China–Taiwan: US Debates and Policy Choices

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Confrontation in the Taiwan Strait comprises the single most dangerous dispute for the US in the world today. Although Indians and Pakistanis risk nuclear conflagration in South Asia, Iraqi President Saddam Hussein is ambitious and aggressive and the North Koreans desperate and unscrupulous, it is only in the case of China and Taiwan that Washington could confront directly a major power with a huge military establishment in a colossally destructive war that would have repercussions for decades. That menace became palpable for Americans outside the community of China scholars for the first time in March 1996, when President Bill Clinton dispatched two aircraft-carrier battle groups to the Taiwan area as Chinese missiles fell into the waters just off Taiwan’s coast.

The challenge from Beijing in 1996 came as a shock to Americans, who rarely pay attention to developments in Taiwan and think of China, when they do so at all, in the context of trade and human-rights issues. Few reporters, members of Congress or even administration officials knew fully what the dispute entailed, or what the stakes might be if a crisis developed. This ignorance, as much as cherished principles of ‘self-determination’ and ‘freedom’, first made possible, and then unwittingly aggravated, the situation.

The confrontation’s immediate trigger was the US decision to grant a visa to Taiwanese President Lee Teng-hui for a private visit to his former university, Cornell in New York state, in June 1995. The visa was authorised despite the Clinton administration’s prior assurances to Beijing that it would be refused. Beijing showed its displeasure, both with Lee’s visit and with what it saw as Washington’s duplicity, by withdrawing its ambassador from the US; refusing to accept the credentials of the new US ambassador to China; suspending its dialogue with Taiwan; and staging intimidating military exercises in July 1995.

Just before Taiwan’s presidential election in March 1996, Beijing staged further military manoeuvres near the island, including test-firing nuclear-capable M-9 missiles which splashed close to Taiwan’s two major ports, Kaohsiung and Keelung. No nuance was intended: the threat was raw, blunt and clear.

Although the Taiwan Strait is again peaceful, and relations appear to be improving between Washington and Beijing as well as between Beijing and Taipei, all the problems that prompted the 1996 confrontation persist. For

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China, the aim is simple: to prevent Taiwan’s independence and all policies to promote it. For Taiwan, the question is more complicated, involving efforts to increase its international status, preserve its prosperity and nurture its fledgling democracy. For the US, relations between China and Taiwan pose a dilemma that reaches to the heart of its Asian posture. How should Washington balance its commitments to Beijing and Taipei; to national sovereignty and self-determination; to stability, credibility and peace?

Having hoped for two decades that the Chinese Communists would fall from power if the US did not recognise their government, Washington in 1971 began to open diplomatic relations with the People’s Republic; seven years later, it recognised Beijing and abandoned the Nationalist Chinese on Taiwan. The move was prompted by the clear importance of China’s strategic location, its opposition to the Soviet Union and its potential as a trade partner. Taiwan, on the other hand, was a small, autocratic island which, with the decline of the China Lobby – a coalition of Congressmen, journalists and businessmen who championed the interests of Nationalist leader Chiang Kai-shek – had lost much of its support among the American people and enjoyed no leverage in the international community.

Times have changed, however. Taiwan today bears little resemblance to the Taiwan of 1949–78. Its democratisation, affluence, human-rights record and Westernisation have all made it significantly more attractive to Americans, particularly in the continuing aftermath of Beijing’s clampdown in Tiananmen Square in 1989. When Congress voted almost unanimously to pressure Clinton to grant Lee his visa, it saw its action as one of simple decency towards a democratic leader. Commitment to the principle of self-determination reinforces such instincts, making Taiwan a far more serious candidate for US support against China than it might have been earlier.

Policy Choices
On China-related issues such as human rights and trade, Washington has been constrained by the need to rally support from timid and self-absorbed allies to make its policies effective. In the Taiwan Strait, by contrast, the US can act alone. China therefore lacks opportunities to divide and weaken international coalitions as it has done successfully at successive Human Rights Commission meetings in Geneva. The history of US relations with the Nationalist Chinese provides considerable precedent for those who argue that the US should, and would, intervene if China tried forcibly to bring Taiwan under its control. In 1954 and 1958, the US deployed significant naval power in the Strait to prevent Taiwan’s fall. In each instance, although more in the first than in the second, then President Dwight D. Eisenhower’s administration won public and Congressional support and emerged triumphant, if slightly shaken by the enormity of the risk it had run.

In 1998, with the Cold War over and Sino-US relations better than could have been imagined 40 years ago, the policies available to Clinton’s administration no longer dictate automatic military engagement. Washington could, in theory, follow any of a variety of paths.
Stay out of the China–Taiwan confrontation regardless of how it develops.
Try to mediate between the two.
Press Taipei to come to terms with Beijing, making clear to Taiwan that it is alone should conflict break out.
Guarantee protection, rescuing Taiwan if it is attacked.
Take a benign position, encouraging dialogue but refusing to adopt a more active role.

Whichever option becomes policy, Washington must also decide whether it will make its intentions clear, or remain ambiguous over its likely response to fighting in the Strait.

Option 1: Do Nothing
In the 1990s, the US has scaled back its deep Cold War involvement in world affairs. Although not isolationist, both the American public and its President believe that domestic issues must take priority. When circumstances have forced a greater commitment, involving the use of military force, disaster has often followed. After the Somalia débâcle in the early 1990s, Clinton apparently calculated that public tolerance of US casualties would be insufficient to sustain an American presence in the country.6 In the event of a military clash in the Taiwan Strait, it seems reasonable to expect that an inattentive US public, averse to a burdensome role as international policeman and allergic to American deaths in distant places, would shun involvement.

Factions in the Beijing leadership have argued that the US is too preoccupied with its own affairs to intervene in a dangerous situation on Taiwan’s behalf. During the 1995–96 crisis, the deputy chief of China’s General Staff, Lieutenant-General Xiong Guangkai, reportedly noted that, since Chinese missiles could deliver nuclear warheads on Los Angeles, Washington would be deterred from taking aggressive action.7 The general weakness and inconsistency of Clinton’s foreign policy encourage those who argue that China has little to fear if it seeks to take Taiwan.

Washington’s reluctance to respond to a military engagement would increase considerably if Taiwan appeared responsible for provoking China to take action. Much of the US government and Congress now appreciate Beijing’s passion on the issue of Taiwan’s independence. Indeed, the growth of nationalism amongst the Chinese has been a subject of much discussion in Washington. The Taiwan Relations Act (TRA) of 1979 states that the US would view violence in the Strait with grave concern, and commits Washington to arming Taiwan to allow it to defend itself if attacked. It does not, however, require the US to protect the island directly. Those on Taiwan and among the Taiwan lobby in the US who believe otherwise are simply wrong.

US inaction may be even more likely if China did not apply direct military force. A blockade or missiles fired at offshore islands, rather than an actual attack, could intimidate Taiwan’s trade partners and strangle the island. During the 1996 crisis, China’s actions caused Taiwan’s stock market to fall, significantly reduced foreign-exchange reserves and generally destabilised the
economy. There are those in the Chinese leadership, and even within the People’s Liberation Army (PLA), who argue that Taipei could be compelled to surrender without the costs and risks entailed by a direct attack. In such a scenario, it might be difficult for Washington to identify the right moment to intervene.8

Doing nothing is therefore a viable policy option. But it is also a difficult one to follow. Washington has no formal responsibility to use military force to prevent Taiwan’s fall, but both history and current politics suggest that the US would find it hard to stand aside and watch the subjugation of Taipei’s democratic government by the Communist Chinese. Despite breaking diplomatic relations and abrogating the 1954 Mutual Defense Treaty with Taiwan in 1978, many aspects of the previously close relationship between the two countries have survived.9 Under the TRA’s provisions, the US has maintained an informal but vigorous presence on Taiwan. Washington has been instrumental in the island’s democratic development, has invested heavily in its economy and has been the key to maintaining its defensive capabilities, including the controversial sale of F-16 fighter aircraft in 1992. In 1997, two-way trade reached some $53 billion, and Taiwan ranked as America’s seventh-largest trading partner. Taiwan’s market for US goods is more than one and a half times the size of China’s.10

It could be argued that US credibility in Asia generally would be seriously damaged if the US did nothing in the event of a Chinese attack. Even without formal obligations, many in the region think of Washington as Taipei’s friend and patron, and might question their own relations with the US if it stood aside. Although few said so publicly, Asian governments welcomed the 1996 dispatch of US aircraft carriers to the Taiwan area as a measured demonstration of American reliability, making clear that the US remains an Asia-Pacific power.

Option 2: Mediate
The US has been a mediator in China before. President Harry Truman dispatched his trusted friend General George C. Marshall in 1945 to try to reconcile Nationalists and Communists and prevent a resurgence of civil war. The effort failed, partly because neither side wanted to compromise and partly because Marshall’s mediation, under orders from the President, was biased in favour of the Nationalist Kuomintang (KMT). As a result of this failure, Washington became reluctant to intercede again so directly in efforts to settle the Chinese civil war.

The US in recent years has sent mediators around the world – to Bosnia–Herzegovina, Northern Ireland, the Middle East and Cyprus – using its presumably disinterested diplomatic skills to try to resolve longstanding confrontations. Since the beginning of 1998, some former US government officials and China specialists have appeared to encourage mediation in the Strait, citing the overriding importance of relations with China and the need to prevent Taiwan from undermining the status quo. Although not acting as a mediator, former Secretary of Defense William Perry, who led a so-called Strategic Security Study Group to Beijing and Taipei in January, told Lee that
mainland leaders, with whom he had just met, wanted to resume cross-Strait talks without preconditions. Perry also bluntly warned that the US would not defend Taiwan should it declare independence.11

On the other hand, President Ronald Reagan explicitly rejected a mediating role for the US. In August 1982, Reagan appeared to have betrayed his erstwhile KMT friends by promising Beijing that the US would limit arms sales to Taipei. However, he also privately gave Taiwan six assurances. These entailed pledges that Washington had not and would not:

- set a date for ending arms sales;
- engage in prior consultation with Beijing over arms sales to Taipei;
- undertake mediation between Beijing and Taipei;
- revise the TRA;
- alter its position regarding Taiwan’s sovereignty; or
- pressure Taiwan into agreeing to negotiations.

Subsequent administrations have reaffirmed Reagan’s pledges.

For several reasons, the US could find itself in an uncomfortable position should it adopt a mediating role. First, it would increase Beijing and Taipei’s efforts to persuade Washington of the justice, or at least the inevitability, of their respective causes. Second, since it has been assumed that US mediation would yield an outcome pleasing to Beijing, China has seen it as potentially desirable, while Taiwan has not. If talks produced results unexpectedly favourable to Taiwan, US relations with China could deteriorate. Similarly, Washington’s mediating role could bring with it obligations unwelcome to Congress, the executive and the American people, such as responsibility for imposing compromises and monitoring outcomes. Third, it is apparent that those Americans urging mediation because they fear an unpredictable and potentially dangerous future are not impartial: when the US and China reached their first compromise over Taiwan in 1972, Washington specifically acknowledged the Chinese ‘one-China’ position, but did not accept it. This nuance has since eroded, and today many officials and members of the China-policy community carelessly blur the distinction. Mediation that presumes that China and Taiwan will eventually be unified is not really mediation at all.

**Option 3: Pressure Taipei**

The most expeditious solution to the Taiwan problem would possibly be for the US to coerce or persuade Taipei into accepting Chinese President Jiang Zemin’s January 1995 eight-point formula for reunification.12 Chinese leaders have long urged US officials to make greater efforts to bring Taiwan to the negotiating table. In support of this position, they have emphasised China’s greater significance in the world community, and have stressed that truly good relations between Washington and Beijing are impossible until the Taiwan issue is resolved.

In the run-up to both Clinton–Jiang summits, in Washington in October 1997 and Beijing in June 1998, Taipei was preoccupied with the possibility that
its interests would be sacrificed for the sake of better relations between China and the US. If that happened, it would not, after all, be the first time. Administration officials reject the idea that Taiwan’s interests and improved US relations with Beijing are mutually exclusive, and argue that better US–China relations would in fact benefit Taipei. However, Clinton assured Jiang in a confidential letter during summer 1995 that the US would not support Taiwan’s independence; its membership in the UN or other international organisations requiring statehood; or any form of ‘one-China, one-Taiwan’ policy. Secretary of State Madeleine Albright later reiterated the ‘three nos’ at a press conference in Beijing on 30 April 1998, while Deputy Assistant Secretary for East Asian Affairs Susan Shirk put them on record in testimony to the House International Relations Committee in May. Chinese officials pressed for these guarantees to be made in a public document – a Fourth Communiqué – signed by both Presidents. Although Clinton restricted himself to an oral statement, he made it on Chinese soil and abandoned the nuanced language that had characterised the normalisation process. To the distress and disappointment of Taipei and its friends in the US, Clinton did not speak simply of acknowledging Chinese views on reunification – views long since modified or jettisoned in Taiwan – but instead explicitly denied US support for any alternatives chosen by Taiwan’s electorate. The administration’s insistence that Clinton’s statement does not mean that Washington’s position has changed is disingenuous, naive or misinformed.

Moreover, in discussions before the Beijing summit, the US reportedly allowed China to establish a long-sought link between American arms sales to Taiwan and Chinese sales to Iran. Washington had previously denied any equivalence, calling the latter proliferation. Although negotiators failed to agree on curtailing arms transfers, the discussions set a disturbing precedent for Taiwan. Linking sales to Taipei with those to Tehran cannot easily be retracted; Beijing is certain to try to capitalise on this development, putting increasing pressure on the US and thereby weakening Taipei’s confidence in Washington.

There are obviously different kinds of pressure that the US could bring to bear. Washington has acknowledged delivering strong warnings to the Taipei leadership that further provocation of Beijing would be unwelcome. Former National Security Advisor Anthony Lake told a Taiwan audience in early 1998 that the US relationship with Taiwan includes not only American obligations to Taiwan, but also Taiwan’s responsibility not to take actions that could create a conflict or unnecessary tensions with the Mainland. It may be understandable that some here take such statements as a diminution of American support for Taiwan’s security. That is not the case. It is a statement of American interest in regional stability.

Similarly, Washington has urged that cross-Strait talks be resumed despite Taipei’s lack of enthusiasm and the fact that Reagan’s six assurances appear to rule out such pressure. It could be argued that neither Taipei nor Beijing would be manoeuvring to begin talks were the US not so insistent; as it is, neither side wants to be seen as stubborn or uncooperative.
The change in the nature of the government in Taiwan militates against the US exerting pressure successfully. US relations with Taipei were simpler when the government had dictatorial powers and did not need to answer to an electorate. Democracy now limits politicians’ room for manoeuvre. Beijing’s assumption that its problems with Taiwan revolve around Lee – whom it considers irresponsible and arrogant – and that all will be well when he has left office reflect a fundamental misunderstanding of the island’s affairs. Lee’s pragmatic diplomacy is a direct response to popular demands, not an independent policy foisted on an unwary citizenry. Although Taiwan’s people may sometimes fear that their President moves a bit too far too fast, most basically agree with the direction of his policy and are unwilling to abandon what he has achieved. In the March 1996 presidential elections, Lee received 54% of votes cast. Taiwan has emerged from almost 20 years of isolation and invisibility, and its people want to reclaim at least some of the attributes of nationhood – especially an international voice. This is particularly true of the growing number of young people who do not identify culturally with the mainland, but see themselves as distinctly Taiwanese. Nationalism is therefore not only a factor in China’s pursuit of reunification, but also increasingly in Taiwan’s resistance to it. Political scientists Edward D. Mansfield and Jack Snyder have argued that the democratisation process – as distinct from the functioning of a mature democracy – encourages ‘countries [to] become more aggressive and war-prone, not less’. Although Taiwan’s people dare not defy Beijing, they are equally no longer willing to acquiesce in the decisions of others, whether in Beijing, Washington or Taipei.

Option 4: Support Taiwan
The US has come to the aid of a beleaguered Taiwan on several occasions. When Communist forces crossed the Korean Peninsula’s 38th parallel in 1950, the alarmed and angry Truman administration reversed existing policy and re-involved itself in the Chinese civil war. Washington deployed the Seventh Fleet to the Taiwan Strait to prevent the Korean conflict from spreading and Taiwan from falling. Later in the 1950s, Eisenhower deployed significant forces in the Taiwan Strait to prevent Beijing from seizing the offshore islands of Quemoy and Matsu. Finally, Clinton dispatched two aircraft-carrier groups in 1996 partly to prevent confrontation from escalating out of control.

The recent revision of the US–Japan Defense Guidelines has underscored international concern about the Taiwan Strait. Although both Washington and Tokyo have repeatedly stated that the Guidelines apply solely to cooperation in response to situations arising in areas surrounding Japan, Beijing has angrily assumed that coverage is geographic, and extends to Taiwan. Many Americans have also viewed US and Japanese leaders’ explanations with scepticism, and various Japanese officials have affirmed that negotiators had Taiwan in mind when they drew up the document. In August 1997, Chief Cabinet Secretary Kajiyama Seiroku asserted on Japanese television that the Guidelines ‘naturally cover’ Taiwan; on 22 May 1998, long after Japan had finished its apologies and explanations to Beijing for Kajiyama’s comments, Takano Toshiyuki, Director-
General of the Foreign Ministry’s North American Affairs Bureau, declared to the Diet (parliament) that the Guidelines do encompass Taiwan. Regardless of the Guidelines’ explicit provisions, the fact remains that stronger defence ties between the US and Japan provide greater protection for Taiwan. A crisis over Taiwan would almost inevitably be a ‘situation’ affecting US–Japanese security ties.

Although under the TRA’s provisions the US has no obligation to send forces to protect Taiwan, it does have the responsibility to sell Taipei weapons both to allow it to defend itself and to give it the courage to try. China invariably protests against these sales, which it views as an unacceptable violation of Chinese sovereignty. In 1982, Beijing forced the issue and extracted from Reagan his August communiqué. This pledged that US arms sales would ‘not exceed, either in qualitative or quantitative terms, the level of those supplied in recent years’, and that the US would ‘reduce gradually’ the levels of its sales. Secretly, although Beijing did not renounce the use of force, it did call its fundamental policy peaceful, suggesting a loophole to American officials should China again resort to military coercion. That understanding survived unsullied for a decade.

Domestic politics and the fall of the Soviet Union prompted President George Bush to breach the Reagan accord. In 1992, during the heat of a losing presidential-election campaign, Bush decided to sell 150 F-16 fighter aircraft to Taipei, far exceeding the limits of previous transactions and reversing the policy followed by Carter and Reagan. The rationale behind the move involved Beijing’s purchase from Russia of 26 Su-27 jets in 1991 which Washington claimed had upset the balance of military forces in the region. However, Beijing, and many Americans, saw the F-16 initiative less as compensating for the Su-27 purchase than as undermining a carefully crafted and laboriously negotiated communiqué, notwithstanding the Bush administration’s insistence that it remained intact.

Subsequently, American weapons manufacturers have pushed to sell other advanced technology to Taipei. Most controversial has been the idea of providing Taiwan with a theatre-missile-defence (TMD) capability. For China, Taiwan’s possession of TMD – a vastly expensive, highly sophisticated and largely experimental system – would be an intolerable provocation. Although it could not assure Taiwan’s absolute protection, it might substantially weaken China’s ability to prevent the island’s independence. The debate in the US over providing Taiwan with this capability impinged upon the 1997 presidential campaign when Republican candidate Bob Dole proposed a Pacific Democracy Defense Program to provide Taiwan with Theater High Altitude Area Defense (THAAD). Clinton, in turn, pledged to give Taiwan missile-defence capabilities immediately, accelerating the shipment of Patriot missiles to Taiwan on order since 1993. Nevertheless, following Jiang’s visit to Washington in October 1997, a dissatisfied House of Representatives passed a non-binding resolution that Taiwan should receive TMD. The issue remains alive, although Taipei is divided over whether it really wants an unproven programme that could absorb half of its defence budget.
The US also helps to preserve a viable Taiwan in non-military ways. Congressional resolutions regularly express support for the island, and include warnings to China not to attack it.\textsuperscript{24} US trade with, and investment in, Taiwan is significant, as are cultural and scientific exchanges; sectors of the US business community are among the most vocal proponents of Taiwan’s interests. The US has also strongly supported Taiwan’s inclusion in certain international organisations. Bush pledged to endorse Taipei’s admission into the General Agreement on Tariffs and Trade (GATT), the World Trade Organisation (WTO)’s predecessor, as a separate customs territory. Among the first Clinton administration’s early foreign-policy initiatives was a Taiwan Policy Review which, although delayed and indecisive, marginally raised Taiwan’s profile in the US.

Continuing US involvement in and concern for Hong Kong similarly supports Taiwan. This has been an important motive for continued US monitoring of the former British colony. Chinese officials have consistently asserted that the ‘one country, two systems’ formula used in Hong Kong should also be the model for reunification with Taiwan, a theme taken up by a Taiwan Work Group conference attended by the entire Chinese Communist Party (CCP) Politburo in Beijing in mid-May 1998. Most observers agree that Chinese officials have behaved remarkably well in Hong Kong since its handover on 1 July 1997.\textsuperscript{25} They have kept out of local affairs, been careful even in their public statements, and have given Hong Kong Chief Executive Tung Chee-hwa scope in areas such as international financial transactions that might legitimately be dominated by Beijing under the rubric of foreign affairs. Tung himself has been moderate, allowing demonstrations against the government and enduring newspaper criticism of his officials. Beijing can, however, afford to be generous since it had set in motion the reversal of several of Governor Chris Patten’s democratic reforms, effectively curtailing political freedom in the colony, before reversion. The Taiwan leadership argues that legislative elections in May 1998, in which the Chinese rigged voting in favour of their partisans, demonstrated that Hong Kong cannot seriously be considered a model for Taiwan’s reunification with the mainland.

As with other options, several counterbalancing forces militate against US support for Taiwan. These include, most notably, Beijing’s influence, but also the Taiwan lobby’s apparent interference in US domestic politics. There is little doubt that, without China’s determined opposition, Washington would restore diplomatic relations with Taiwan. Although formal ties would not eliminate Taipei’s motives for interfering in US politics, they would make the manoeuvring of a Taiwan, operating within the system and pushing for less sensitive goals, both less dangerous and more easily confronted. Washington policy-makers consider the Taiwan lobby to be second only to its Israeli counterpart in its persuasive powers and national reach. It cultivates politicians at national, state and local levels (Clinton visited Taiwan several times while Governor of Arkansas), and has used public-relations firms adeptly, understanding better than other foreign governments how US policy emerges from the interplay.
between executive and legislative branches. The lobby has even paid august political figures such as Bob Dole for their services.26

However, in autumn 1996, accusations surfaced that Taipei had overstepped the mark by involving itself in the US election process by donating funds to US political parties. Fortuitous revelations in January 1997 suggesting that Beijing had also sought to influence policy through contributions to Democratic campaign funds deflected criticism of Taiwan’s role. Since China is often seen as an adversary, its campaign financing appeared more serious than Taiwan’s, and Taipei’s alleged misdeeds did not arouse comparable anxiety. However, if effective campaign-financing reforms are implemented, or a serious crisis develops in Asia threatening to involve the US military, Taiwan’s infractions might be seriously investigated. Damaging revelations could weaken popular US sympathy for the island.27

Objections to Taiwan’s lobbying follow, in part, from fears that its continued success could jeopardise peace in East Asia. Taipei’s uncertainty over TMD aside, it clearly wants other weapons such as submarines and AIM-120 air-to-air missiles (AAMs), which Washington refuses to provide because it sees them as too destabilising. Some Americans, former National Security Council (NSC) staff-member Douglas Paal for example, have begun to argue that Taiwan has bought all the weapon platforms that it can fruitfully absorb. A sales freeze would therefore help to stabilise military relations in East Asia and win the US credit in Beijing without harming Taiwan.28 The flaw in this logic is that suspending new orders would not stop acquisitions already in the pipeline, but rather delay the purchase of new systems. Thus, Taiwan could successfully address the maintenance and training problems at the root of its ‘indigestion’ and then find itself vulnerable because of the delay in ordering and receiving new platforms.29 Furthermore, a formal moratorium would be a psychological blow to Taiwan’s leaders, a boost for China’s hardliners and an incitement to Taiwan’s supporters in the US Congress. Beijing has, in fact, escalated its pressure for curbs on arms sales in the wake of its triumph in getting Clinton to articulate the ‘three nos’.

A further problem, which lies at the heart of the triangular relationship fashioned during the normalisation era, limits the US ability to intervene in any future clash in the Taiwan Strait. Under the terms of its recognition communiqué with Beijing, and the TRA, Washington can have only informal relations with Taiwan and the rules circumscribing its military presence on the island are relatively strict. Contingency planning has made clear that US military officers and policy-makers know far too little about Taiwan’s capabilities. Furthermore, no coordination procedures for joint action in an emergency are in place because Beijing would not tolerate this kind of collaboration. This threatens to impair operations and endanger lives should circumstances require cooperation.

**Option 5: Encourage Dialogue**

Current US policy advocates dialogue between China and Taiwan to resolve differences and maintain regional peace. This is a comparatively disinterested posture in contrast to mediation, where the US would assume responsibility for
outcomes and implementation. The idea of a cross-Strait exchange has almost universal backing in the US since Americans appear to believe that any problem can be solved through frank discussion. Even during the darkest days of Sino-US hostility in the 1950s and 1960s, Americans, however reluctantly, met Communist Chinese in Geneva and Warsaw for talks that, although desultory and often frustrating, kept informal contacts open.

For Washington, process has been more important than substance since it seems to promote stability. Although in the 1972 Shanghai Communiqué Washington acknowledged Beijing’s view that there is only one China and that Taiwan is part of it, the Nixon administration assumed at the time that Chinese on both sides of the Strait agreed. If, on this basis, a cross-Strait dialogue resulted in reunification, the US has indicated that it would accept this outcome. Washington has, however, been careful not to set goals or to suggest a path for China and Taiwan to follow.

The development of informal contacts between China and Taiwan since 1987 has generally decreased tensions. This has consistently met with American approval, despite the fact that improved relations have led to a shift in low-end Taiwan manufacturing to the mainland, escalating China’s trade deficit with the US. By 1997, some 35,000 Taiwanese companies had invested $30bn in China. Americans tend to believe that economic interdependence makes war less likely, and see these links as positive. They have not, however, been as aware that growing contact between China and Taiwan can generate frictions. Some 12 million cross-Strait trips have taken place since 1987 between Taiwan and the mainland, the vast majority of them by Taiwan residents visiting relatives, taking holidays or doing business. Although Taiwanese welcome the profits of cross-Strait business and treasure the opportunity to visit family, many have concluded that China is too backward, repressive and mired in arbitrary regulations to make unification appealing in the foreseeable future.

Nevertheless, the US, China and Taiwan have all asserted that dialogue should be pursued. This has meant agreement on the resumption of talks – suspended because of Lee’s US visit – between ageing negotiators Wang Daohan, Chairman of China’s Association for Relations Across the Taiwan Strait (ARATS), and Koo Chen-fu, head of Taiwan’s Straits Exchange Foundation (SEF) in October 1998. The main impediments have been: Beijing’s insistence that Taiwan accept a one-China principle that defines China as the People’s Republic; and differences between Beijing’s demand for a political agenda and Taipei’s desire to discuss only practical problems.

There are obstacles to compromise on both sides. Taiwan wants a pragmatic agenda since routine difficulties remain to be solved and Taipei believes that mutual trust requires regularised cooperation. More importantly, Taiwan’s leaders seek to avoid a dialogue that focuses on large, domestically divisive political questions. China’s overriding concern, however, is national sovereignty, and Beijing has asserted that solutions to other problems will flow only from setting a schedule for unification. For talks to move forward, a realignment may be necessary in Beijing, granting more initiative to flexible figures such as Wang (with backing from Jiang) over hardliners such as Vice-Premier
Qian Qichen and members of the military such as Lieutenant-General Xiong. China has, in this instance, scored a rare propaganda victory over Taiwan by appearing more eager to open talks, but progress will ultimately depend upon a degree of sincerity and imagination not yet demonstrated by either side.

**Operational Choices**

Whichever policies it ultimately adopts, the US must decide whether to clarify its intentions, or to leave them ambiguous.

**Clarifying Intentions**

Changing conditions, particularly in Taiwan itself, have recently led to mounting interest in clarifying Washington’s Taiwan policy. Those leaning towards this policy departure have been influenced not only by the crisis of 1995–96, but also by the growing power of Taiwan’s pro-independence Democratic Progressive Party (DPP). The DPP may win the presidential elections in 2000, and could then plunge the region into crisis by declaring Taiwan’s independence. The lead contender for the DPP’s nomination as presidential candidate, Chen Shuibian, has spoken of holding a referendum on the issue if elected. In early June 1998, the party faithful voted strongly for veteran independence advocate and one-time political prisoner Lin Yi-hsiung as DPP chairman. However, as the DPP’s prospects in the presidential elections have improved, the party has modified its rhetoric, asserting that Taiwan, since it is already independent, does not need to declare itself so.

Figures such as Paal, Chas W. Freeman, Assistant Secretary of Defense for International Security Affairs in 1993–94, and, most controversially, Joseph Nye, Freeman’s successor during Clinton’s first term, have urged the administration to intervene aggressively to broker a solution to the stand-off and to make its reluctance to back Taipei clear in order to curb an irresponsible DPP. In an opinion piece in the *Washington Post* on 8 March 1998, Nye argued that the US should ‘state plainly that our policy is “one China” and “no use of force”’. This would mean that Washington would tell Taiwan that it must not declare independence, that the US will not recognise independence and that it will actively work to keep other countries from doing so. Since a declaration would, therefore, be ineffectual, Washington would also tell Beijing that it must not use force against the island since Taiwan will have gained nothing from its rhetoric.

Although administration officials have denied that Nye’s views reflect their own, Beijing has welcomed his ideas, seeing Nye’s proposal as an administration trial balloon, and Taipei has expressed its unease vocally. As Kurt Campbell, the Deputy Assistant Secretary for International Security Affairs at the Department of Defense, has stated repeatedly, the heated American debate on Sino-US relations, together with differences in government cultures, make it difficult for Taipei to be sure who is speaking with authority.

**Sustaining Ambiguity**

It could be argued that the nature of the ambiguity in US policy has changed, but the need to preserve it has not. Ambiguity became US policy under Eisen-
hower in the 1950s, and has endured because, despite its risks, it has been seen as the wisest and safest approach. But the conditions necessitating ambiguity have not remained constant. Eisenhower refused to state openly which developments in the Taiwan area would trigger retaliation against Chinese Communists. Contemporary critics who wanted greater clarity were hawks hoping to restore Nationalist Chinese control of the mainland. Mao Zedong challenged the policy twice by shelling the Quemoy and Matsu islands and KMT leader Chiang Kai-shek defied it by refusing to evacuate Nationalist troops from them. Ultimately, however, Eisenhower salvaged the principle of ambiguity and used it to help avoid war.

Today, critics argue more strongly than before that ambiguity jeopardises rather than protects regional peace. According to this view, ambiguity invites rash action; firm principles would make a more compelling deterrent. University of Michigan China specialist Kenneth Lieberthal, appointed to the White House NSC staff in July 1998, has advocated a plan whereby, in exchange for a pledge from Taipei to abjure independence for 50 years, Beijing would renounce using force in the Taiwan Strait and dialogue between the two sides would begin. However unrealistic the expectation that a democratic Taiwan could undertake such a pledge, or that insecure leaders in Beijing would keep to their side of the bargain if their hold on power were contested, the logic behind the plan reflects dissatisfaction with fluidity in a dangerous environment.

Strategic ambiguity has never, of course, been entirely ambiguous. In the 1950s, no one seriously doubted Washington’s willingness to save Chiang from the communists or from his own recklessness. In the 1990s, deploying two aircraft-carrier groups made equally clear Washington’s continued commitment to Taiwan, and that the US would not lightly reverse course in the future. Yet the parameters of US involvement in the inevitable crises to come are necessarily uncertain because ambiguity is the only prudent policy.

The current argument in favour of ambiguity addresses the competing interests of China and Taiwan. If the US clarified its policy, saying that it would not defend Taiwan, leaders in Beijing might be encouraged to take rash action. This would seem particularly likely if China’s economic reforms began to cause serious social problems, for example if the banking system collapsed or state-sector rationalisation created large numbers of rootless, unemployed workers. Governments have historically tended to turn to foreign adventure to distract their populations from domestic problems. The salience of the Taiwan issue would make it an ideal rallying-point for the CCP. On the other hand, a firm US declaration that it would protect Taiwan may prompt Taiwanese radicals to precipitate a crisis by leading them to believe themselves invulnerable in the event of a Chinese attack. Ambiguity therefore provides security.

Perhaps the most compelling reason for ambiguity is that the US government cannot be certain how it would react, and what demands Congress and the American public would place upon it, should fighting break out in the Taiwan Strait. The conflict’s causes would be crucial to US decision-making, but provocation may not be easy to judge. Was Taiwan’s first presidential election in 1992 – and the first in Chinese history – really sufficient reason for
Beijing to fire missiles into the sea close to the island’s coast? Would the DPP’s possible victory in the 2000 poll offer grounds for similar action? Could China misunderstand US warnings to Taipei, and come to believe that Taiwan is on its own in the dangerous game that it is playing? House of Representatives Speaker Newt Gingrich warned Beijing in March 1997 not to misjudge US intentions or national interests vis-à-vis Taiwan, a fledgling democracy nurtured for decades by American funds and advisers, whose security is, under the TRA, of grave concern to Washington. Even if recent history points to isolationist sentiment in the US, Taiwan is not Somalia.

**Recommendations**

What could the US do to protect all sides from a disastrous clash in the Taiwan Strait? Clearly, the peacefulness of cross-Strait relations rests in the hands of leaders in Beijing and Taipei. However passively or aggressively the US responds to the China–Taiwan problem, whichever policies it pursues, the important decisions will be taken elsewhere. Nevertheless, Washington needs plans, procedures and goals.

- The US should *not* assume that unification is the appropriate outcome in the confrontation between China and Taiwan. The three communiqués do not commit Washington to it, and democratic changes in Taiwan may preclude it.
- Instead, the US should have peace as its central goal, whether that entails reunification, maintaining the status quo, or Taiwan’s independence.
- Strategic ambiguity over what the US will do in the Taiwan Strait is safer and wiser, as well as more realistic, than attempts at clarity. At the same time, a credible US military deterrent must be maintained in the region, and alliances should be strengthened.
- The US should not mediate or take sides in the Taiwan–China stand-off. It should resist the temptation to improve relations with China by sacrificing Taiwan’s interests, while at the same time encouraging Beijing to show more self-confidence by, for instance, allowing Taiwan to join the WTO first. This would be a creative gesture yielding economic and political benefits for China, as well as for Taiwan.32
- The US should continue to exert pressure on both China and Taiwan, warning Beijing against the use of force, and Taipei against irresponsible initiatives. Internal political struggle, in both instances, must stop at the water’s edge, however difficult that is to accomplish.
- Similarly, the US Congress should stop its damaging tendency to make China policy a vehicle for domestic political disputes. This is, of course, even less likely given the nature of the institution and the history of China policy-making.
- There should be sustained engagement with both China and Taiwan. The Clinton administration’s Taiwan Policy Review provided for Cabinet-level exchanges with Taipei but, to date, there has been only one such visit. On the military side, contacts with Taiwan, although growing, remain inade-
quate. Transparency and confidence-building are essential to the military relationships between Beijing and Taipei.

- Regardless of the need for better relations with Beijing, the US must continue arms sales to Taiwan. This will be increasingly important as China modernises its military. Despite Beijing’s demands, Washington should not consult with China on this issue. It should also consider Taiwan’s software needs, such as training and logistics, as well as weapons acquisitions.
- Engagement must be seen not just in economic terms, but also as a strategic priority. Thus the Clinton administration and its successors must pay more attention to Asian affairs, and must educate the public about the situation in the Taiwan Strait. This may require a relative shift of US attention away from European affairs.
- Current US policy which encourages cross-Strait dialogue can and should continue, but its aim should be better mutual understanding, rather than pushing Taiwan’s leaders into a settlement that they do not want and cannot defend to their electorate. The US spent decades promoting democracy in Taiwan. Now that it exists, Washington must deal with it, rather than trying to bypass the will of the people.

For the moment, the Taiwan issue has become less pressing as other problems occupy Beijing, Taipei and Washington. However, the events of the 1990s make clear that confrontation over Taiwan will be an inescapable source of future crisis. At the very least, the 2000 presidential election in Taiwan will rekindle tensions. Moreover, contrary to the hopes of many observers, the development of democracy in China may not lead to greater acceptance of unification in Taiwan or, in China, less opposition to Taiwan’s independence. Washington should prepare the US public for the troubles ahead and guard against errors born of ignorance, indifference and inattention. Peace in the Taiwan Strait may be as elusive as war is unthinkable.

Notes
4 A single dissenting vote was cast by J. Bennett Johnston (Democrat, Louisiana) in the Senate on 9 May 1996. The House of Representatives approved a near-identical resolution by a vote of 360 to zero a week earlier.
5 Japan’s alliance relationship with the US and its ties to Taiwan would probably compel Tokyo to support the US. However, Washington could act even without Japanese participation, or

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It could be argued that, from the outset, the Somalia operation was not a popular venture. I will contend later in this article that the defence of Taiwan would rally far more public support than crusading in Africa did.

Patrick E. Tyler, ‘China Threatens Taiwan’, New York Times, 25 January 1996, p. A20. Xiong Guankai’s observation was made in a conversation with Chas Freeman. Freeman later suggested that the report exaggerated the conversation’s menacing nature. Xiong was comparing Chinese helplessness in the 1950s to its present, far more powerful, capabilities.

According to then Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord, the allegations were taken seriously enough at the State Department and the National Security Council (NSC) to be raised in secret meetings with Liu Huaqiu, a Vice-Foreign Minister and national security adviser, during his March 1996 visit to Washington. Winston Lord Oral History Interview, Association for Diplomatic Studies and Training, Special Collections, Lavinger Library, Georgetown University.


The US followed the requirements of the Mutual Defense Treaty and gave Taiwan one year’s notice. A dissatisfied Beijing, however, extracted a one-year moratorium on arms sales from President Jimmy Carter in return.


Perry’s delegation included Brent Scowcroft, former National Security Adviser; John Shalikashvili, former Chairman of the Joint Chiefs of Staff; and Ronald Hayes, former Commander-in-Chief, Pacific Command.

The eight-point statement of 30 January 1995 included: 1) ‘one China’ as the basis for reunification; 2) scope for Taiwan to have economic and cultural relations with other countries; 3) negotiations; 4) the assertion that any use of force is reserved for independence advocates and interfering foreigners; 5) promoting economic cooperation; 6) Chinese culture as a basis for reunification; 7) respect for Taiwan’s autonomy; and 8) that Taiwan’s leaders would be invited to come to China, and that Chinese leaders would be willing to travel to Taiwan, for talks.


Susan Shirk’s testimony before the House International Relations Committee, 20 May 1998, available at www.usia.gov. Shirk also stressed that the triangular relationship was ‘not a zero-sum game’.

The possibility of a fourth communiqué or a joint statement from the Beijing Summit caused much anxiety in Taiwan. Secretary of State Madeleine Albright heightened these fears with a mis-statement in Beijing in May. Subsequently, Assistant Secretary of State Stanley Roth (in his remarks on ‘Building a United States Policy for China in the 21st Century’, Center for Strategic and International Studies (CSIS), Washington DC, 12 May 1998) and other administration officials have explicitly denied that there would be a fourth communiqué.

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19. Ambassador Zhang Xujiang, head of the Foreign Ministry’s Taiwan Office, asserted to the author in October 1997 that Lee had misled the Taiwan people and was responsible for the popularity of independence sentiment on the island. Without him, Zhang claimed, reunification would be easy and prompt. Edward D. Mansfield and Jack Snyder, ‘Democratization and the Danger of War’, *International Security* vol. 20, no. 1, Summer 1995.
21. The *Patriot* Pak II missiles have been delivered and are being deployed to defend Taiwan’s three largest cities, but most of the island remains vulnerable. Taiwan’s defences are handicapped by the lack of a satellite-communication early-warning capability and the need for dozens of additional *Patriot* batteries to blanket the island. Moreover, Chinese M-9 and M-11 missiles have been modified for greater accuracy since 1996, when a missile went badly off course.
22. A non-binding resolution passed in the House of Representatives in early June by a vote of 411 to zero coincidentally elicited a rejoinder from Beijing the day after President Clinton’s major address on China, ‘US–China Relations in the 21st Century’, National Geographic Society, Washington DC, 11 June 1998. Beijing told Congress to stay out of internal Chinese affairs.
23. The term ‘indigestion’ comes from a conversation with Retired Rear-Admiral Michael A. McDevitt of the Center for Naval Analysis. Even members of Taiwan’s military establishment and government privately acknowledge that,
until maintenance and training improve, new platforms make little sense. In the 1997–98 arms sales talks in Washington, the US Defense Department for the first time proposed its own initiatives focusing on software issues such as command, control and training. Kurt Campbell address at the Center for Strategic and International Studies, Washington DC, 20 May 1998.

30 Lin was jailed after the 1979 ‘Kaohsiung Incident’. Riot police in Kaohsiung brutally broke up a pro-democracy demonstration on Human Rights Day, 10 December 1979. The alleged organisers, including Lin, received stiff prison sentences. Lin’s mother and twin daughters were murdered on 28 February 1980 with the alleged complicity of the government.


32 The US and Taiwan have completed bilateral talks on WTO accession, removing virtually the last substantial barrier to Taiwan’s membership. China, by contrast, is still many months from resolving a series of disputes.