
Why Does the United States Care about Taiwan?

I sincerely hope that the two sides of the Taiwan Strait can seize this historic opportunity to achieve peace and co-prosperity. Under the principle of ‘no unification, no independence and no use of force,’ as Taiwan’s mainstream public opinion holds it, and under the framework of the ROC [Republic of China] Constitution, we will maintain the status quo in the Taiwan Strait. . . . In resolving cross-strait issues, what matters is not sovereignty but core values and way of life.

—Ma Ying-jeou, presidential inaugural address,
Taipei, May 21, 2008

Taiwan has long been the most sensitive issue in US-China relations and likely will remain so for many years to come.¹ The impasse across the Taiwan Strait serves as one of the most dangerous flashpoints in the world, the one issue that could lead to military conflict at a moment’s notice between the United States and China today.

China is fond of calling this matter a remnant of China’s civil war and a relic of the Cold War. Indeed it is. However, the issue has evolved substantially from this historical context over the years, making the Taiwan impasse in some ways even more relevant and immediate today than ever. Many in the United States and elsewhere may reasonably ask why the United States cares so much about this island off China’s coast and why Washington remains committed to it when this commitment could lead to war not only with a nuclear weapons state but also with the world’s most important rising power. Likewise, it is reasonable to ask why China cares so deeply about the island that it is willing to jeopardize many other political and economic interests to concentrate on gaining control over the territory.

The answers, like US-China relations more broadly, are complex. They have as much to do with history as with present realities. This chapter provides that context and, in particular, explains the continuing strategic interest of the United States and China in Taiwan.

Why Does China Care about Taiwan?

To most Chinese, Taiwan represents something far more important than mere territory. It is the final piece in China's attempts to overcome the legacy of its "century of humiliation" spanning the 19th and early 20th centuries, when it was colonized and divided by outside powers. Japan had colonized Taiwan in 1895 as a spoil of the Sino-Japanese War and relinquished control only after its defeat in World War II.

The return of Taiwan is also wrapped up in China's traditional measure of national power and self-respect dating back to its imperial days: its "unity." Affirmed through consistent official—government, media, and educational—propaganda for decades, Taiwan's status as a part of historic China, and as a lingering symbol of China's historic victimhood, is an unquestionable article of faith and self-evident truth that resonates deeply with an overwhelming number of Chinese citizens, even among those the outside world might consider the most reformist or progressive on issues like human rights and democracy. For Chinese citizens to think otherwise, or even to raise questions about prevailing opinion toward Taiwan's status (and even official Chinese policy), threatens to call into question their love of the "motherland" and thus their patriotism. Few assume this posture in today's China.

This was not always so. Before the Ming dynasty (1368–1644 AD), the island had little association with mainland China. The Portuguese and the Dutch colonized Taiwan during the 16th and 17th centuries, respectively, and only under the Qing (1644–1911 AD) was the island retained forcefully as a protectorate.² During Qing rule, native uprisings were common, and central control inconsistent and tenuous. Taiwan thus has had a murky status historically and a legacy of local resistance to Chinese rule.

While both the Chinese communists under Mao Zedong and the Nationalists (Kuomintang) under Chiang Kai-shek eventually came to assert that Taiwan is part of China, neither side mentioned or focused on the issue until World War II when Taiwan became a potential spoil of war upon the defeat of Japan, which had colonized the island in 1895, and the waning days of the Chinese civil war in the late 1940s.³ After Chiang's Nationalists were defeated in the Chinese civil war and fled to the island in 1949, they continued to assert their "Republic of China" regime remained the rightful government of all of China, just from offshore in the temporary capital of Taipei. The communists for their part viewed Taiwan as the final stage of the civil war and came to consider restoration of the country's unity—also to include Hong Kong and Macao—as essential for the regime's legitimacy.

Chinese leaders also have viewed Taiwan in terms of national security, specifically as being vulnerable to foreign powers' strategy of encirclement and containment. This perspective reflected China's traditional suspicions about the outside world and historically rooted consciousness

about threats to the Chinese heartland from its periphery that periodically led to the nation's subjugation or division.⁴ Beijing is particularly sensitive to talk of the island as an "unsinkable aircraft carrier," a term coined by the Japanese during their colonization of the island and continued during the Cold War when the United States maintained military bases on Taiwan and a formal alliance with the Nationalist (Republic of China) government in Taipei.

Chinese strategists have written about the importance for China's security of gaining control out to the "first island chain": They view Taiwan as part of a band of territory around China's eastern maritime periphery that includes US allies Japan, Korea, and the Philippines and thus is of strategic concern. Also of significance are the benefits to China's economy from increasing cross-strait trade and investment flows.⁵

One may argue that the People's Republic of China government itself, through the success of national education and propaganda, has created the conditions whereby the Taiwan issue has become a matter of regime survival and that it may be in China's own interest to consider how to get out of the corner in which it has placed itself. But it is essential to understand that the Chinese people today believe deeply that Taiwan is a historical part of China and that its separation is a legacy of foreign-instilled humiliation.

Whether the people on Taiwan have similar views today is of lesser importance to the Chinese. Likewise, China considers any questions from outsiders about Taiwan's rightful place as part of China as insulting and rude involvement in China's internal affairs that reflects ignorance, ulterior motives, or just fundamental ill will toward the rise of China. Until or unless the views of the Chinese people change, this deep emotional resonance with and popular connection to Taiwan cannot be ignored as a fundamental context for US and others' handling of the Taiwan situation.

Why Has the United States Cared about Taiwan?

The United States has its own historical perspective on Taiwan. The US connection in fact predates consideration of the island itself. Its roots stem from US historical engagement of China dating back to the 19th century and fascination in particular with the Republic of China under Chiang Kai-shek's Kuomintang Party. The rise of the Republic of China under Chiang and his US-educated Christian wife Soong Mei-ling (Madame Chiang) during the 1930s and 1940s represented the culmination of decades of US hopes and dreams to remake China in the Western image. Generations of American missionaries had traveled to China since the 19th century to save souls, do good works, and bring "enlightened" Western ways to a vast new frontier. News about China was transmitted back to the United States through US churches, which increased interest and awareness of Chinese

affairs within US society. The rise of Chiang—a Christian convert—and his wife to power seemed to be a validation of their efforts and a measure of their success.

China under Chiang received a boost from US media and popular culture. *Time Magazine* editor Henry Luce, himself a missionary's son, used his magazine to tout the Chiangs as a bulwark for a modern, Westernized, and Christian China and against "warlordism" and atheistic communism. Pearl Buck's enormously successful novel and movie, *The Good Earth*, onto which Americans were able to project their Depression-era struggles to China's age-old hardscrabble conditions, further solidified America's connection to China and Chiang. The Japanese attack on Pearl Harbor made the United States and China both victims of, and immediate war-time allies against, international fascism, particularly Japan. When Madame Chiang made a triumphant visit to the United States in 1943, during which she addressed a joint session of Congress in flawless English, US ties to the Chiangs as China's hope only deepened in the American psyche.

The reality of Chiang's life and governance was obviously more complex. His personal commitment to Christianity, for instance, was inconsistent, and his rule was hardly as enlightened, clean, or democratic as many Americans had assumed (in fact, Chiang had flirted with fascistic models in the 1930s). Nonetheless, when Chiang's Kuomintang forces succumbed to Mao's communists and fled to Taiwan in 1949, many in the United States were stunned and angered. Some vilified the Harry S. Truman administration and US State Department's China specialists for allowing communism to expel an old ally and end the long-standing US project to change China. With concern over international communism growing as the Cold War dawned, the refrain of "Who Lost China?" became a heated cry in US policy and partisan circles. Others simply felt betrayed that the Chinese people, upon whom US citizens had bestowed so much time, toil, and emotion over many years, would turn their backs on "enlightenment" and choose communism.

For others, however, the Kuomintang's retreat simply tied the United States emotionally to the transplanted Chinese on Taiwan. Those who had felt betrayed by the mainland's turn to communism could now turn to the Republic of China based in Taiwan as the last best hope to transform China.

Nonetheless, in early 1950, the State Department had determined that, despite concern about communist victory on the mainland, the United States was in no position, militarily or otherwise, to prevent Mao's forces from finishing off the Kuomintang on Taiwan. This posture changed in June 1950, however, when North Korea invaded the South to begin the Korean War. The North's aggression provoked a new strategic calculation that the United States needed to demonstrate a firm commitment to defend against aggressive communist expansion anywhere and shore up the morale of its allies during the early stages of the Cold War.

The change in strategic mindset caused the United States to maintain its formal diplomatic ties with the Republic of China on Taiwan and led to the establishment of a treaty alliance in 1954 that incorporated the island into the US-led collective security system in East Asia. Taiwan became an essential component of the West's containment policy against international communism. The United States maintained military bases on the island as an "unsinkable aircraft carrier" from which to project power and fulfill its security commitments in East Asia.

In 1954 and 1958, Taiwan became a military flashpoint when China threatened two small Kuomintang-controlled islands—Quemoy (Jinmen) and Matsu—just off its coastline. The Dwight D. Eisenhower administration viewed Chinese pressure in each instance as a test of Western resolve against communist aggression worldwide, and threatened use of nuclear weapons in response, deepening a sense among many US and Kuomintang policymakers that the defense of Taiwan was not only of great symbolic value but also a vital Cold War interest. The crises also raised the first specter of the United States potentially becoming entrapped in a war—even nuclear war—with China over the island. This danger of miscalculation leading to conflict caused the United States and China to begin direct if quiet ambassadorial talks in the mid-1950s, first in Geneva and then Warsaw.

Over time, US relations with the people on Taiwan deepened in many other practical respects. The Taipei government provided economic and technical assistance in support of US operations in Vietnam (although offers of combat assistance were turned down for fear of provoking China). Taiwan's economy expanded rapidly beginning in the early 1960s, with an export-led growth strategy that moved the island from an agricultural to a flourishing industrial-based capitalist economy. By the 1980s, Taiwan had become one of Asia's economic "tigers."

At the same time, personal contacts between US and Taiwan government, academic, and business elite flourished. Americans who sought to study Chinese language or culture traveled to Taiwan, as the mainland remained closed to outsiders and marked by strange convulsions of revolutionary fervor and ideological zeal, epitomized by China's Great Proletarian Cultural Revolution.⁶ By contrast, although remaining an authoritarian state, Taiwan seemed eminently friendly and open, and a capitalist ideal, deepening the connection many Americans had with the people on the island and creating expectations among the Taiwan people that the United States would remain its friend and benefactor.

Nonetheless, over time international realities made it more controversial and difficult to defend diplomatic recognition of a small government in exile on Taiwan and isolation of the Chinese communists in Beijing. John F. Kennedy pledged privately in 1963 that he intended to recognize the People's Republic but could only do so after he was reelected, given the fierce political opposition he would face from anticommunist conser-

vatives. It thus ultimately fell to Richard Nixon, one of those anticommunist conservatives, to redefine US Cold War strategy by reaching out to Mao's China, marking the beginning of the end of the US focus on Taiwan as a critical strategic component in waging that war.

The United States recognized that it could not entirely abandon Taiwan to China without seriously damaging its international credibility and reputation, let alone as a matter of decency and fairness to an old friend. Indeed, in the bilateral communiqué that resulted from Nixon's breakthrough trip to China in 1972, the Taiwan issue was central. The two sides agreed to disagree on the issue, and finessed their differences in diplomatic language, setting down on paper the divergence in perspectives, which continues to this day: While China affirmed that Taiwan is "a province of China," the United States would only "acknowledge" that "all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is part of China." The United States also "reaffirm[ed] its interest in the peaceful settlement of the Taiwan question by the Chinese themselves." US agnosticism over the ultimate resolution of the Taiwan impasse but requirement that any resolution be peaceful and, by implication, achieved through dialogue laid out the fundamental outlines of the American position, which continues to this day.

In negotiating the communiqué, the Nixon administration recognized that regardless of the future development of relations with China, US commitment to Taiwan's security and peaceful resolution of its relationship with the mainland would remain important for US credibility with other allies and friends who relied on the United States for their security and for maintaining peace and stability in East Asia more broadly. In this view, failing to live up to its long-standing commitment to the people on Taiwan would leave doubts in others' minds about whether the United States was a reliable ally over the long run. With the Vietnam War coming to a close, and the United States retrenching in its military engagement of East Asia as a result, these questions about US reliability were immediate and relevant, with the potential, in the minds of US and regional strategists, to undermine the viability of the entire US alliance-based structure that underpinned US regional influence, and security in East Asia more broadly.

This perspective contributed to the delay in completing the task of normalization through the mid-1970s, as both Gerald Ford and Jimmy Carter resisted China's demands that the United States end arms sales to and break off all ties with the Taipei government as conditions for normalization. In the end, establishment of official diplomatic relations between the United States and the People's Republic of China on January 1, 1979, led to the end of formal US–Republic of China diplomatic ties, the eventual termination of the Mutual Defense Treaty,⁷ and termination of US military presence on the island. But it did not lead to the end to military

arms sales,⁸ unofficial ties with Taipei, or to the fundamental and long-standing US requirement that the ultimate resolution of the Taiwan impasse be peaceful.

The US Congress, concerned that the United States remain true to its commitment to Taiwan's security and that China not be tempted to miscalculate US resolve against the use of force, passed the Taiwan Relations Act on April 10, 1979, establishing a quasi-formal defense commitment to Taiwan. The Act called all nonpeaceful means to determine the future of Taiwan, including boycotts and embargoes, "a threat to the peace and security of the Western Pacific area and of *grave concern* to the United States" (emphasis added), leaving ambiguous exactly how the United States would respond but making clear the seriousness with which Washington would view aggressive challenges to Taiwan's security.

Likewise, the Act stated that the United States will provide necessary "defense articles and defense services" to ensure that Taiwan can maintain "a sufficient self-defense capability." The United States itself would "maintain the capacity . . . to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." To conduct subsequent unofficial relations with Taiwan, the bill established a private nonprofit corporation, the American Institute in Taiwan, that would be staffed with employees who were formally not employed by the US government (although in practice, they tended to be either retired officials or active-duty personnel who took a leave of absence from government to take the post).

The Taiwan Relations Act was a watershed for US relations with Taiwan, establishing as a matter of domestic law an explicit authorization and explanation of US interests and policy concerning Taiwan in the face of alliance severance and derecognition of the Republic of China government in Taipei. In particular, this included continuing arms sales to the island, albeit limiting them formally to those of a "defensive character." The Act also made a connection between the peaceful settlement of the Taiwan question and the US commitment to maintaining peace and stability in the region, which carried important implications for Taiwan's security given the severance of the US–Republic of China alliance.

For obvious reasons, the Chinese have considered the Taiwan Relations Act irrelevant to US commitments concerning Taiwan as reflected in the bilateral communiqués, and a violation of the spirit, if not the letter, of the normalization agreement. Nonetheless, none of the Act's precepts was inconsistent with prevailing US government positions on Taiwan as reflected in public statements and private conversations with the Chinese nor were any precepts criticized by the Carter administration or by any subsequent US administration.

In 1982, in the midst of a deteriorating climate in US-China relations over Taiwan arms sales, the Ronald Reagan administration produced three re-

lated statements that further defined and refined US-Taiwan policy in a new era. The first was a private statement of reassurance to Taiwan that its interests would not be sacrificed in the course of ongoing discussions between the United States and China over Taiwan arms sales and other matters.⁹

The second was another bilateral US-China communiqué,¹⁰ which came under pressure from China. It committed the United States to reduce steadily, in “qualitative” and “quantitative” terms, arms sales to Taiwan.

The third was a clarification of this communiqué by the State Department’s leading official responsible for Asian affairs, who told Congress that the decline of US arms sales would be a function of China’s demonstrated commitment to peaceful resolution of the Taiwan issue and of Taiwan’s defense needs.¹¹ In other words, the Reagan administration did not alter fundamental US policy concerning Taiwan, even regarding arms sales.¹²

The United States thus continued through the final years of the Cold War its commitment to peaceful, noncoercive resolution of the cross-strait impasse, and to Taiwan’s security more broadly, despite an evolution in relations with China. By the 1980s, the issue became as much about commitment to an old friend as about containing communism or rising Chinese power in Asia. Nonetheless, as time passed, changes in Taiwan itself and in US perspectives toward China added to the mix of US interests in Taiwan’s future and to the legacy of US support for the people on the island.

Why Does the United States Still Care about Taiwan?

The end of the Cold War and the rise of Chinese power in recent years have complicated US calculations concerning Taiwan. Given the changes in the international environment since the Cold War, the geopolitical value of Taiwan has arguably gone down even as the value of a constructive relationship with China—in economic, political, and other terms—has gone up. And of course the dangers of facing off against China militarily, over Taiwan or otherwise, have never been higher and will only increase. However, the United States continues to care about Taiwan for several important reasons.

First, at a coldly strategic level, the US government continues to assess that remaining true to its long-standing commitment to the people on Taiwan is critical for the continued credibility of US strategic commitments throughout East Asia. The United States remains the essential guarantor of East Asian security and balance of power through its military presence and alliances. Perhaps uniquely in the world, countries in the region continue to rely on and welcome this commitment from the United States to safeguard regional peace and stability and prevent the rise of a regional hegemon.

Although the region greatly fears US-China military conflict over Taiwan, should the United States abandon Taiwan to China, either explicitly or through compromise on its long-standing policy against coercive means

of resolution, the region—particularly but not limited to allies such as Japan and South Korea—would question overall US resolve in the face of a rising China and have reason to fear abandonment of their interests and other regional commitments. It is not an exaggeration to suggest that the US position in Asia, and the psychology of security that it has produced, would be seriously undermined as a result, leading to regional instability as nations with long histories of mutual suspicion react to this perceived new security vacuum. For fear of alienating China, regional policymakers and strategists will not publicly state this concern about how Taiwan is handled but privately convey such sentiment.

At a more visceral level, Taiwan's evolution from a one-party authoritarian state to a multiparty democracy and open society over the past 20 years has also added a critical new component to US interest in the security and viability of Taiwan. In 1987, Chiang Kai-shek's son, Chiang Ching-kuo, lifted martial law, and in 1988, the Kuomintang allowed the formation of opposition parties. Competitive legislative elections were held, and direct election of the "President of the Republic of China" began in 1996. Taiwan's authoritarian past is a distant memory.

Indeed, from a systemic standpoint, Taiwan has undergone what many in the United States hope to see take place on the mainland: a transition to a more open, fair, and stable democratic society based on the rule of law. The political, social, and cultural freedoms enjoyed by the Taiwan people today are akin to the values instinctively attractive to and promoted by the United States.

Under such circumstances, enabling Taiwan society to continue to safeguard its way of life and to chart its own future, without coercion but short of formal independence, has seemed appropriate to US policymakers, particularly given Taiwan's status as an old friend and the achievements it has made with the help of its friendship with the United States. Indeed, it was the development of Taiwan's democracy that led the Bill Clinton administration to clarify US policy by requiring not only that any resolution be peaceful and noncoercive but also, more specifically, that it be "acceptable to the people of Taiwan." The George W. Bush administration seemed to accommodate Chinese concerns about the one-sided nature of this statement by modifying it to say that any resolution be acceptable to the people on "both sides of the Taiwan Strait."

Taiwan's economic achievements are another often-overlooked reason why the United States continues to care about the island. Taiwan is the United States' ninth-largest trade partner, with nearly \$65 billion in bilateral trade in 2007. It has become the global leader in computer and telecommunication component technology, serving as a linchpin in the development of this critical sector. While unification with the mainland may not necessarily derail the entrepreneurial success of Taiwanese companies, maintaining the stability and viability of Taiwan's economy has become important to the health of the global and American economies.

Finally, and perhaps most importantly, many in the United States believe that how China handles Taiwan will be an important measure of both how China deals with disputes as it rises and how the United States—and the world—will manage the challenges of a rising China. If the United States or others were to begin to compromise on their fundamental and long-standing commitments and interests because of concern about Chinese reaction, this would risk sending a signal of license to Beijing on other matters. As indicated earlier, it may also send a signal to other nations about a shift in the balance of regional and perhaps global power, leading those nations to make strategic choices accordingly that may not benefit the US position in Asia.

So while Taiwan may appeal naturally to American sensibilities for many reasons—as an old friend, a vibrant democracy, and an open society—it remains to some degree, as during the Cold War, a symbol of something larger: how America manages a broader international security challenge. To many US strategists, the Taiwan issue therefore is not about “containing” China, keeping China divided, or preventing China’s rise, as many Chinese assert, but about ensuring that as it does rise, Beijing conforms to its own stated goal of doing so peacefully, through dialogue rather than threats, through win-win solutions rather than coercive force.

Limits to US Support

The United States has stated publicly and repeatedly that it “does not support” Taiwan’s independence. In 1998, President Clinton publicly affirmed for the first time the so-called three no’s policy of the United States toward Taiwan: no support for Taiwan’s independence; no support for “two Chinas” or “One China, One Taiwan;” and no support for Taiwan membership in international organizations that require statehood. This policy has roots in statements former secretary of state and national security adviser Henry Kissinger made during his first visit to Beijing in 1971, but it was never affirmed publicly by a US president as US policy until Clinton’s declaration.

A Taiwan declaration of independence, therefore, is a clear red line for the United States that would call into question US political and perhaps military support for Taiwan. Short of such a declaration, however, it has become more complicated and challenging for the United States to define exactly what is and is not acceptable behavior, particularly by Taiwan, given the natural evolution in the cross-strait situation.

Indeed, the natural evolution of Taiwan society has complicated cross-strait affairs. Taiwan’s democracy has led to the political rise of “native Taiwanese,” defined as those whose ancestors did not come to the island with the Kuomintang in 1949 but had lived there for many prior generations. The Kuomintang had suppressed this group’s culture, language,

and history in favor of those of the mainland Chinese. The simmering resentment of these Taiwanese toward what they considered mainland Chinese political occupation was unleashed when democracy led to the election in 2000 of a president from a native Taiwanese-dominated party. Chen Shui-bian's Democratic Progressive Party favored independence and soon sought to reassert traditional Taiwanese customs and culture while distancing the island increasingly from any notion of a "Republic of China," or of China more broadly.

Generational change has also had measurable impact on cross-strait affairs. With the passage of time new generations of Taiwan citizens have emerged who have no recollection of or direct connection to mainland China and have gradually severed any loyalty that even the sons and daughters of Kuomintang exiles had toward the land of their parents and grandparents. Instead, they have come to consider themselves generally more "Taiwanese" than "Chinese"—or both¹³—with a distinct modern identity for which they demand respect and recognition, even if short of formal statehood.

The implications of this development have alarmed China. China fears that Taiwan may be drifting away inexorably over time and thus has been extremely sensitive to moves by Taiwan's leadership that China perceives as further severing any formal or symbolic linkages to China. These concerns were particularly acute during Chen Shui-bian's presidency, which rejected accepting the fundamental principle of "One China," Beijing's precondition for any official dialogue between the two sides. In response, China sought not only to punish Chen and his supporters directly but also to pressure the United States to help. Beijing often charges that US actions, such as arms sales or other support, demonstrate bad faith and embolden Taiwan "independence advocates."

This state of affairs has naturally complicated US policy toward both Taiwan and China. Short of supporting independence, the United States since the 1990s has had to determine to what degree changes in the aspirations of Taiwan's 23 million people are legitimate, accord with US values and interests, and thus deserve greater dignity, recognition, and support. This includes whether to support a larger role for Taiwan in international affairs, traditionally under the compromise moniker of "Chinese Taipei," or to accord Taiwan's leadership greater official respect in other ways.

At the same time, the United States in recent years has sought to establish constructive relations with China to deal with a wide array of critical issues, from counterterrorism to nonproliferation and from trade to climate change. Washington became particularly concerned during much of the Chen administration, then, about the seeming insensitivity of Taiwan at times to these and other US interests, both related and unrelated to China, particularly as the Chen government sought to affirm Taiwan's dignity and identity in ways that many saw as being on the border of acceptability and provocation.

For instance, Chen referred continually to Taiwan as a “sovereign country;” echoed the words of former president Lee Teng-hui that mainland China and Taiwan each make up a “country on each side of the Taiwan Strait” (*yi bian, yi guo*); announced the abolition of a Kuomintang-era council and guidelines dedicated to unification (although he subsequently amended this announcement by saying that they would be inoperable rather than abolished); and took the name of “China” off all state-operated companies, and that of Chiang Kai-shek off all official landmarks, including the island’s international airport and central square. In 2003, Chen’s government discussed promulgating a ballot referendum to be held concurrently with the 2004 presidential election that called for a new Taiwan constitution. This prospective move caused great consternation not only in Beijing but also in Washington, which feared that a new constitution could be viewed as a *de facto* declaration of Taiwan’s permanent separation from China.

Likewise, the Chen government sponsored a ballot referendum during the March 2008 Taiwan presidential election that asked whether Taiwan ought to seek membership in the United Nations under the name “Taiwan.” While seemingly innocuous—and pointless, since China would veto any effort by Taiwan to join the United Nations—the Bush administration considered the initiative a highly provocative step toward changing the formal name of the country that suggested independence from China. The referendum failed.

Indeed, the Bush administration responded over time with increasing annoyance and open opposition to such moves. It fumed at President Chen’s consistent insensitivity to US desires to maintain cross-strait stability so Washington could focus on other more immediate and critical global challenges. President Chen defended his actions as the only responsible course for a president elected to serve the interests and protect the dignity of the 23 million people on Taiwan. The personal animus of President Bush for President Chen became an open secret.

In the face of changing goals, ambitions, and policies of a new generation of leadership in Taipei, the Bush administration eventually clarified US Taiwan policy to oppose “provocation” or “unilateral decisions by either side” to change the status quo. The United States has taken upon itself to define the meaning of these terms, including “status quo,” and to react accordingly. In private, President Bush has also reportedly conveyed to the Chinese US “opposition” to Taiwan’s independence, a substantial change from traditional US policy that avoided taking a position on the issue, and this formulation in particular. Overall, since the late 1990s the United States has found itself more actively involved in cross-strait affairs to prevent potential miscalculation or perceived provocations by either side from spilling over into confrontation.

To complicate matters further for US-Taiwan relations, questions have arisen over the past decade over Taiwan’s commitment to its own defense

in the face of a rapidly modernizing Chinese military. Legislative gridlock has prevented passage of arms procurement packages and defense budgets have declined. Both Chen and Taiwan's new president, Ma Ying-jeou, have vowed to increase Taiwan's defense budget to 3 percent of GDP; whether that will happen and is adequate for Taiwan to face the clear challenge remains to be seen. While Taiwan can never keep up with China's military development, its inability or unwillingness to expend the resources and signal a serious commitment to its own defense could undermine the commitment of US policymakers and members of Congress to support Taiwan's interests—including the potential to put US forces in harm's way on behalf of the island.

Given the stakes of US commitments to peace and stability in East Asia and to a peaceful resolution of the Taiwan issue specifically, successive US administrations have made it clear they do not appreciate surprises from Taipei and have urged Taiwan to be respectful of the sensibilities and interests of its "ally" when it decides to take action on issues that touch even remotely on Taiwan's sovereign status. The March 2008 election of Ma Ying-jeou, a Harvard Law School graduate with long experience in the United States, exemplary English-language ability, and an expressed discomfort with Chen's tactics, has raised hopes in Washington that the era of surprises and gratuitous provocation is over. Furthermore, as a Kuomintang "mainlander"—someone whose family fled to Taiwan from mainland China as a result of the Chinese civil war and thus relatively trusted by Beijing as more strongly connected to his "Chinese" roots—Ma has raised high expectations of a new stability and even progress in cross-strait relations in coming years. Whether these high expectations will be met remains to be seen.

Alternative Approaches to Dealing with the Taiwan Impasse

Despite the principles and strategy that underlie US policy toward Taiwan, the current situation of continued tension in US relations with China over Taiwan, and the hair-trigger nature of the cross-strait impasse—where an incident, accident, or miscalculation at any time by either China or Taiwan could lead to hostilities that draw in the United States for the sake of its credibility—are clearly not in the interest of the United States or the region. As a result, many specialists have grappled with ways to further refine US policy and engagement on the issue to deter provocation, prevent miscalculation, provide more predictability in the relationship, and generally reduce tensions to promote a more stable environment in which both sides can work out their differences over time.

Several innovative approaches have been broached. In 2005, China scholar and former White House official Kenneth Lieberthal suggested

that China and Taiwan conclude an explicit *modus vivendi* lasting 20 to 30 years, in which China would vow not to use force to settle the impasse in return for Taiwan vowing not to declare independence.¹⁴ The United States would offer its good offices to facilitate dialogue and to help line up international support to guarantee the arrangement. Lieberthal acknowledged that mutual mistrust, lack of adequate communication channels, and uncertainty over the compatibility of each side's positions might be unsurpassable obstacles to reaching such a deal. However, Taiwan's new president, Ma Ying-jeou, campaigned on a platform that included the idea of a Lieberthal-like *modus vivendi*, and the notion may be tested in some form in coming years.

Similarly, Joseph Nye in 1998 recommended a three-part package of unilateral steps by the United States, China, and Taiwan that would provide greater policy clarity and reassurance to all sides. Nye proposed that (1) the United States declare its opposition to both Taiwan's independence and use of force by China and that (2) China offer greater international space to Taiwan under a "one country, three systems" formula on the condition that (3) Taipei make a clear and public commitment not to declare or move toward independence but instead engage in cross-strait dialogue and promote greater cross-strait economic and personal interchange.

Some have suggested that the United States consider taking more direct responsibility for mediating the Taiwan dispute. They note that among the major challenges around the world in recent times, such as Northern Ireland, Israel-Palestine, even Kashmir, the Taiwan case is unique in that the United States has explicitly ruled out any mediating role to help resolve the impasse.¹⁵ Given the clear and direct interest of the United States in a peaceful resolution, and its responsibility for the peace and stability of East Asia more broadly, these observers question the wisdom of maintaining this position.

Another view that has gained some momentum among conservative circles in particular is that the United States scrap adherence to a "One China" policy, which no longer reflects today's reality. In this view, the original formula in which the United States "recognizes" that people on both sides of the strait consider Taiwan to be part of China does not apply, since that condition arguably is no longer met in Taiwan. Furthermore, they note, continuation of a "One China" policy when combined with quiet reassurance that the United States "opposes" Taiwan's independence risks misunderstanding and miscalculation in Beijing that the United States might tacitly acquiesce to a limited military action against the island should Beijing and Washington agree that certain actions and trends in Taiwan are unacceptable.

Still others contend that Taiwan is simply not worth the damage US commitments are causing to healthy and constructive US-China relations. The notion that Taiwan remains the "turd in the punch bowl" (as one se-

nior military official famously termed it in the 1990s) when it comes to US-China relations indeed exists among some US strategists and specialists in US-China relations. Nonetheless, few individuals have suggested publicly or even in formal private settings that the United States simply abandon its commitments to Taiwan. So far, these individuals may only go so far as to suggest that should Taiwan provoke conflict across the strait, the United States should not be obliged to come to its defense and that that message should be sent clearly to Taipei to constrain any “problematic” activity so it does not interfere with stable US-China relations.

Likewise, it should be noted that a few individuals in the United States take the radically alternative view that the United States should not allow China to regain control of Taiwan regardless of the circumstances—even if the Taiwan people were to acquiesce—because of the perceived strategic value of Taiwan to China and concurrent strategic vulnerability of the United States and its Northeast Asian allies that would result. Such a position, however, would run counter to decades of US stated policy, undermine US credibility as a force for peace and stability in East Asia, and simply be untenable to enforce against the will of the two sides to resolve their differences peacefully and determine their own future according to their common interest.

How Should the United States Think about Taiwan Today?

As noted, the Chinese consider Taiwan to be the most sensitive and important issue in US-China relations. The United States would prefer that this not be so, but it must take into account—though not necessarily always accommodate—Chinese sensibilities on the issue as a core element of a stable bilateral relationship.

US support for Taiwan in political and military terms is becoming increasingly complicated as time passes. China’s rise makes the cost of US intervention higher and leads fewer nations around the world to dare speak out in support of the Taipei government, even as democracy and generational change in Taiwan are creating a new, less predictable decision-making dynamic on the island and leading to greater demands for international recognition of its *de facto* independent identity.

Indeed, for all intents and purposes, Taiwan is an independent entity that is governed from Taipei and not in the least from Beijing. Thus to some on Taiwan and elsewhere, it may not be fair that the United States and others do not accord official recognition to Taiwan’s flag or anthem or offer Taiwan a place in the United Nations alongside other sovereign states. However, Taiwan’s situation is unfortunately not a matter of fairness. The growing power of China and its commitment to prevent inter-

national recognition of Taiwan as a sovereign entity is the reality in which Taiwan finds itself. The island—and the United States—would be foolish to ignore this reality in its policies.

Nonetheless, the United States has every reason to maintain the fundamentals of its long-standing, if continually refined, Taiwan policy: peaceful (noncoercive) resolution through dialogue, agnosticism on ultimate outcome, no unilateral changes in the status quo, and no provocation by either side. The imperatives of strategy and values that underlie continued US commitment to Taiwan since the earliest days of the Cold War, as outlined earlier, may have evolved somewhat but remain as valid and important to US interests today as ever.

Few observers question that China will use force against Taiwan if it declared independence. This is a nightmare scenario for all sides. A December 2007 “Committee of 100” poll affirmed that only 32 percent of Americans favored US military intervention on Taiwan’s behalf should a declaration of independence trigger hostilities across the strait.¹⁶ However, Taiwan is unlikely to make such a clear declaration. The question is to what degree Americans should support military intervention if hostilities break out short of an independence declaration, for instance, if caused by a so-called provocative act that Beijing deems has crossed a red line. Just as complicated is the degree to which the United States should support other Taiwan moves that seek to promote its international profile, dignity, or other interests in ways that are not clearly provocative but that Beijing views as such.

The United States, in fact, should insist that any actions by Taiwan that come close to affecting the island’s sovereign identity be at least communicated to, if not closely coordinated with, Washington. It would be unreasonable for Taiwan to expect the United States to automatically accept actions that are not worked out in advance with Washington given the stakes of miscalculation for US and regional interests, let alone Taiwan’s own security. Even under a US policy that encourages China and Taiwan to work out their differences on their own, the United States does have an interest in understanding the direction of Taiwan policy in this regard and in communicating to Taiwan’s leaders the implications of such policy for US interests and strategic calculations.

Taiwan’s democracy also does not mean that the United States must or will support the island at every turn. The United States, for instance, should not support Taiwan actions that will complicate US relations with China unnecessarily or for reasons of Taiwan’s domestic politics, rather than for essential issues related to Taiwan’s national health, security, dignity, or development.

Indeed, given the changes on Taiwan, the US government should consider engaging in more types of direct contact with Taiwan officials in order to avoid miscalculation and miscommunication between the two sides.¹⁷ Although China traditionally has not supported such official con-

tact, it may in fact serve Beijing's interests that the United States be able to send its messages clearly to Taipei as necessary.

Likewise, the United States should withstand the temptations offered by China to work on the issue bilaterally, to "comanage" Taiwan, over the heads of the Taiwan people. In the interest of US credibility with allies and friends, the viability of any ultimate arrangement, and basic fairness to the Taiwan people, the United States should ensure at every turn that China understands that the road to resolution runs through Taipei and that it must engage directly with Taiwan's elected leadership if it desires any progress.

At the same time, while US policy is to not support Taiwan's membership in international organizations that require statehood, it does not make sense for the United States to oppose Taiwan's involvement, short of membership, in such international organizations or activities. It also seems reasonable that the United States adhere to the unstated corollary of its policy and support Taiwan's membership in appropriate international organizations that do not require statehood.

Putting the issue of sovereignty aside, Taiwan's advanced economy and society clearly can and should contribute to global efforts to address a range of international challenges. Given the dangers of infectious disease in East Asia, particularly in the aftermath of the severe acute respiratory syndrome (SARS) scare in Taiwan in 2003, for example, Taiwan's involvement in the World Health Organization would be particularly reasonable and important. The United States ought to support Taiwan's involvement not only as a matter of propriety but also in the interest of international safety and well-being, while continuing to affirm its firm opposition to any unilateral moves by Taiwan to change its undefined sovereign status.

On the issues of US arms sales and defense cooperation with Taiwan, the Chinese often charge that they promote separation and prevent unification. Indeed they do seek to prevent unification based on aggression or coercion, but that has been US policy for decades. Arms sales and defense cooperation should continue as a way to demonstrate adherence to long-standing US commitments, under the Taiwan Relations Act and otherwise; help the island maintain at least some of the "sufficient self-defense capability" that the Act calls for; and promote an environment where Taiwan would have the confidence it needs to enter into dialogue with its mainland counterparts on an equal basis to discuss reducing tensions and eventually resolving the impasse. The intent should be to promote deterrence and prevent Chinese miscalculation that resolving the situation through nonpeaceful means is a viable option.

At the same time, the US military needs to be prepared and able to intervene if called upon during a crisis. Obviously this is a worst-case scenario and one to be avoided. However, while the United States can be agnostic politically about Taiwan's ultimate sovereign status, it cannot afford to be agnostic about military planning, which should be done in coordination with Taiwan's military.

Indeed, nothing about Taiwan's ability to defend itself, US contingency planning, or overall US support for the island's dignity and security prevents China from winning over the hearts and minds of the Taiwan people to achieve the "peaceful reunification" and cross-strait stability Beijing says it seeks. The lack of trust between the two sides is the fundamental problem creating tensions and danger across the Taiwan Strait.

The United States, therefore, must continue to maintain a delicate balance in dealing with both Beijing and Taipei. The key is to give neither China nor Taiwan confidence that the United States would support unilateral moves toward a permanent solution of the impasse so as to avoid miscalculation by either side that might drag the United States into a crisis. In the end, it is the peace and stability of East Asia, and the maintenance of regional security more broadly, that the United States should consider its priority interest.

The good news is that Ma Ying-jeou's election in March 2008 and inauguration in May have led to a clear opportunity for a new start in cross-strait relations, one that both sides seem to have recognized and already seized. Chinese president Hu Jintao and Ma have echoed each other's words about how to move forward in relations at least in the near to mid-term,¹⁸ with Hu apparently comfortable with the deliberate pace preferred by Taiwan's president to accentuate economic, societal, and cultural contacts first and defer to the indefinite future any conversation about harder political issues.¹⁹ Formal dialogue between the two sides has already resumed, with the first meeting in a decade between Taiwan's Straits Exchange Foundation (SEF) and China's Association for Relations Across the Taiwan Strait (ARATS) held in June 2008.²⁰

Taiwan's people expect the election of Ma to lead to increased cross-strait stability, economic development, respect from the mainland for the island's dignity and achievements, and reduction in the island's international isolation. Such high expectations will require even more flexibility and patience from the mainland in coming years, qualities that may be challenged over time as the Chinese people on the mainland harbor their own expectations of progress toward their national goals. Indeed, China is debating the fresh challenge of how to handle a Taiwan leader who is not provocative but committed to many of China's own stated aims for deeper and expanded cross-strait ties. Even as Ma has called for stability in cross-strait relations during his presidency under the "three no's" principle of "no unification, no independence, and no use of force," he has commented that reunification cannot happen until China is a democracy. Some are concerned that a gap may develop in expectations between the two sides over time, leading to renewed tensions or frictions.

Nonetheless, the more China and Taiwan take responsibility for managing cross-strait stability, the less the United States will be required to assume this task. The United States has been a critical component of the cross-strait dynamic but may be decreasingly so in coming years. This is

a good thing—although US engagement and vigilance will remain necessary for the foreseeable future to ensure continued progress and peace and safeguard Taiwan from coercion.

China likes to say that were it not for the Korean War, Taiwan would be part of China today. This is almost certainly true. However, regardless of how we got to this point, the responsibility today ultimately lies with Beijing to build the mutual trust and confidence necessary to attract the people of Taiwan and peacefully resolve the long-standing impasse. At the same time, Beijing will continue to claim that US support for Taiwan demonstrates bad faith toward China. But to be pro-Taiwan should not be construed as being anti-China. The Taiwan people have created a good life for themselves, with an open, economically developed, democratic society that conforms to US values and interests. In fact, it is the type of society that China says it hopes for itself. How China resolves the Taiwan issue will say much about how it will handle other disputes, internal and international, as it grows in power.

Notes

1. For a brief primer on policy and perspectives surrounding the Taiwan dispute, see Derek Mitchell's chapter "China's Foreign and Security Policy: Partner or Rival?" in *China: The Balance Sheet—What the World Needs to Know Now about the World's Emerging Superpower* (New York: PublicAffairs, 2006). For a history of the evolution of the Taiwan issue, see Alan D. Romberg, *Rein in at the Brink of the Precipice: American Policy Toward Taiwan and US-PRC Relations* (Washington: Henry L. Stimson Center, 2003). For a comprehensive analysis of cross-strait relations, see Richard C. Bush III, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington: Brookings Institution Press, 2005).

2. The name "Taiwan" didn't even appear in Chinese documents until the late Ming period (1368–1644), when the island became an outpost for defeated Han loyalists. Chinese maps during the early Qing dynasty (1644–1912) also failed to include the island. Kangxi, the great Qing emperor (1654–1722), reportedly dismissed Taiwan as "no bigger than a ball of mud" and said his dominion would "gain nothing by possessing it, and it would be no loss if we did not acquire it." See Alan M. Wachman, *Why Taiwan: Geostrategic Rationales for China's Territorial Integrity* (Stanford, CA: Stanford University Press, 2007).

3. The Republic of China under the Kuomintang also considered Outer Mongolia part of China, a claim renounced only by a Democratic Progressive Party government over the last decade but not yet reflected in changes in the official Republic of China constitution still in force on Taiwan. Ironically, the People's Republic of China, due to pressure from the Soviet Union and in the name of communist solidarity, formally relinquished any Chinese claims to Mongolia upon assuming power, when it recognized the Mongolian People's Republic in 1949.

4. The first known recorded evidence of China's strategic concern about Taiwan was in the late 1700s during the Qing period. Shi Lang, a strategist advising Qing

Emperor Kangxi, argued that Taiwan was important in several dimensions: as a buffer against pirates, criminals or others from afar who wished ill to China; to prevent the island from becoming a base for rebellious elements at home; or as a bridge to project power into vital sea lanes. See Wachman, *Why Taiwan*.

5. For more information and statistics on cross-strait economic flows, see the “one pager” on the China Balance Sheet website, www.chinabalancesheet.org/snapshots.html.

6. Historians mark the Cultural Revolution as running from 1966 to 1976, the year Mao died, although the movement reached its peak during the first five years. See endnote 16 in chapter 2.

7. Under the terms of the normalization agreement, the Chinese agreed to allow the United States to terminate the Mutual Defense Treaty according to the terms and timing of its own provisions, to take effect after one year, on January 1, 1980. In return, the United States agreed on a one-year moratorium on arms sales to Taiwan.

8. Indeed, Jimmy Carter revealed during a December 2007 conference in Beijing that Deng Xiaoping had acknowledged privately on the eve of the normalization announcement that China recognized the United States would continue to sell Taiwan defensive arms after normalization and after abrogation of the bilateral defense treaty. “Publicly they [the Chinese] are going to disapprove of this action, but privately they have acknowledged that it will be done,” according to Carter, who reportedly read from a December 14, 1978, entry to his diary. Agence France Presse, “China Agreed US Could Sell Arms to Taiwan, Says Carter,” December 6, 2007.

9. The so-called Six Assurances, made to Taiwan in 1982, included the following: The United States (1) has not set a date for ending arms sales to Taiwan; (2) has not agreed to consult with China on arms sales to Taiwan; (3) will not play any mediation role between Taipei and Beijing; (4) has not agreed to revise the Taiwan Relations Act; (5) has not altered its position regarding sovereignty over Taiwan; and (6) will not exert pressure on Taiwan to enter into negotiations with China.

10. This agreement, signed on August 12, 1982, is called the “Third Communiqué,” with the first being the February 1972 Nixon-Mao statement released at the end of Nixon’s landmark visit and the second being the January 1, 1979 normalization agreement.

11. This statement by Assistant Secretary John Holdridge echoed a private “codicil” to the communiqué written by President Reagan, which was revealed publicly for the first time in 2000 in James Mann’s book *About Face* and officially published in April 2001.

12. Nonetheless, the United States did reduce arms sales to Taiwan for many years given the continued imbalance in Taiwan’s favor during the 1980s, and continued to seek to demonstrate fealty to the communiqué’s precepts through the 1990s, often through creative bookkeeping.

13. According to a survey conducted in December 2007, only 5.4 percent of those living on Taiwan identify themselves as “Chinese only”—the lowest level on record—while 43.7 percent identified themselves as “Taiwanese only” and 44.5 per-

cent as “both Taiwanese and Chinese”; Election Study Center, National Chengchi University, “Changes in the Taiwanese/Chinese Identity of Taiwanese as Tracked in Surveys by the Election Study Center, NCCU (1992–1997),” December 2007, <http://esc.nccu.edu.tw>.

14. Kenneth Lieberthal, “Preventing a War Over Taiwan,” *Foreign Affairs* (March/April 2005). Lieberthal has also been associated with a similar 50-year plan.

15. See the “Six Assurances” in note 9.

16. Committee of 100, “Hope and Fear: American and Chinese Attitudes Toward Each Other,” December 2007, www.survey.committee100.org (accessed December 17, 2007).

17. In 1994, the Clinton administration underwent a “Taiwan Policy Review” that resulted in promulgation of internal guidance for how, when, where, and on what US officials could engage with the Taiwanese government and its representatives. The outlines of this guidance have remained in force through the George W. Bush administration. Included are explicit restrictions against meeting Taiwanese government representatives in the White House, State Department, Defense Department, or Twin Oaks, the Washington estate that serves as the residence of Taiwan’s “representative” (de facto ambassador). The level of US government officials who may travel to Taiwan remains unclear under the review but in practice has resulted in restrictions on officials at or above the deputy assistant secretary level, including military flag officers, except those granted “special permission.” For their part, Taiwan’s president, vice president, premier, foreign minister, and defense minister are not allowed to visit Washington. The executive secretary of the State Department reconfirms the official guidance annually at the start of each fiscal year (October).

18. In his inaugural address, Ma cited Hu Jintao’s recent comments on cross-strait affairs several times as reflecting his own views on the way forward. Ma Ying-jeou, “Taiwan’s Renaissance” (presidential inaugural address, May 20, 2008), www.chinapost.com.tw.

19. In his October 15, 2007 work report to the 17th Party Congress, Hu Jintao affirmed the “need to increase contacts [and] strengthen economic and cultural exchanges in more areas and at higher levels.” To that end, reforms have already been instituted to allow direct cross-strait charter flights and visa liberalization to allow greater numbers of mainland tourists to travel to Taiwan. In his April 29, 2008 conversation with Kuomintang Party chairman Lian Chan, Hu also called for “building mutual trust, shelving controversies, finding commonalities despite differences, and creating together a win-win solution” across the Taiwan Strait.

20. Taiwan and China established the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait, respectively, to handle cross-strait dialogue on technical or business matters. They are semiofficial organizations and required as substitutes for “government” agencies given the unique political relationship between the two sides in which neither technically acknowledges the other’s officialdom as legitimate entities.

