as May 2017. It is also seeking to add "Taiwan" to the name of its representative office in Tokyo, but has not yet reached agreement with the government. In March, State Minister for Internal Affairs and Communications Akama Jiro (rank of vice minister) attended a tourism event in Taipei in his official capacity, becoming the most senior Japanese official to visit Taiwan since Japan severed diplomatic relations with the ROC in 1972. In response the TAO threatened a "forceful backlash" against Taiwan, and Japan was accused of a severe breach in its relations with China. This led to more rhetorical support for Taiwan, as the chief Cabinet secretary and foreign minister both defended Japan's "substantive and non-governmental" relations with the island, and Prime Minister Abe Shinzo reportedly told an official of his Liberal Democratic Party (LDP) that Taiwan is an important partner that shares Japan's interests.

Taiwan is not reliant solely on the support of others, but continues to create new avenues for participation. international The Southbound Policy remains the centerpiece of this effort, in which Taiwan, in part to reduce its economic dependence on China, is prioritizing investment, and people-to-people contacts with Southeast Asia. On April 12, Taipei announced broad revisions in visa procedures for citizens of 14 South and Southeast Asian nations to make visiting Taiwan easier. Similar previous actions have mitigated the effects of a decrease in Chinese tour groups to Taiwan since President Tsai was inaugurated.

In a move that none of her predecessors could have imagined, in January President Tsai turned to *Twitter* as a way to promote Taiwan and her agenda directly to an international, though still fairly small, audience. The *Twitter* handle @iingwen was created in July 2010 but until this year Tsai used it to communicate with a Chinese-speaking audience. While transiting through San Francisco in January, Tsai tweeted about her visit to *Twitter* headquarters and since then has tweeted regularly – and predominantly in English – including messages to President Trump and Pope Francis.

Looking ahead

Both President Tsai and General Secretary Xi will remain focused on domestic challenges in the months ahead. Those preoccupations may

well continue beyond the 19th Party Congress in the fall. Tensions will likely remain low. However, in absence of direct dialogue, crossstrait relations will be unstable and subject to unexpected shocks.

The Mar-a-Lago summit indicated the extent to which the Trump administration will seek cooperation from China on trade and North Korea. Some of the administration's anticipated nominations are people well disposed toward Taiwan, how their friendly inclinations will be reflected in specific actions remains to be seen. Trump's own approach to Taiwan is likely to fluctuate based on US-China relations.

President Tsai has indicated that if Taiwan is not invited to the WHA, it would have a major impact on cross-strait relations. Although she did not immediately comment on Taiwan's exclusion, Tsai is expected to explain her reaction by the May 20 anniversary of her inauguration.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

JANUARY - APRIL 2017

Jan. 3, 2017: Vietnam repatriates four Taiwanese fraud suspects to China.

Jan. 5, 2017: President Tsai Ing-wen writes to Pope Francis, calling for peaceful dialogue across the Taiwan Strait.

Jan. 7, 2017: President Tsai transits Houston en route to Central America.

Jan. 8, 2017: President Tsai visits Honduras; meets President Juan Orlando Hernandez.

Jan. 9, 2017: President Tsai visits Nicaragua; meets President Daniel Ortega.

Jan. 11, 2017: People's Liberation Army Navy (PLAN) aircraft carrier *Liaoning* sails north through the Taiwan Strait.

Jan. 11, 2017: PRC Foreign Minister Wang Yi visits Nigeria; demands relocation of Taipei's office.

Jan. 11, 2017: President Tsai visits Guatemala; meets President Jimmy Morales.

Jan 12, 2017: President Tsai visits El Salvador; meets President Salvador Sanchez Ceren.

Jan 14, 2017: President Tsai transits San Francisco en route to Taiwan.

Jan. 15, 2017: Hong Kong activist Joshua Wong attends a Democratic Progressive Party (DPP) sponsored event in Taipei.

Jan. 19, 2017: Straits Exchange Foundation (SEF) President Tien Hong-mao suggests meeting Association for Relations across the Taiwan Strait (ARATS) Chair Chen Deming in Kinmen.

Jan. 20, 2017: DPP's Yu Shyi-kun leads Taiwan delegation to President Trump inauguration; Tsai tweets congratulations to Trump.

Jan. 20, 2017: Politburo standing Committee member Yu Zhengsheng addresses Taiwan Affairs Work Conference.

Feb. 4, 2017: First H7N9 case in Taiwan involves a man returned from China who later dies.

Feb. 5, 2017: President Tsai calls for exploring a new model for interaction with the PRC.

Feb. 7, 2017: Taiwan allocates T\$68 billion (\$2.2 billion) to build 66 jet trainers. The jets will be developed jointly by National Chungshan Institute of Science and Technology, the Defense Ministry, and Aerospace Industrial Development Corp., the island's sole military jet-maker.

Feb. 9, 2017: Presidents Trump and Xi talk by phone; Trump agrees to "honor our one China policy."

Feb. 13, 2017: Bipartisan Legislative Yuan (LY) delegation begins five-day visit to Washington to meet with administration officials and members of Congress.

Feb. 18, 2017: Spain's deports 218 Taiwan fraud suspects to China.

Feb. 23, 2017: ARATS Deputy Zheng Lizhong detained for investigation.

March 4. 2017: PLAN ships pass southward through Taiwan Strait.

March 5, 2017: Premier Li Keqiang gives National People's Congress his work report.

March 6, 2017: Taiwan Affairs Office (TAO) Minister Zhang Zhijun says Taiwan independence the greatest threat.

March 6, 2017: Taiwan's organization for Japan renamed Taiwan-Japan Relations Association.

March 9, 3017: Taipei arrests suspected former PRC student Zhou Hongxu for espionage.

March 16, 2017: Taipei releases Quadrennial Defense Report.

March 17, 2017: Taipei announces that the government will require pre-approval of university agreements with mainland.

March 19, 2017: Beijing detains human rights activist Lee Ming-che.

March 21, 2017: Kuomintang (KMT) initiates LY committee review of cross-strait agreements oversight drafts.

March 21, 2017: Taiwan's Foreign Minister David Lee says cross-strait relations are not international relations.

March 21, 2017: CSBC Corp., Taiwan signs eight-year contract for the development of an indigenous submarine.

March 23, 2017: Mainland Affairs Council Chairman Chang Hsiao-yueh says cross-strait agreements are not international agreements.

March 23, 2017: Former Vice President Vincent Siew meets Politburo Standing Committee member Zhang Gaoli at Boao Forum.

March 25, 2017: Japan's State Minister of Internal Affairs and Communications Akama Jiro visits Taipei, the highest ranking Japanese visitor since 1972.

March 26 2017: Carrie Lam selected as Hong Kong chief executive.

March 27, 2017: Hong Kong arrests umbrella movement leaders.

March 29, 2017: Former Philippine President Fidel Ramos visits Taipei.

March 29, 2017: Chinese fishing boat is seized by Taiwan Coast Guard for fishing in Taiwan waters.

April 5, 2017: Ministry of National Defense (MND) Vice Minister Cheng De-mei says Taiwan does not need THAAD.

April 6, 2017: Mar-a-Lago meeting between President Donald Trump and President Xi Jinping.

April 10, 2017: Wife of detained activist Lee Ming-che barred from visiting Beijing.

April 15, 2017: Chinese tourist Zhang Xiangzhong seeks political asylum in Taiwan.

April 15, 2017: Shanghai TAO Director Li Wenhui meets Mayor Ko Wen-je in Taipei.

April 17, 2017: MAC protests PRC media use of term "China Taipei" for Taiwan sports teams.

April 19, 2017: Tourist Zhang rejoins tour group and returns voluntarily to China.