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Both China and Taiwan have demonstrated trends toward reduced tensions across the Strait over the past few years, though these trends could easily be reversed by miscalculation or accidents. Under the guise of a belligerent sounding Anti-Secession Law in 2005, the new PRC leadership of President and General Secretary Hu Jintao has actually refocused Chinese policy from an emphasis on eventual unification of Taiwan with the Mainland to the less ambitious goal of prevention of *de jure* efforts at independence for the island. This refocus has been accompanied by efforts to offer incentives for constituencies on Taiwan to seek calmer relations with Beijing, sometime referred to as "united front" tactics.

On Taiwan, there was a palpable shift in public opinion in late 2004 away from tolerance of official Taiwan efforts to seek tensions with the Mainland, originally for domestic political gain but with growing negative international and economic consequences. Without in any way denying the desire of most people on Taiwan to be seen as Taiwanese as opposed to being citizens of China, many on Taiwan saw a need to shift the government's emphasis from cross-strait tensions to cross-strait economic development.

The Taiwan economy underperformed in the first years of the Chen Shui-bian administration, and the accumulated effects in unemployment and discounted equity valuations, among other factors, caused economic leaders and ordinary Taiwanese to see the official constraints on cross-strait activity as growing more counter-productive than reassuring. The shift from a provocative to a more pragmatic approach was reflected in the two main parties' choices as presidential candidates for the 2008 election, which was just concluded with a massive electoral mandate for KMT candidate Ma Ying-jeou.

The international context in which this evolution occurred was and remains important. The U.S. and China achieved a stable relationship after the initial tensions of the Bush administration's tenure and with the settling in of Hu Jintao as China's new leader. Had that not occurred, the trends in Taiwan's internal politics might have been bent in a less accommodating direction.

Going forward, the interaction between Taiwan's perceived internal and external requirements and the broader U.S.-China context will continue to be an important factor. I mention this because China, having undergone a fairly smooth leadership rearrangement in recent months, nonetheless confronts major challenges that could impact the views of the American and Taiwan publics of their relationships with China.

In the short term, China's reaction and management of the Tibetan issue is an obvious case in point. Other developments on the path to the Olympic Gamers in Beijing in August could cause reassessments in the U.S. and Taiwan. The American presidential election has a long way to go this year and will be exposed to the winds from China.

In the long term, China's domestic course of political and economic development and its acquisition of military systems of increased range, lethality, and accuracy could also promote tensions not felt at present. This is a double-edge phenomenon, because it could cause Taiwan either to reverse the very recent trend away from tensions or, theoretically and however unlikely, to seek to solidify its relationship with the Mainland before the correlation of power among the U.S., Taiwan, and China swings increasingly to China's advantage.

This brings us to the issue of what American interests are in Taiwan's present and future status. Current U.S. law, policy and diplomatic practice have settled into a fairly stable pattern, often called in shorthand "maintaining the status quo." Although the underlying structure is often ill understood and counter-intuitive to those who have not learned the catechism of the triangular relationship, it has to date served Taiwan and the U.S. fairly well. It has left both the China and Taiwanese people feeling less than fully satisfied with Taiwan's status, but it has permitted Taiwan's impressive economic and political development under conditions of full autonomy for the past three decades. Burkean conservative principles suggest not trying to fix what is not broken.

Since the Korean War, when the U.S. reintroduced Taiwan into its sphere of influence, it acquired an interest in advancing and protecting Taiwan's liberal example in what has slowly become an increasingly democratic East Asia. Despite having to end the defense treaty with Taiwan over the course of 1979, in order to achieve the strategic benefits of a diplomatic relationship

with the PRC, the U.S. has nonetheless managed to preserve the essence of its credibility with its other security partners in the region and a fairly robust, if roundabout, interaction with Taiwan's military.

Many in China and some in the U.S. believe that Washington wants to hang on to its relations with Taiwan to constrain China's rise, accomplish strategic denial of Taiwan to China's growing power, protect Japan's sea lines of communication, and perhaps to serve as a platform for a future U.S. confrontation with Beijing. Despite this, I know of no senior U.S. military commander who thinks in these terms. Modern military technology and Taiwan's physical circumstances -- both its proximity to the Mainland and its terrain -- make this largely undesirable.

Another perspective on the U.S. interest in Taiwan arises from the nature of the bargain struck between Washington and Beijing in 1978, as the two normalized relations. The U.S. had previously engaged in two wars in Korea and Vietnam that in a sense were contests with China for continental power, leaving American strategists with no interest in repeating such conflicts. On the other hand, the U.S. had then and retains today a vital interest in maintaining its role as the dominant maritime power in the region. This was woven into alliance and other relationships throughout the Far East. Normalization had the effect of disengaging the continental power of China from conflict with the maritime power of the U.S. over the one place most capable of igniting a war for supremacy, Taiwan.

In the past decade, however, China has been expanding capabilities that, despite Chinese rhetoric and declared policy, are giving Beijing increasing maritime reach. It is uncertain what China's real intentions are and what these new capabilities may do to alter them. It may well be the case that over time, Chinese capabilities will cause American strategists to see Taiwan in a new light with regard to maritime security. The trade-offs over the benefits of access to Taiwan, the diplomatic and other costs of rebuilding ties to the island, and the role of technology may have to be revisited.

In recent years, Taiwan has sought to persuade the U.S. to end its "one China policy" as a step toward recognizing Taiwan as an independent sovereign state. Others have called for adjustments to the rules now governing how the Taiwan and US governments deal with each other, promoting higher levels of interaction by civilian and military officials, among other outcomes. These efforts raise the issue of whether the U.S.

should remake its Taiwan policy to accommodate new realities or to advance its interests differently.

First, it should be noted that within a fairly stable “one China” policy context, the guidelines on how the U.S. constrains its own activities and those of Taiwan have in fact changed over time. They have not been immutable. In the first months after Sino-U.S. normalization, the rules of the road with Taiwan were drafted quickly and drastically, plainly leaving many questions unanswered about how to conduct the economic, cultural and other business that was to continue between the U.S. and Taiwan.

Congress intervened and passed the Taiwan Relations Act (TRA) in 1979, which was a more comprehensive and practical instrument than the one drafted by the Carter administration at the time. Over the next fifteen years, others changes occurred like sediment on a river bottom, randomly and without rationalization.

In 1994, with Congressional encouragement, in recognition of both the burgeoning democracy on the island and the PRC’s reduced strategic role following the end of the Cold War and the Tiananmen massacre, the Clinton administration undertook a Taiwan policy review. Among other things, Clinton authorized a change in the name of Taiwan’s representative office (TECRO), and adjustments in the rules governing visits to the U.S. by Taiwan’s leaders, and day-to-day unofficial contacts.

During the George W. Bush administration, further changes occurred to facilitate the normalization of American civilian and military officials’ rotations to Taiwan, despite earlier assurances to Beijing that serving military officers would not return to the island.

These changes over time did not do serious violence to the relationship between the U.S. and China, though they did create varying degrees of friction. He resultant heat depended on the overall state of U.S.-China relations and how much lubricant good overall ties provided.

Going forward, the promise of a new Ma administration in Taiwan raises the prospect of ending, at least for his term of office, the zero-sum game atmosphere of cross-strait and U.S.-China-Taiwan relations, potentially developing a positive-sum atmosphere. If Ma can carry through his declared policy with skill and popular support at home, the prospect of the U.S.

gradually responding with higher-level contacts and looser restrictions will improve.

Concomitantly, the tolerance of Beijing will grow as it receives assurances that its interest in Taiwan's adherence to a formula upholding "one China" is not fatally compromised. Beijing will expect reasonable consistency on "one China" related issues from Taiwan and the U.S. as the floor for new levels of interaction between Beijing and Taipei and Washington and Taipei.

Should relations between Taiwan and the Mainland accelerate over time, the U.S. should not have an interest in hindering them, and may have an interest in facilitating them when it would benefit the process and would not disadvantage Taiwan unfairly. On this point, the policy of the U.S. should not change: the U.S. has an interest not in the outcome agreed between Taipei and Beijing, but that the process of reaching that outcome is peaceful and consensual.