

“Taiwan’s Management of Relations with the United States during the First Chen Shui-bian Administration”

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Prepared for

HARVARD-SOAS CONFERENCE

On

THE FIRST CHEN SHUI-BIAN ADMINISTRATION

**Annapolis, Maryland
5-8 May, 2005**

I am deeply indebted to my research assistant, Ms. Danielle Cohen, for her invaluable assistance in preparing this paper. I also greatly appreciate the comments provided by several colleagues and associates at various stages of the drafting process.

Introduction

During his first administration, Taiwan President Chen Shui-bian traversed the full spectrum of relations with the United States: from trusted democratic friend and quasi-ally with increasingly convergent views, to highly distrusted and disliked leader, viewed by Washington as potentially disruptive of some vital U.S. interests. Shortly after entering office, President Chen received an unprecedented level of political---and military---support from the recently elected President George W. Bush. At that time (2001-2002), Chen was regarded by Washington as an energetic democrat with strong support from the Taiwan public and a close, consultative and cooperative relationship with the White House (the last point was in contrast to his predecessor, Lee Teng-hui). However, by the end of his first term in office, Chen was regarded by Bush as extremely untrustworthy and a potential source of significant new problems for a U.S. president preoccupied with Iraq, his reelection campaign, and the agenda for a prospective second term.

Such a radical reversal came about as a result of a combination of broad shifts in U.S. foreign policy priorities, domestic political forces in Taiwan, the inexperience and immaturity of the Chen Administration, and perhaps most importantly, a series of personal blunders by President Chen in respect to his management of relations with the White House, and with President Bush in particular. Fundamentally, the mistakes of the first Chen Administration derived to a large extent from a misreading of the U.S. policy dynamic involving Taiwan. Chen placed narrower, short-term domestic political calculations above those fundamental, enduring strategic imperatives that confront every Taiwan government---especially the imperative of maintaining reasonably close and cooperative relations with the U.S.

The first section of this chapter identifies Taiwan's core foreign and security policy interests and its resulting policy priorities, particularly toward the United States. The second section identifies and examines the goals and policies of the first Chen Shui-bian administration vis-à-vis the United States. The third section analyzes how and why these policies and objectives evolved over the first Chen administration, and identifies the major factors contributing to both success and, especially, failure. The fourth section draws some broader lessons of relevance to the second Chen term and to the future, for both Taiwan and for the United States. The fifth section assesses the events of the first Chen administration in light of developments in U.S.-Taiwan relations during Chen's second term.

I. Taiwan's Most Vital Foreign and Security Policies and Interests

In formulating and implementing policies toward the United States, any occupant of Taiwan's Presidential Office must address three essential sets of interests and objectives. First, the president must strive to maintain domestic support for the Taiwan government as an open and democratic polity representing the interests and aspirations of the majority of the Taiwan population. This imperative obviously requires any president to consider the domestic political implications of his government's policies toward the outside world.

For Taiwan political leaders such as Chen Shui-bian---who favor political separation from Mainland China---this consideration arguably translates into a need to achieve ever greater levels of formal or tacit recognition for Taiwan by the international community as a sovereign and independent nation, in order to maintain the support of his “core” pro-independence political base. Such an imperative can run afoul of the strong U.S. interest in preventing any unilateral shifts in the “status quo” (as defined by Washington) that might provoke a China-Taiwan crisis. It can also provoke the Chinese government into a potentially ruinous military assault.

Second, any Taiwan president must sustain popular confidence in the ability of his/her government to protect Taiwan’s physical security in the face of increasing Chinese military capabilities and to ensure Taiwan’s continued prosperity, in large part through growing economic intercourse with the Mainland. This imperative requires the leader of Taiwan to walk a fine line between, on the one hand, alerting the public to the dangers posed by both an increasingly strong Chinese military and---in some cases---closer contact with the Mainland, and, on the other, permitting an expansion of those trade, investment, and technology flows to China that many observers regard as essential to the island’s current and future economic growth.

In walking this line, Taiwan’s president inevitably must assess public attitudes of threat and opportunity toward the Mainland.¹ The president must also take into consideration the assessment of the United States regarding the potential threat posed by China as well as Washington’s estimates of the level of defense capacity required by Taiwan.

Third, the president of Taiwan must strive to maximize all possible political, diplomatic, and military assistance and recognition provided by the international community, especially the United States. This requires constant efforts to expand Taiwan’s international presence. More important, it also requires the maintenance of a strong level of U.S. backing for the Taiwan Relations Act and the so-called Six Assurances,² which together provide the basis of American political and military support

¹ Many Taiwan political leaders and ordinary citizens seem to hold different views regarding whether and under what circumstances China might actually attack Taiwan.

² The Six Assurances were six points proposed by the ROC government to the U.S. government in 1982 as guidelines for the latter to use in conducting U.S.-Taiwan relations. The points were accepted by

for Taiwan. This objective, in turn, implies a desire to deepen the degree of backing for Taiwan provided by U.S. political and economic elites, especially Members of Congress and important business leaders.³ This basic interest also implies efforts to improve the level and type of U.S. military assistance provided to Taiwan in order both to strengthen Taiwan's military capabilities vis-à-vis China and to convey an impression of closer bilateral U.S.-Taiwan political and security ties.⁴

Such attempts to strengthen the U.S. commitment to Taiwan must be undertaken without provoking a major conflict with Mainland China. At the same time, while striving to elicit ever greater levels of US support (and to oppose US actions deemed against Taiwan's interests), Taiwan's president must also seek to avoid antagonizing the U.S. government, and in particular the Executive Branch. This can occur if Taiwan excessively plays the Congress against the White House, or ignores the views of the U.S. president toward such vital U.S. national security issues as relations with China. Taiwan's leadership cannot assume that the U.S. can (or will) support and protect the island in every instance.⁵

Washington. They state that: (1) The United States will not set a date for termination of arms sales to Taiwan, (2) The United States will not alter the terms of the Taiwan Relations Act, (3) The United States will not consult with China in advance before making decisions about U.S. arms sales to Taiwan, (4) The United States will not mediate between Taiwan and China, (5) The United States will not alter its position about the sovereignty of Taiwan—which was, that the question was one to be decided peacefully by the Chinese themselves—and would not pressure Taiwan to enter into negotiations with China, and 6) The United States will not formally recognize Chinese sovereignty over Taiwan. See Paul H. Tai, ed., *United States, China, and Taiwan: Bridges for a New Millennium* (Carbondale, Illinois: Public Policy Institute, 1999), 260–61.

³ During the Lee Teng-hui and Chen Shui-bian administrations, these ties have been reinforced by appeals made to both American elites and the American public to support Taiwan as a burgeoning democracy and a strong proponent of human rights whose behavior and outlook contrasts greatly with the behavior and outlook of the PRC regime. Such efforts are ultimately focused on attaining widespread recognition within the United States of the importance to U.S. national interests of preserving a prosperous, free and democratic Taiwan.

⁴ Although rarely openly acknowledged, Taiwan's policy toward the United States also includes efforts to prevent Washington from improving relations with Mainland China at Taipei's expense, or explicitly striking a "deal" with Beijing that might compromise Taiwan's interests. This foreign policy objective is clearly reflected in the so-called Six Assurances. These two paragraphs were largely drawn from Michael D. Swaine and James Mulvenon, *Taiwan's Foreign and Defense Policies: Feature and Determinants* (Santa Monica, CA: RAND, 2001), 98–99.

⁵ The Taiwan Relations Act merely indicates that any use of force against Taiwan by the PRC would be viewed with "grave concern" by Washington, and that, if mainland China poses a military threat to Taiwan's security, the President should consult with the Congress as to how to respond. For the full text of the TRA, see Paul H. Tai, ed., *United States, China, and Taiwan: Bridges for a New Millennium* (Carbondale, IL.: Public Policy Institute, Southern Illinois University, 1999), 237–51.

As the above indicates, any Taiwan president must carefully weigh and balance several potentially conflicting sets of interests in formulating and implementing external relations with China and the United States. This balancing act becomes particularly difficult when Taiwan's leader is a strong advocate of greater political separation from the Mainland and relies for his political survival upon those among the public who favor either independence or expanding levels of autonomy from Beijing. Moreover, the challenge facing Taiwan's president is made all the more difficult when he/she lacks both foreign policy and national leadership experience, as was the case with Chen Shui-bian during his first term in office.

II. Policies or interests of the Chen Shiu-bian administration vis-à-vis the U.S. government

Since taking office in May 2000, Chen Shui-bian has attempted to implement a range of largely interrelated policies and objectives toward the United States. Some of these are clear continuations of past policies, especially those that came to the fore during the later years of the Lee Teng-hui era. Others reflect more unique efforts to advance Chen's own version of the above national interests and objectives. And some initiatives emerged in reaction to specific "new" policies or statements toward China and Taiwan enunciated by the Clinton Administration. These policies and objectives were not laid out in any organized, formal or systematic manner. They have become apparent over time, largely on the basis of statements or actions by the Chen government. Others were conveyed to the author by knowledgeable observers in off-the-record interviews.

One longstanding objective of the Taiwan government (under both Lee and Chen) has been to avoid or eliminate any U.S. government pressure on Taiwan---however slight---to enter into political negotiations with Beijing. During the later years of the Clinton Administration, Taipei came to believe that Washington was attempting to exert such pressure by advocating consideration of a so-called "interim agreement." This concept, proposed by Asia policy officials of the Clinton administration such as Stanley Roth and Kenneth Lieberthal, was designed to "[bound] the disagreement for an agreed-upon period and...[create] some measure of political confidence" that would eventually

form the basis for a political resolution.⁶ The Lee and Chen administrations regarded this concept as an effort to get Taiwan to relinquish some significant bargaining chips (such as the claim to separate international status) and accept eventual reunification, in return for a Chinese pledge not to employ force. Moreover, both administrations strove to discourage Washington, and especially members of Congress, from supporting the concept.⁷

A second objective was to get the U.S. government to downplay or, if possible, repudiate the “Three No’s” uttered by President Clinton in June 1998 during a state visit to China. In response to a question asked following a speech delivered in Shanghai, Clinton stated that: “We don’t support independence for Taiwan, or two Chinas or one Taiwan, one China. And we don’t believe that Taiwan should be a member in any organization for which statehood is a requirement.”⁸ This statement--- and the fact that it was delivered in China---were interpreted by the Lee and Chen administrations as a subtle yet significant change in U.S. policy against Taiwan’s interests, and in particular against the notion of an independent Taiwan. Hence, Chen Administration officials continued the effort of the Lee government to press U.S. politicians and opinion makers to reject the statement as an unacceptable policy shift.⁹

More broadly, the Lee and Chen Administrations also pressed for greater U.S. support for Taiwan’s overall, longstanding effort to increase its international profile. Washington’s stance toward Taiwan’s presence in international organizations, the

⁶ Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, DC: Brookings Institution Press, 2005), p. 280-281. For Roth’s formulation of the interim agreements concept, see Stanley O. Roth, “The Taiwan Relations Act at Twenty – And Beyond,” U.S. Department of State, March 24, 1999, www.state.gov/www/policy_remarks/1999/990324_roth_taiwan.html. For Lieberthal’s suggestion about an interim agreement, see Kenneth Lieberthal, “Cross-Strait Relations,” in *China Under Jiang Zemin*, ed. Hung-mao Tien and Yun-han Chu (Boulder, Colorado: Lynne Rienner, 2000), 165-82.

⁷ Andrew Nathan, “What’s Wrong With American Taiwan Policy,” *The Washington Quarterly* 23, no. 2 (Spring 2000): 93-106, <http://www.twq.com/spring00/232nathan.pdf>.

⁸ “1998 Summit and Clinton’s Statement on the ‘One China’ Policy – Key Statements from Washington, Beijing, and Taipei,” *CRS Report for Congress*, June 1, 2004, http://www.opencrs.com/rpts/RL30341_20040601.pdf.

⁹ Philip Y.M. Yang, “From Strategic Ambiguity to Three Noes: The Changing Nature of the U.S. Policy Toward Taiwan,” paper presented at the conference on “U.S. and Its Allies,” Tel Aviv, Israel, November 9-11, 1998, <http://www.taiwansecurity.org/TS/TS-Yang-2.htm>.

treatment it accords senior Taiwan officials, etc. are understandably viewed by Taipei as important factors influencing Taiwan's status in the international community. Hence, both Lee and Chen constantly lobbied Washington to extend greater support for Taipei's admission to organs such as the World Health Organization, to increase the frequency and raise the status of contacts with the Taiwan government, and to grant the president, vice president, and other high-level officials ever higher levels of treatment during so-called "transit" stops in the United States.¹⁰

A fourth objective involves efforts to deepen economic ties with the United States, as well as Japan and other democratic nations. This policy has been strongly emphasized by the Lee and Chen governments, not only to strengthen Taiwan's economy (which became increasingly troubled during Chen's first term) but also, more importantly, to improve political ties with the U.S. and other democracies and to counterbalance Taiwan's growing economic relationship with China. The latter phenomenon is viewed by the Chen Shui-bian administration in particular as a major force undermining movement toward independence. One notable example of this policy effort is the Chen Administration's interest in establishing a Free Trade Zone (FTA) with the United States.¹¹

A fifth objective of Taiwan's policies toward the United States centers on attempts to significantly deepen (and make more public) the level of U.S. military involvement with Taiwan, for both political and security reasons. This effort has focused in particular on increasing the sale of high profile U.S. weapons systems to Taiwan of the type that require close and continuous contact between the U.S. and Taiwan militaries, as well as expanded levels of "software-oriented" military-to-military contact, such as training, strategic dialogues, consultations, etc.¹² Other efforts to "normalize" the overall

¹¹ Charles Snyder, "Taiwan No Closer to Trade Agreement," *Taipei Times*, April 27, 2003, <http://www.taipeitimes.com/News/taiwan/archives/2003/04/27/203674>; Jason Dean, Murray Hiebert, and Rebecca Buckman, "Taiwan's Turn?" *Far Eastern Economic Review* 166, no. 28 (July 17, 2003): 32; CNA, "Taiwan Eyes Japan Trade Pact," *Taipei Times*, November 12, 2003: p. 11, <http://www.taipeitimes.com/News/biz/archives/2003/11/12/2003075578>. Chen also revived Lee's "go south" policy and advocated expanding economic ties with Southeast Asia. Melody Chen, "Go South Strategy Threatened," *Taipei Times*, September 29, 2004, p. 2, <http://www.taipeitimes.com/News/taiwan/archives/2004/09/29/2003204811>.

security relationship with the United States include ending the annual arms sale decision timetable, for example.¹³

Finally, the Chen Administration has sought greater U.S. support for (or at least acquiescence toward) its self-proclaimed effort to “consolidate” Taiwan’s current status as a *de facto* sovereign and independent nation. This rhetorical sleight of hand distinguishes between explicit actions associated with a formal or *de jure* assertion of political independence and less formal, more indirect attempts to consolidate Taiwan’s status by gradually establishing a separate nationalist identity and international acceptance of the sovereign authority of Taiwan’s citizens. The former actions, centered on the so-called “five no’s” enunciated by Chen Shui-bian during his inauguration speech in 2000, were declared by Chen to be unnecessary, given Taiwan’s *de facto* independent status.¹⁴ However, the latter actions are viewed as highly necessary, and focus primarily on internal political and social changes (e.g., in school textbooks, in constitutional definitions of so-called “administrative” matters, etc.) that strengthen Taiwanese nationalist identity and / or eliminate formal government institutional or conceptual associations with Mainland China.¹⁵ Ultimately, efforts by the Chen Administration to

¹² Dennis Van Vranken Hickey, “Continuity and Change: The Administration of George W. Bush and US Policy Toward Taiwan,” *Journal of Contemporary China* 13, no. 40 (August 2004): 466-67; Jason Dean, “For U.S. and Taiwan, Weapons Deal Portends Closer Ties – Advanced Arms on Offer Will Require Cooperation Between Two Militaries,” *Wall Street Journal*, April 25, 2001, A15; Shirley A. Kan, “Taiwan: Major U.S. Arms Sales Since 1990,” *CRS Report for Congress*, July 5, 2005, p. 6-14, <http://fpc.state.gov/documents/organization/50162.pdf>; Michael S. Chase, “U.S.-Taiwan Security Cooperation: Enhancing an Unofficial Relationship, in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, Nancy Bernkopf Tucker, ed. (New York: Columbia University Press, 2005), 162-185.

¹³ Dennis Van Vranken Hickey, “Continuity and Change: The Administration of George W. Bush and US Policy Toward Taiwan,” *Journal of Contemporary China* 13, no. 40 (August 2004): 467; Dana Milbank and Mike Allen, “Bush to Drop Annual Review of Weapons Sales to Taiwan,” *Washington Post*, April 25, 2001, <http://taiwansecurity.org/WP/2001/WP-042501.htm>; Michael S. Chase, “U.S.-Taiwan Security Cooperation: Enhancing an Unofficial Relationship, in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, Nancy Bernkopf Tucker, ed. (New York: Columbia University Press, 2005), 171-174.

¹⁴ During his speech, Chen promised that his administration would not declare independence, alter the national title, push for the inclusion in the Constitution of Lee Teng-hui’s independence-oriented “state-to-state” concept, promote a national referendum on independence or unification, or abolish the National Unification Council or the Guidelines for National Unification. However, Chen also stated that this pledge was based on the condition that China not exhibit any intention of attacking Taiwan. The clear implication, confirmed by Chen in subsequent statements, was that the pledge would be discarded if China showed such an intent. Office of the President, Republic of China (Taiwan), “Inaugural Speech; Taiwan Stands Up: Toward the Dawn of a Rising Era,” May 20, 2000, www.president.gov.tw/1_president/e_subject-06e.html.

¹⁵ Other examples include the decision by the Ministry of Foreign Affairs to add the words “issued in Taiwan” to passport covers and the initial push for referenda on domestic issues, under the rationale that the citizens of the democratic Republic of China should have the right to voice their opinions through

elicit U.S. support for such potentially radical initiatives imply a desire to increase, if possible, US incentives to reassess and perhaps even to discard the Washington's "One China" policy.¹⁶

III. The Policy Record Over the First Term

Chen Shui-bian enjoyed considerable success during at least the first year or year-and-a-half of his first term in attaining many of the above objectives.¹⁷ Some of Chen's policy successes occurred because his government's policies were convergent with the interests and policies of the U.S. government at the time. For example, upon taking office, the Bush Administration sought to strike a clear contrast with the Clinton Administration's allegedly pro-China stance and supposedly "weak" military backing for

referenda. Erich Shih, "The Conduct of U.S.-Taiwan Relations 2000-2004," The Brookings Institution, CNAPS Working Paper, October 2004, p. 6, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; Cheng-yi Lin and Wen-cheng Lin, "Chen Shui-bian's Defensive Referendum and the Taipei-Beijing-Washington Relationship," paper presented at "US-China-Taiwan Relations Under the Second Bush and Chen Administrations," Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, p. 7.

¹⁶ The U.S. One China policy was originally founded on the notion, expressed in the Sino-American normalization communiqués of the seventies and eighties, that Washington does not challenge the Chinese assertion that Taiwan is a part of China. Since then, the policy has evolved to place a greater stress on the notion that the U.S. will a) support any resolution of the status of Taiwan as long as it is peacefully attained and reflects the wishes of citizens on both sides of the Taiwan Strait; and b) oppose any effort to unilateral change the status quo across the Strait, as defined by Washington.

¹⁷ "China Presses U.S. Over Taiwan 'Republic' Comments, *CNN.com*, April 5, 2002, <http://archives.cnn.com/2002/WORLD/asiapcf/east/04/05/china.taiwan/?related>; Robert Sutter, "Bush Administration Policy Toward Beijing and Taipei," *Journal of Contemporary China* 12, no. 36 (August 2003): 483; Bruce J. Dickson, "New Presidents Adjust Old Policies: US-Taiwan Relations Under Chen and Bush," *Journal of Contemporary China* 11, no. 33 (2002): 648, 652-53; Dennis Van Vranken Hickey, "Continuity and Change: The Administration of George W. Bush and US Policy Toward Taiwan," *Journal of Contemporary China* 13, no. 40 (August 2004): 471; Dennis Van Vranken Hickey, "Continuity and Change: The Administration of George W. Bush and US Policy Toward Taiwan," *Journal of Contemporary China* 13, no. 40 (August 2004): 466-67; Jason Dean, "For U.S. and Taiwan, Weapons Deal Portends Closer Ties – Advanced Arms on Offer Will Require Cooperation Between Two Militaries," *Wall Street Journal*, April 25, 2001, A15; Shirley A. Kan, "Taiwan: Major U.S. Arms Sales Since 1990," *CRS Report for Congress*, July 5, 2005, p. 6-14, <http://fpc.state.gov/documents/organization/50162.pdf>; Michael S. Chase, "U.S.-Taiwan Security Cooperation: Enhancing an Unofficial Relationship, in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, Nancy Bernkopf Tucker, ed. (New York: Columbia University Press, 2005), 162-185; Erich Shih, "The Conduct of U.S.-Taiwan Relations 2000-2004," The Brookings Institution, CNAPS Working Paper, October 2004, 4-6, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>.

Taiwan in the face of a growing Chinese military threat.¹⁸ Overall, it was determined to restore “dignity” in the US treatment of Taiwan and its leaders. This approach initially inclined the Bush Administration to extend considerable political and military support to Taiwan, and thus permitted the Chen government to achieve some notable successes.¹⁹ For example, Bush exerted no pressure on Taipei to enter into any type of “interim agreement,” as described above. Also, no Bush official repeated the exact language of Clinton’s Three No’s” of 1998, and Washington exhibited greater rhetorical support for Taiwan’s admission into international organizations, most notably the World Health Organization.²⁰ Perhaps of greatest significance, Bush was also the first president to clearly express a commitment to “do whatever it takes” to defend Taiwan if the island were attacked by China, thus apparently removing what had been a pillar of the U.S. deterrence policy of “strategic ambiguity” toward Beijing and Taipei.²¹ He also approved an unprecedented array of major new weapons systems for Taiwan, including weapons that had been denied many times by previous administrations, such as advanced diesel submarines and Orion P-3 anti-submarine-warfare (ASW) aircraft. And Bush at the same

¹⁹ Kerry B. Dumbaugh, “Taiwan: Recent Developments and Policy Choices,” *CRS Issue Brief for Congress*, March 17, 2005, p. 11, <http://fpc.state.gov/documents/organization/44122.pdf>.

²⁰ “Clinton’s China Policy Dropped,” *AP*, March 19, 2001, <http://taiwansecurity.org/AP/2001/AP-031901.htm>; “China Presses U.S. Over Taiwan ‘Republic’ Comments,” *CNN.com*, April 5, 2002, <http://archives.cnn.com/2002/WORLD/asiapcf/east/04/05/china.taiwan/?related>.

²¹ Bush’s comment that he would “do whatever it takes” was widely covered by the press. See Kelly Wallace, “Bush Pledges Whatever It Takes to Defend Taiwan,” *CNN.com*, April 24, 2001, <http://archives.cnn.com/2001/ALLPOLITICS/04/24/bush.taiwan.abc>; “Bush Vows ‘Whatever It Takes’ to Defend Taiwan,” *CNN.com*, April 25, 2001, <http://archives.cnn.com/2001/ALLPOLITICS/04/25/bush.taiwan.03>; David E. Sanger, “U.S. Would Defend Taiwan, Bush Says,” *New York Times*, April 26, 2001: A1. Senator Joseph Biden argued that Bush’s statement exceeded formal U.S. commitments to Taiwan. “US Senator Warns Beijing Ahead of Visit to Region,” *Taipei Times*, August 4, 2001, p. 1, <http://www.taipeitimes.com/News/front/archives/2001/08/04/97047>. The U.S. policy of “strategic ambiguity” regarding Taiwan means “the United States does not state explicitly whether it will come to Taiwan’s defense in the event of an attack by the PRC. The resulting uncertainty about U.S. intentions, it is argued, shapes the intentions of the other two actors. . . It constrains China from making an unprovoked attack on Taiwan by raising at least the possibility that the United States will intervene, and it constrains Taiwan from staking steps that Beijing would find intolerably provocative by suggesting that Washington would not intervene or would otherwise punish Taiwan.” Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, DC: Brookings Institution Press, 2005), 255-256.

time scrapped the annual review of arms sales to Taiwan, replacing it with an “as-needed” approach.²²

Yet such successes did not occur solely because of the arguably more pro-Taiwan stance of the new Bush Administration. Chen Shui-bian also contributed to these and other improvements in U.S.-Taiwan relations through specific actions he undertook during his first two years in office (i.e., 2000-2001). Most notably, from the outset, Chen discarded several troublesome tactics employed by the Lee Teng-hui Administration in its relations with Washington. He immediately established excellent communications with the Bush White House, by consulting beforehand with the American Institute on Taiwan (AIT) and / or the State Department regarding the content of key public statements (such as his inauguration speech), and by eschewing Lee’s frequently-used tactic of placing pressure on the White House by “end-running” the administration via efforts to solicit support from the Congress.²³ More specifically, upon assuming office, Chen signaled that he would exercise moderation and restraint and not provoke a crisis with Beijing by pressing for formal independence, as was favored by some within his political party, the Democratic Progressive Party (DPP). This was clearly indicated by his so-called “Five No’s” pledge, described above. In addition, Chen also courted good relations with the White House by exercising considerable restraint on several contentious issues. For example, in 1999-2000, he remained neutral regarding the potentially provocative and largely unwelcome (to the Executive Branch) Taiwan Security Enhancement Act (TSEA) promoted by some members of Congress. He also did not push for the sale of Aegis-class destroyers, long desired by the Lee Teng-hui Administration.²⁴ Equally important, Chen intentionally kept a low profile during his first

The ending of the annual review of arms sales was admittedly a double-edged sword, with one U.S. intention being to avert the congressional and public pressure created by Taiwan and its supporters in connection with each annual review process. However, the Chen administration—and many other observers—arguably overlooked this downside for Taipei.

²³ For example, after the Clinton administration refused Lee Teng-hui’s request for an extended transit to the United States, Lee hired Cassidy and Associates to lobby Congress. Under Congressional pressure, Clinton was forced to grant Lee a visa. Bruce J. Dickson, “New Presidents Adjust Old Policies: US-Taiwan Relations Under Chen and Bush,” *Journal of Contemporary China* 11, no. 33 (2002): 646-647; Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, DC: Brookings Institution Press, 2005), 246-247.

²⁴ Bruce J. Dickson, “New Presidents Adjust Old Policies: US-Taiwan Relations Under Chen and Bush,” *Journal of Contemporary China* 11, no. 33 (2002): 647. However, Chen’s position on the Aegis probably

“transit stop” visit to the United States in August 2000. His next transit, in May-June 2001, enjoyed a much higher profile and was of a longer duration.²⁵

One should point out that the above successes of the early Chen Administration did not result in---or derive from---any basic modification of Washington’s One China policy. In general, Bush adhered to the guidelines observed by previous administrations regarding Taiwan’s status and presence in the international community. He did not suggest that Taiwan is or should become an independent, sovereign state or that the U.S. should in any way promote such a radical change in the island’s status. And he denied that his expressed commitment to defend Taiwan if attacked amounted to a basic change in U.S. policy.²⁶

As suggested above, the most significant change in U.S. policy toward Taiwan occurred in the defense area, beginning in April 2001. However, a second, perhaps less notable change occurred the following January. For the first time, the U.S. government stated that neither Beijing nor Taipei should set any preconditions for the resumption of a cross-Strait dialogue. U.S. officials such as Richard Bush (at that time director of AIT) particularly emphasized that Beijing should not insist that Taipei accept its “One China” principle as a precondition for such talks.²⁷ In making such a statement, Washington

reflected his expectation that the Bush administration would significantly expand the quantity and quality of weapons offered to Taiwan.

²⁵ Bruce J. Dickson, “New Presidents Adjust Old Policies: US-Taiwan Relations Under Chen and Bush,” *Journal of Contemporary China* 11, no. 33 (2002): 648, 652-53. Chen became the first Taiwan leader to visit New York City in almost half a century. The number of his interviews and visits was far greater than that of Lee Teng-hui, and he became the first Taiwan leader to be visited by twenty members of Congress during his transit stop.

²⁶ Alan D. Romberg, *Rein In at the Brink of the Precipice* (Washington, DC: The Henry L. Stimson Center, 2003), 202. For Bush’s continuation of Clinton’s policies regarding Taiwan’s pursuit of recognition by international organizations, see Shirley A. Kan, “China/Taiwan – Evolution of the ‘One China’ Policy – Key Statements from Washington, Beijing, and Taipei,” *CRS Report for Congress*, June 1, 2004, p. 13-14, http://www.opencrs.com/rpts/RL30341_20040601.pdf.

²⁷ Richard C. Bush, “U.S.-Taiwan Relations at the Beginning of a New Year,” January 28, 2002, www.ait.org.tw/en/news/pressrelease/viewer.asp?ID=2002012801&GROUP=PR. For Bush’s more recent thoughts on the advisability of restarting cross-Strait dialogue without preconditions, see Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, DC: Brookings Institution Press, 2005), 286-288. At a press conference on February 21, 2002 during President Bush’s visit to Beijing, President Bush refrained from using the term “One China.” Jiang stated, “President Bush emphasized that the United States upholds the one China policy and will abide by the three Sino-U.S. joint communiqués.” But Bush declined to affirm his support of the One China policy, stating instead, “As [President Jiang] mentioned, we talked about Taiwan. The position of my government has not changed over the years. We believe in the peaceful settlement of this issue. We will urge there be no provocation. The United States will continue to support the Taiwan Relations Act.” “Bush Jiang Press Conference in Beijing, February 21, 2002,” in Shirley A. Kan, “China/Taiwan – Evolution of the ‘One China’ Policy – Key Statements from

seemed to move away from its past neutral stance on the issue of a cross-Strait dialogue, toward Taiwan's position of rejecting Beijing's One China principle. This shift arguably undermined support for those who promoted acceptance of a Taiwan-based definition of One China, e.g., through the use of the so-called 1992 Consensus.²⁸

In retrospect, it is clear that early 2002 marked a high point in the first Chen Administration's relations with Washington. Following the January U.S. statement discouraging any preconditions for cross-Strait talks, senior Taiwan defense officials (including Minister of Defense Tang Yiao-ming) attended a highly publicized annual U.S.-Taiwan defense industry meeting held in the United States in March. During that conference, Tang met with Deputy Secretary of Defense Paul Wolfowitz and Assistant Secretary of State James Kelly.²⁹ During the following month (on April 6th), President Bush signed a bill supporting Taiwan's longstanding campaign to attain observer status in the World Health Assembly of the World Health Organization.³⁰ Three days later, a bipartisan group of 85 Members of the House of Representatives of the U.S. Congress established a Taiwan Caucus, ostensibly to enhance U.S. relations and cooperation with the island.³¹ By May 2002, Taiwan's foreign minister had confirmed that Taiwan was seeking a formal visit to the United States (as opposed to a mere "transit stop") for Chen Shui-bian; moreover, Washington did not demur when Chen at that time described the U.S. and Taiwan as "inseparable democratic allies."³²

Washington, Beijing, and Taipei, *CRS Report for Congress*, June 1, 2004, p. 67-68, http://www.opencrs.com/rpts/RL30341_20040601.pdf; Alan D. Romberg, *Rein In at the Brink of the Precipice* (Washington, DC: The Henry L. Stimson Center, 2003), 200-201.

²⁸ Xu Shiquan, "The 1992 Consensus: A Review and Assessment of Consultations between the Association for Relations across the Taiwan Strait and the Straits Exchange Foundation, *Breaking the China-Taiwan Impasse*, Donald S. Zagoria, ed. (Westport, Connecticut: Praeger, 2003): 81-102.

²⁹ "Taiwan Will Not Provoke China, Says Tang," *Agence France Presse*, March 13, 2002, <http://taiwansecurity.org/AFP/2002/AFP-031302-1.htm>.

³⁰ "China Presses U.S. Over Taiwan 'Republic' Comments," *CNN.com*, April 5, 2002, <http://archives.cnn.com/2002/WORLD/asiapcf/east/04/05/china.taiwan/?related>. Although nothing changed in U.S. policy regarding Taiwan's WHO observer status either as a result of or in conjunction with signature of the bill, Bush's action nonetheless symbolized Washington's improved ties with Taipei.

³¹ "Taiwan Getting a Stronger Voice in US Congress," *Taipei Times*, April 11, 2002, www.taiwansecurity.org/TT/2002/TT-041102.htm.

³² David G. Brown, "China-Taiwan Relations: Negotiation Feelers and Defense Issues," *Comparative Connections* 4, no. 2 (July 2002), p. 70 http://www.ciaonet.org/olj/cpc/cpc_jul02.pdf.

Despite the auspicious beginnings, the Chen Shui-bian administration's relationship with Washington soon began to deteriorate, and steadily worsened over time. This rather unexpected reversal in fortunes occurred largely for three reasons.

First, U.S. strategic priorities changed significantly in the aftermath of the terrorist attacks of September 11, 2001, affecting both the tenor of U.S.-China relations and Washington's willingness to tolerate potentially provocative behavior by Taipei. The attacks of 9-11 diverted U.S. attention from the potential long-term strategic threat posed by China to American interests. This shift in U.S. attention gained further impetus with the U.S. decisions to invade Afghanistan and Iraq and the subsequent difficulties encountered by Washington in both countries. The war on terrorism has also greatly increased the value to the United States of maintaining good relations with Beijing, not only to minimize the chances of a distracting bilateral confrontation, but more importantly, to avert any Chinese foot-dragging in the U.N. Security Council and to facilitate cooperative efforts to combat terrorism and the proliferation of weapons of mass destruction. U.S. incentives to increase such cooperation with Beijing received impetus with the emergence of a crisis with North Korea following the October 2002 disclosure by Pyongyang of a uranium enrichment program. China is credited by the U.S. administration with playing a key role in keeping Pyongyang at the negotiating table and hence the slow-motion nuclear crisis under some modicum of control.³³

Under these circumstances, the Bush Administration had an enormous incentive to prevent the Taiwan issue from creating yet another crisis with which it must contend. In addition to this consideration, however, U.S. officials at the time also believed that Taiwan did not require ever greater levels of political backing, especially given recent signals of stronger U.S. support. Instead, Washington began to focus its attention regarding Taiwan primarily on the growing threat posed by an increasingly capable Chinese military, and the need for continued U.S. and Taiwan military counter-measures. This was clearly indicated by the Congressional testimony of CIA Director George Tenet, delivered in February 2002.³⁴ Hence, overall, by mid-2002, the Bush administration's

³⁴ George Tenet, "Worldwide Threat – Converging Dangers in a Post 9/11 World," Testimony before the Senate Select Committee on Intelligence, February 6, 2002, http://www.cia.gov/cia/public_affairs/speeches/2002/dci_speech_02062002.html.

stance toward Taiwan was characterized by an increased sensitivity to any apparent efforts to disrupt the political status quo across the Taiwan Strait, and a growing focus on the need for Taiwan to improve its defense capacities. By July, the Defense Department was informing visiting Taiwan officials that the island was not doing enough to strengthen its own defense. Indeed, Taipei had yet to allocate the funds necessary to acquire many of the weapons approved by the Bush Administration in April 2001.³⁵

A second factor behind the downturn in Taiwan's relations with Washington is related to Chen Shui-bian's political calculus and behavior in 2002-2003. Chen apparently underestimated the import of the above changes in U.S. policy and perspectives on Taiwan and eventually overestimated his ability to generate increased domestic political support---and thereby ensure his reelection in 2004---by pressing forward with efforts to "consolidate" Taiwan's independent status. The latter miscalculation was compounded by his need to appeal to the more radical elements of his pro-independence political base. This requirement resulted in part from the increasing pressure Chen (and his party) received from the DPP's coalition partner in the Pan-Green alliance, the Taiwan Solidarity Union, led by former President Lee Teng-hui. Since leaving office in 2000, Lee had become an unrestrained advocate of formal Taiwan independence, and thus risked siphoning off pro-independence supporters from the DPP. Chen's resulting need to prevent such a development by energetically advancing his own pro-independence initiatives was arguably made even more necessary by his continued inability (or unwillingness) to develop a more moderate intraparty consensus within the DPP.³⁶

By the latter half of 2002, Chen had thus begun an attempt to take advantage of what he regarded as an unprecedented level of U.S. support for Taiwan by undertaking actions apparently intended to achieve Taiwan's permanent separation from Mainland China.³⁷ For example, on August 3, he voiced strong support for legislation that would enable the use of public referenda to confirm the sovereign authority of the Taiwan public

³⁶ We should also point out that Chen apparently also believed that a significant segment of the Taiwan public supported more energetic movement toward independence in late 2002. Lin Mei-chun, "DPP Must Treat Its Younger Sister Well, Analysts Say," *Taipei Times*, December 10, 2001, p. 1,

³⁷ This development coincided with Chen assuming the chairmanship of the DPP, in summer 2002.

and hence the independence of the island (thereby suggesting a possible violation of one of his Five No's), and described the cross-Strait relationship as "one country on each side of the strait (*yibian yiguo*).³⁸ Both of these provocative actions were taken without notifying Washington beforehand. They predictably created a furor in China, as well as a strongly adverse---if mostly private---official reaction in the United States.³⁹ And yet Chen replied to such displeasure by further remarking, on August 6, that China and Taiwan possess "equal sovereignty."⁴⁰ In apparent response to Chen's increasingly provocative behavior, on the following day, the U.S. National Security Council spokesman, speaking at a foreign press briefing at the State Department, reiterated the United States' One China policy and its non-support for Taiwanese independence.⁴¹

In addition to these political initiatives, Chen in 2002 also promoted economic policy initiatives that seemed to displease Washington. Beginning in April, his government repeatedly called for the establishment of a Free Trade Area (FTA) with the United States and Japan, as an apparent reaction to Beijing's success in establishing a FTA with Southeast Asian countries, and as an attempt to reduce Taiwan's growing economic dependence on the Mainland.⁴² Yet Washington was entirely unreceptive to such a proposal, especially given its increasing criticism of Taiwan's allegedly "unfair" trading practices and violations of intellectual property rights. Instead, Washington advocated further movement by Beijing and Taipei toward the establishment of the so-called Three Links (*san tong*). Despite this U.S. stance, by January 2003, Chen was

³⁹ Taiwan Affairs Office of the State Council, "Spokesperson's Remarks: Pro-independence Remarks Leading Taiwan to Disaster," August 6, 2002, http://www.gwytb.gov.cn:8088/detail.asp?table=Conference&title=Spokesperson's+Remarks&offset=100&m_id=40; Keith Bradsher, "Taiwan Chief Eases Stand; Beijing Rattles Sabre," *New York Times*, August 7, 2002: A9; Alan D. Romberg, *Rein In at the Brink of the Precipice* (Washington, DC: The Henry L. Stimson Center, 2003), 208; David G. Brown, "China-Taiwan Relations: Chen Muddies Cross-Strait Waters," *Comparative Connections* 4, no. 3, p. 66, http://www.ciaonet.org/olj/cpc/cpc_oct02h.pdf.
⁴⁰ Keith Bradsher, "Taiwan Chief Softens Position on Independence from China," *New York Times*, August 6, 2002, <http://taiwansecurity.org/NYT/2002/NYT-080602-1.htm>.
⁴¹ U.S. Department of State, "NSC Briefing for Foreign Media; Sean McCormack, National Security Council Spokesman," August 7, 2002, <http://fpc.state.gov/fpc/12521.htm>.
⁴² "President Urges Trade Alliance with U.S., Japan," *China Post*, April 12, 2002, www.taiwansecurity.org/News/2002/CP-041202.htm.

telling U.S. visitors not to expect early progress on the *san tong* and continued to push the FTA concept.⁴³

During 2003, Chen sought to escalate his effort to “consolidate” Taiwan’s sovereign, independent status by pushing more energetically for legislation in support of a national referendum on several domestic issues.⁴⁴ When the resulting legislation (drafted by the political opposition) stipulated that such referenda could only be called if national sovereignty were threatened (i.e., a so-called defensive referendum), Chen declared in November (after the referendum law was passed) that such a threat existed and pressed forward with plans for a referendum.⁴⁵ Equally significant, he increasingly promoted the notion of using a referendum to approve a new constitution that would more accurately reflect Taiwan’s status as a sovereign state.⁴⁶ Chen apparently pressed forward with his referendum initiative at least partly in response to China’s success in courting the Pan-Blue political opposition of the Nationalist (Kuomintang) and the People’s First Party, and with an eye toward the 2004 presidential election in Taiwan.⁴⁷

⁴⁴ Chen originally planned to hold referenda on the building of a fourth nuclear power plant, whether Taiwan should join the World Health Organization (WHO), and whether the number of seats in the Legislative Yuan should be reduced. Cheng-yi Lin and Wen-cheng Lin, “Chen Shui-bian’s Defensive Referendum and the Taipei-Beijing-Washington Relationship,” paper presented at “US-China-Taiwan Relations Under the Second Bush and Chen Administrations,” Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, p. 5-6.

⁴⁵ Erich Shih, “The Conduct of U.S.-Taiwan Relations 2000-2004,” The Brookings Institution, CNAPS Working Paper, October 2004, p. 8, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; Shelley Rigger, “The Unfinished Business of Taiwan’s Democratization,” in *Dangerous Strait: The U.S.-Taiwan-China Crisis* (New York: Columbia University Press, 2005), 20-21.

⁴⁶ Cheng-yi Lin and Wen-cheng Lin, “Chen Shui-bian’s Defensive Referendum and the Taipei-Beijing-Washington Relationship,” paper presented at “US-China-Taiwan Relations Under the Second Bush and Chen Administrations,” Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, 8-9.

⁴⁷ David Brown, “China-Taiwan Relations: Pernicious Presidential Politics,” *Comparative Connections* 5, no. 3 (October 2003), p. 89, www.ciaonet.org/olj/cpc/cpc_oct03/cpc_oct03h.pdf; Erich Shih, “The Conduct of U.S.-Taiwan Relations 2000-2004,” The Brookings Institution, CNAPS Working Paper, October 2004, p. 8, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; Shelley Rigger, “The Unfinished Business of Taiwan’s Democratization,” in *Dangerous Strait: The U.S.-Taiwan-China Crisis* (New York: Columbia University Press, 2005), 20-21; Cheng-yi Lin and Wen-cheng Lin, “Chen Shui-bian’s Defensive Referendum and the Taipei-Beijing-Washington Relationship,” paper presented at “US-China-Taiwan Relations Under the Second Bush and Chen Administrations,” Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, 6-7; Chih-cheng Lo, “On Taiwan, China’s Silken Glove – And Mailed Fist,” *Asia Times*, March 6, 2004, <http://www.atimes.com/atimes/China/FC06Ad01.html>.

Nonetheless, Chen's actions produced increasing concerns in Washington---beginning in the spring and summer---that the Taiwan president was provoking a crisis with Beijing by seeking to alter unilaterally the cross-Strait status quo. In July, Chen, responding to such US displeasure, sent a delegation to Washington to "explain" his initiative for a defensive referendum.⁴⁸ However, a State Department spokesman responded by stating that the U.S. government did not see the need for such a referendum.⁴⁹ Nonetheless, in November, Chen told visiting U.S. scholars that Taiwan would hold a referendum in December 2006 to decide the contents of a new constitution and that, if approved by the public, the new constitution would be enacted in May 2008.⁵⁰ This statement increased U.S. concerns even further.⁵¹

Finally, growing friction between Taipei and Washington was compounded by the apparent inability or unwillingness of the Taiwan government to press forward more effectively in 2003 with an array of defense reforms or to pass special defense spending allocations that would permit the acquisition of those major weapons approved in April 2001. These difficulties were certainly not caused entirely by Chen Shui-bian. To some extent, the political opposition used its majority position within the Legislative Yuan (LY) to obstruct the defense budgetary process. However, to some observers in and out of the Bush Administration, Chen could have tried harder to break the logjam over defense allocations--and in particular the failure to reach agreement with Washington over the acquisition of submarines--by placing more political pressure on the LY or by making a stronger case to the public in support of such significant U.S. weaponry.⁵²

⁴⁹ David Brown, "China-Taiwan Relations: Pernicious Presidential Politics," *Comparative Connections* 5, no. 3 (October 2003), p. 95, www.ciaonet.org/olj/cpc/cpc_oct03/cpc_oct03h.pdf.

⁵⁰ David Brown, "China-Taiwan Relations: Strains over Cross-Strait Relations," *Comparative Connections* 5, no. 4 (January 2004), p. 89-90, 96, http://www.ciaonet.org/olj/cpc/cpc_jan04/cpc_jan04h.pdf.

⁵¹ Cheng-yi Lin and Wen-cheng Lin, "Chen Shui-bian's Defensive Referendum and the Taipei-Beijing-Washington Relationship," paper presented at "US-China-Taiwan Relations Under the Second Bush and Chen Administrations," Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, p. 17-18.

⁵² In June 2003, an LY delegation to Washington had informed the press that the submarine acquisition had been postponed indefinitely. Charles Snyder, "Sub Purchase Put on Back Burner," *Taipei Times*, June 26, 2003, p. 2, <http://www.taipetimes.com/News/taiwan/archives/2003/06/26/2003056763>; David G. Brown, "Chen Adopts a More Cautious Approach," *Comparative Connections* 5, no.1 (April 2003), p. 77-78, http://www.ciaonet.org/olj/cpc/cpc_apr03.html; Denny Roy, "U.S.-Taiwan Arms Sales: The Perils of Doing Business with Friends," *Asia Pacific Security Studies* 3, no. 3 (April 2004), www.apcss.org/Publications/APSSS/Roy-TawainArms.pdf.

Closely related to the previous factor, Chen Shui-bian's deteriorating relationship with Washington also derived from his poor judgment and inexperience in dealing with the United States. This problem was apparently compounded by his tendency to make decisions by fiat, without consulting with his closest political advisors. Examples abound of Chen's missteps in handling problems or concerns with the Bush Administration in 2002-2003. For instance, throughout this period of declining relations, Chen's closest associates repeatedly sought to publicly characterize Taipei's failure to consult with Washington on sensitive issues such as the defensive referendum, constitutional revision, and various provocative statements made by the president as the product of mere "miscommunication" or "misunderstanding." This apparent ploy angered some officials in the Bush Administration, who adamantly insisted that Washington understood exactly what Chen was doing and that Chen understood the U.S. position.⁵³

The Chen government also showed its inexperience by apparently interpreting the "tough love" views conveyed to Taipei in late 2002-2003 by AIT Taiwan Director Douglas Paal as somehow unrepresentative of President Bush's position, while viewing the more sympathetic statements of AIT Director Therese Shaheen as indicative of Bush's true sentiments; in fact, the reverse was true.⁵⁴ Washington's displeasure over such behavior was compounded by a major gaffe committed by TECRO head C.J. Chen in November 2002. Chen revealed to Taiwan legislators (and hence to the public) that he was receiving confidential information from the U.S. government regarding a Taiwan-related discussion between PRC President Jiang Zemin and President Bush held at the latter's Crawford residence in Texas.⁵⁵ Bush officials were furious, because this leak was

⁵⁴ This miscalculation was perhaps fostered to some degree by the fact that Shaheen had close personal ties to the Bush family. Charles Snyder, "US Names AIT's Board Chairman," *Taipei Times*, January 1, 2003, p. 1, www.taipeitimes.com/News/front/archives/2003/01/01/189331; Erich Shih, "The Conduct of U.S.-Taiwan Relations 2000-2004," The Brookings Institution, CNAPS Working Paper, October 2004, p. 13-14, 20-21, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; AP, "American Envoy's Visit Raises Complex Protocol Questions," *Taipei Times*, October 13, 2003, p. 4, www.taipeitimes.com/News/taiwan/archives/2003/10/13/2003071495; Elise Labott, "Top U.S. Taiwan Official Resigns," *CNN.com*, April 8, 2004, <http://taiwansecurity.org/CNN/2004/CNN-080404.htm>; "US Taiwan Representative Resigns in China Policy Row," *Agence France Presse*, April 8, 2004.

⁵⁵ Charles Snyder, "US Likely to Snub China's Missile Offer," *Taipei Times*, December 20, 2002, p. 1, www.taipeitimes.com/News/front/archives/2002/12/20/187840; David G. Brown, "China-Taiwan Relations: Is China's Flexibility Tactical or Significant," *Comparative Connections* 4, no. 4 (January 2003), p. 79-81, http://www.ciaonet.org/olj/cpc/cpc_jan03h.pdf.

one of several disclosures by the Taiwan government in 2002 that publicly revealed sensitive contacts between Washington and TECRO/Taipei.⁵⁶

Chen Shui-bian's mishandling of relations with the Bush Administration reached a crescendo by Fall 2003. During and following a U.S. transit and a subsequent visit to Panama in October-November, Chen undertook actions and made statements that significantly distorted or exaggerated the extent of his contacts with U.S. government officials, including Secretary of State Colin Powell. He also greatly exceeded previous understandings he had reached with Washington regarding his behavior while transiting the U.S.⁵⁷ Moreover, Chen continued to escalate the confrontation with China by publicly calling for the end of the One China concept and common acceptance of his phrase *yibian yiguo*.⁵⁸ He then proceeded to ignore or downplay repeated private messages from Washington---including a personal letter from Bush delivered to Chen by NSC Asia Director James Moriarty---to exercise greater restraint in his escalating promotion of a defensive referendum and constitutional revisions.⁵⁹ Following Moriarty's trip in early December (the last of three such visits), Chen announced the contents of his

China is almost certainly aware of the frequency and level of US meetings with the TECRO head and other Taiwan officials. However, under the rules of the game, such contacts are supposed to be kept utterly confidential, on the theory that China will be obliged to react when they become public. I am indebted to a former US official for this insight.

⁵⁷ Erich Shih, "The Conduct of U.S.-Taiwan Relations 2000-2004," The Brookings Institution, CNAPS Working Paper, October 2004, p. 16, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; Shelley Rigger, "Party Politics and Taiwan's External Relations," *Orbis* (Summer 2005), 427; "Editorial: Taiwan's Secret Angels in the US," *Taipei Times*, November 4, 2003, p. 8. On balance, Chen's "transit" behavior was probably not enormously egregious, or out of keeping with precedents. However, given the tenor of the times, he should have opted to adhere meticulously to all understandings. Instead, he played the same old games – thereby reinforcing the growing conviction that he could not be trusted. I am again indebted to a former U.S. official for this observation.

www.taipeitimes.com/News/editorials/archives/2003/11/04/2003074557; Lin Chieh-yu and Charles Snyder, "Chen Presses the Flesh with Powell," *Taipei Times*, November 5, 2003, p. 1, www.taipeitimes.com/News/front/archives/2003/11/05/2003074617; "Editorial: From Panama with Love," *Taipei Times*, November 6, 2003, p. 8, www.taipeitimes.com/News/editorials/archives/2003/11/06/2003074804.

⁵⁸ John Pomfret, "Taiwanese Leader Condemns Beijing's 'One China' Policy; Chen Dismisses Fear in U.S. of Rising Tension," *Washington Post*, August 7, 2003: A18.

⁵⁹ Erich Shih, "The Conduct of U.S.-Taiwan Relations 2000-2004," The Brookings Institution, CNAPS Working Paper, October 2004, p. 11, <http://www.brookings.edu/fp/cnaps/papers/shih2004.pdf>; Cheng-yi Lin and Wen-cheng Lin, "Chen Shui-bian's Defensive Referendum and the Taipei-Beijing-Washington Relationship," paper presented at "US-China-Taiwan Relations Under the Second Bush and Chen Administrations," Center for China-US Cooperation, Graduate School of International Studies, University of Denver, May 14, 2003, p. 17.

proposed defensive referendum, to be held on the date of the presidential election (March 20, 2004).⁶⁰

Most if not all of Chen's actions in late 2003 were taken in the midst of a closely fought presidential election campaign, and thus undoubtedly reflected his attempt to use the "independence" card to garner greater support among the public. However, from the U.S. perspective, such moves constituted unnecessarily provocative behavior and a gross mismanagement of bilateral relations. It is thus no surprise that President Bush delivered an unprecedented public rebuke to Chen in the Oval Office of the White House, in the presence of Chinese Premier Wen Jiabao, on December 9, 2003.⁶¹ Despite this strong U.S. reaction, Chen called three days later for the U.S. to adhere to its values and support Taiwan's democracy. He also declared that he would proceed with the defensive referendum in March 2004, despite continued U.S. opposition.⁶² Chen's relations with Washington remained tense through the remainder of his first term.

IV. Lessons and Conclusions

The above overview of relations between Washington and Taipei during the first Chen Shui-bian Administration provides several lessons of relevance to the second Chen Administration, to future Taiwan governments, and to overall management of the U.S.-Taiwan relationship.

First, the Chen Administration, and any Taiwan government, must understand the importance of communicating clearly and sincerely with Washington. Chen could have

⁶¹ Office of the Press Secretary, The White House, "President Bush and Premier Wen Jiabao Remarks to the Press," December 9, 2003, www.whitehouse.gov/news/releases/2003/12/print/20031209-2.html; Dana Milbank and Glenn Kessler, "President Warns Taiwan on Independence Efforts; Bush Says Referendum on China Should Not Be Held," *Washington Post*, December 10, 2003: A1, <http://taiwansecurity.org/WP/2003/WP-101203.htm>; Joseph Kahn, "Taiwan's Strategic Miscalculation," *New York Times*, December 10, 2003, www.taiwansecurity.org/NYT/2003/NYT-101203-1.htm. President Hu Jintao subsequently expressed his personal appreciation to Bush for these remarks during a phone conversation on December 21, and Washington made no effort to "reinterpret" the communication. "Chinese, US Presidents Talk Over Phone," *People's Daily Online*, December 21, 2003, http://english.people.com.cn/200312/21/print20031221_130860.html.

⁶² David Brown, "China-Taiwan Relations: Strains over Cross-Strait Relations," *Comparative Connections* 5, no. 4 (January 2004), p. 98, http://www.ciaonet.org/olj/cpc/cpc_jan04/cpc_jan04h.pdf; Office of the President, Republic of China, "President Chen's Interview Given to Financial Times [Transcript]," December 17, 2003, www.gio.gov.tw/taiwan-website/4-0a/20031217/2003121701.html.

reduced the extent of deterioration in relations between Taipei and the White House during 2002-2003 if he had sustained the close level of bilateral consultation that marked the first few months of his term in office. Chen probably at times deliberately chose to diminish his communication with the Bush Administration, or even to ignore U.S. entreaties, in part for domestic political reasons. However, to some extent, communication problems with Washington also resulted from simple inexperience and incompetence. In addition, Chen could also no doubt have maintained better relations with Washington if he had consulted more frequently with his closest advisors.

Second, Chen and any Taiwan leader must recognize that U.S. political backing for Taiwan is not limitless. As indicated above, Chen clearly overestimated the level of support he received from the Bush Administration, especially in the aftermath of the terrorist attacks of September 11, 2001. This miscalculation no doubt occurred in part because Bush came into office seeking to increase significantly America's backing of Taiwan in its confrontation with the Mainland (partly for domestic US political reasons), and in part because some U.S. officials and various conservative China "experts" outside the U.S. government repeatedly assured Taipei that Bush remained steadfastly supportive of Chen personally and / or of his efforts to move Taiwan further toward independence. However, strong expressions of support for Taiwan's democracy, increased commitments to defend Taiwan against coercion or attacks from the Mainland, growing contact between U.S. and Taiwan officials, and (mis)interpretations of U.S. policy by lower-level officials or non-governmental outsiders should not be viewed by Taipei as signals of U.S. support for actions that might endanger vital U.S. interests. As indicated above, when such interests were threatened during the first Chen Administration, the most pro-Taiwan U.S. president in decades did not hesitate to rebuke Taipei publicly and privately.⁶³

Third, and closely related, efforts to generate domestic public support by pressing forward with seemingly popular moves in defiance of growing U.S. opposition is a dangerous tactic for any Taiwan leader. Chen Shui-bian's growing defiance of U.S. views and pressure, beginning in late 2002, probably received some support among a significant segment of the Taiwan public. However, Chen clearly overestimated the depth and duration of that support. His domestic political standing was almost certainly damaged by the decline in U.S.-Taiwan relations that occurred in 2003. The most significant

confirmation of such damage was provided by the LY elections of December 2004. Despite Chen's reelection in March 2004, the Pan-Green coalition did much worse than expected, failing to attain a majority in the legislature. This failure resulted in part from the public's rejection of Chen's extreme stance on sovereignty and independence issues, and, more importantly, from the adverse impact this stance had upon U.S.-Taiwan relations.⁶⁴

Such public sentiment, and the downturn in relations with Washington that partly produced it, generated even greater domestic political damage for Chen and the DPP in early-mid 2005. Fears of weakened U.S. support for Taiwan increased the public's desire to improve ties not only with Washington but also with China. This development made possible the unprecedented trips to the Mainland taken by opposition Pan-Blue leaders Lien Chan and James Soong in Spring 2005, and a subsequent increase in cross-Strait, party-to-party ties and agreements.⁶⁵ Such linkages have generally been viewed by a majority of the Taiwan populace as beneficial to the island, and they have greatly weakened Chen's position. It now seems highly unlikely that Chen Shui-bian will achieve his most ambitious (and arguably most sought-after) objectives while in office: a) the creation of a new, independence-oriented constitution and the accompanying establishment of the Taiwan populace as the sole source of sovereignty for the government; and b) a U.S. decision to reassess and hopefully discard its "One China" policy. Although the events of 911 made such developments highly unlikely, the

⁶⁴ Lindy Yeh, "Pan-blues Retain Majority," *Taipei Times*, December 12, 2002, p. 1, <http://www.taipeitimes.com/News/front/archives/2004/12/12/2003214727>; Ko Shu-ling and Caroline Hong, "Pan-blue Status Quo Entrenched by Poll Success," *Taipei Times*, December 12, 2004, p. 2, <http://www.taipeitimes.com/News/taiwan/archives/2004/12/12/2003214732>; David G. Brown, "China-Taiwan Relations: Campaign Fallout," *Comparative Connections* 6, no. 4 (January 2005), http://www.ciaonet.org/olj/cpc/cpc_jan05/cpc_jan05h.pdf.

⁶⁵ Lien traveled to China from April 26-May 3, 2005; Soong traveled to China from May 5-12, 2005. David G. Brown, "China-Taiwan Relations: Opposition Leaders Visit China," *Comparative Connections* 7, no. 2 (July 2005), http://www.ciaonet.org/olj/cpc/cpc_jul05/cpc_jul05h.pdf; David G. Brown, "Beijing Prefers to Tango with the Opposition," *Comparative Connections* 7, no. 3 (October 2005), http://www.csis.org/images/stories/pacfor/0503Qchina_taiwan.pdf; Jason Dean, "China Embraces Taiwan Guest as New Light Is Cast on His Party," *Wall Street Journal*, April 29, 2005: A15; "China's Old Foes Seek an End to Conflict," *Economist.com*, April 29, 2005, p. 1; Joseph Kahn, "60 Years Later, China Enemies End Their War," *New York Times*, April 30, 2005, p. 1; Jim Yardley and Chris Buckley, "New Maxim From Beijing, '2 Sides of Strait,' Is Met With a Yawn From Taiwan's President," *New York Times*, May 13, 2005: A10; Shelley Rigger, "Two Visits Many Interpretations," *Far Eastern Economic Review* 168, no. 5 (May 2005): 35.

deterioration in U.S.-Taiwan relations during the first Chen Shui-bian Administration made them impossible.

Finally, despite all the above, one should not overestimate the extent or impact of the deterioration in U.S.-Taiwan relations that occurred during the first Chen Administration. Despite clear mistakes and miscalculations that have arguably damaged Chen's stature in Washington, the Bush Administration---and the U.S. Congress---remain highly supportive of Taiwan's democratic freedoms and right to determine its own future without threat or pressure from China. Moreover, President Bush continues to urge China to reach out to Taiwan, and his administration continues to provide significant levels of military assistance to the island.⁶⁶ He also continues to uphold all the basic, longstanding elements of U.S. policy toward Taiwan, as well as the beneficial (for Taiwan) changes in policy made during his first term. It is also likely that the Bush Administration will support future changes in Taiwan's constitution---and public referenda---as long as such actions do not alter the existing status quo as defined by Washington.

V. The First Administration in Retrospect

Unfortunately, it appears that Chen Shui-bian has absorbed few, if any, of the above lessons of the past regarding the U.S.-Taiwan relationship. The situation between Taipei and Washington during Chen's second term in office has remained strained at best, despite some occasionally positive rhetoric on both sides. In fact, Chen has continued to undertake what Washington regards as provocative and destabilizing actions, and has at times rejected efforts by the U.S. to rein him in. This has occurred despite the issuance by the Bush Administration of unusually blunt messages to Chen after his narrow reelection in March 2004 that any attempt to formalize the de facto independence of Taiwan or otherwise to alter unilaterally the status quo in his second term would put at risk Washington's support for Taipei.⁶⁷

⁶⁷ Susan V. Lawrence, "Bush to Chen: Don't Risk It," *Far Eastern Economic Review*, May 20, 2004, <http://taiwansecurity.org/News/2004/FEER-200504.htm>, p. 28.

Chen initially seemed to heed such warnings. In May 2004, he delivered what most analysts viewed as a highly restrained inauguration speech, "...pledging no unilateral action to change the status quo with China; a clarification that any changes to the current constitution would not touch on sensitive areas such as the definition of national territory; and the notable omission of his often repeated phrase, condemned by Beijing, of "one country on either side of the Taiwan Strait.""⁶⁸ Equally important, Washington was permitted to review Chen's remarks prior to their delivery.

However, when confronted by domestic political challenges or a defeat at the polls---as part of a steady overall decline in his (and the DPP's) popularity---Chen has not hesitated to risk further damage to his relations with Washington by attempting to improve his political standing through appeals to domestic "pro-independence" sentiment, or to place pressure on his political opponents. For example, in the run-up to important local elections in December 2005 that many viewed as a bellweather of the DPP's fortunes, and in the months following the party's subsequent devastating defeat during those elections (as a result of popular perceptions of growing incompetence and corruption), Chen "...continued to hammer on themes that further distanced Taiwan from the concept of "one China" and that were seen in Washington and Beijing as challenges to the cross-Strait status quo."⁶⁹

The most important such theme---and the putative centerpiece of his second term agenda---involved his growing advocacy of a thorough revision of the constitution from "the bottom-up, and the outside-in", i.e., on the basis of popular views, apparently regardless of the implications for cross-Strait stability.⁷⁰ The most damaging actions by Chen came in 2006, however. In his 1 January address to the nation, Chen stressed that "...issues concerning national identity are an inescapable reality that must be confronted and addressed."⁷¹ Of even greater significance, on February 27, he announced that the National Unification Council (NUC) created by former president Lee Teng-hui in 1991 would "cease to function" and that the National Unification Guidelines (NUG) that the

⁶⁸ Andrew Perrin, "To the Brink and Back," Time Asia, May 31, 2004.

⁶⁹ Alan Romberg, "The Taiwan Tangle," China Leadership Monitor, No.18, p.2.

⁷⁰ Romberg, p.2. In his 10 October National Day address, Chen insisted that long-term political stability in Taiwan required "comprehensive reviews and revisions" of the constitution, and thus set the scene for "...what could well become a free-for-all in which radical, independence-oriented draft amendments or even full texts would likely be put forward..."

⁷¹ The text is available at <http://www.gio.tw/taiwan-website/4-0a/20060101/2006010101.html>.

NUC created would “cease to apply.” Chen apparently justified this violation of his “five noes” 2000 inaugural pledge by asserting, in his earlier 1 January speech, that Beijing had invalidated the stated precondition of that pledge by undertaking actions that signaled its intention to use force against Taiwan.⁷²

Senior U.S. officials had attempted to persuade Chen beforehand not to abolish the Guidelines and Council. In fact, State Department officials were adamant that Chen must be deterred from any attempt to alter either entity. Hence, they were perplexed when NSC officials subsequently negotiated a “compromise” with Taipei that utilized the phrase “cease to...” instead of “abolish” and angered when a U.S. spokesman publicly indicated Washington’s acceptance of Chen’s February 27 statement. When some senior Taipei officials subsequently (and predictably, some would argue) stated in private that there was no difference between the words “abolish” and “cease to function or apply,” the State Department called for Taipei “publicly to correct the record and unambiguously affirm that the February 27 announcement did not abolish the National Unification Council and did not change the status quo, and that the assurances (i.e., presumably the five noes---author) remain in effect.”⁷³ As Alan Romberg states, Taipei “...never entirely cleared the air on this issue and Washington’s anger and suspicion over Taiwan’s word games did not fully dissipate.”⁷⁴

Chen also continued to press for a “bottom-up, outside-in” constitutional revision process, and asserted publicly in mid-March that Taiwan must adopt an “open attitude” regarding whether or not to alter the national name, territory, or flag.⁷⁵ He followed this statement with interviews in late April 2006 in which he reasserted Taiwan’s “independent, sovereign status” and contrasted the “one China, a totalitarian China” with “democratic Taiwan.”⁷⁶ These statements again contradicted Chen’s May 2004 inaugural pledge and produced enormous concern in Washington.

⁷² Romberg, pp.5-6.

⁷³ Department of State Press Statement 2006/241, 2 March 2006, at <http://www.state.gov/r/pa/prs/ps/2006/62488.htm>. According to knowledgeable observers, the apparent difference between State and the NSC over how to handle Chen’s actions in this specific case are largely tactical, and do not reflect a broader institutional divide over U.S.-Taiwan relations.

⁷⁴ Romberg, p.10.

⁷⁵ “President Chen Interviewed by Washington Post (Transcript)” Washington Post, 13 March 2006.

⁷⁶ Wall Street Journal, 25 April, 2006. “Full Text of Questions and Answers of Chen Shui-bian’s Exclusive Interview With Japan’s ‘Sankei Shimbun,’” 27 April 2006.

The Bush administration communicated its displeasure to Chen in a variety of ways. It issued blunt and icy official statements warning Chen to abide by his past commitments. It also accorded relatively high-profile treatment to KMT chairman and leading presidential challenger Ma Ying-jeou during his visit to Washington in March. Moreover, President Bush reaffirmed Washington's lack of support for Taiwan independence and did not specifically mention China's military buildup (which Secretary of State Condoleezza Rice had recently pointed to) during the visit to Washington of PRC President Hu Jintao in April. Perhaps most notably, Washington offered Chen only brief refueling stops in Honolulu and Anchorage during his trip to Latin America in May, thus striking a major contrast with past transit-stop treatment and communicating a clear rebuke to the Taiwan president. In response, Chen abruptly cancelled his plan to transit Anchorage on his return from Latin America, and downplayed the significance of recent events, asserting that they would not seriously harm U.S.-Taiwan relations and that he would continue to cooperate with Washington (!).⁷⁷

The overall timing and content of Chen's words and actions regarding cross-Strait issues during his second term clearly confirm that domestic political imperatives---as viewed by an increasingly weak Chen administration---continue to outweigh greatly the need to improve ties with the United States. Indeed, as in his first term, Chen has continued his effort to gain political support domestically by openly defying Washington at times, by seeking to pressure Ma Ying-jeou into taking presumably unpopular actions (such as defending the NUC/NUG), or by attempting to provoke a Chinese response that he could use to his advantage. And yet, Chen's machinations have not produced the desired effect: Beijing (and Ma) have generally avoided taking the bait and his popularity among the electorate has remained extremely low (at around the mid-twenty percent level or lower), in part because of his ongoing problems with Washington.⁷⁸

Thus, the events of Chen's second term suggest that the major features (and especially the dysfunctional qualities) evident in US-Taiwan relations during the first Chen administration have been largely carried over into the second administration, albeit

⁷⁷ For these and other related points, see Romberg, pp.11-15.

⁷⁸ However, personal scandals and corruption charges involving Chen's wife, son-in-law and a presidential aide have added enormously to his political problems since spring 2006, resulting in pressure for him to resign or be recalled. For details, see "Taiwan's President Mired in Scandals, Survives Recall Vote, Jane Rickards, Washington Post, June 28, 2006, p.A21.

for slightly different reasons. In Chen's first term, worsening US-Taiwan relations resulted primarily from the interaction of two sets of factors: on the one hand, a fundamental change in U.S. global strategic priorities (alongside a growing sense of disappointment in the inability of Taiwan to strengthen its defensive capabilities) that significantly lowered U.S. tolerance for any destabilizing actions by either Beijing or Taipei; on the other hand, Chen's incorrect view that a conservative, pro-Taiwan, democracy-championing U.S. president would support his radical moves toward independence, despite the growing US need to avoid a crisis with China as a result of developments since 911. In the second Chen term, U.S. priorities and views have remained largely unchanged, although Washington's distrust of Chen has increased enormously due to the events of the first term, reinforced by President Bush's personal dislike of the Taiwan president. On the other hand, Chen has apparently dropped his naive view of U.S. backing for his attempts to advance Taiwan independence, and has lost enormous support among the electorate. His continued efforts to press the envelope are now largely due to a desire to regain lost ground politically, and perhaps to reburnish his greatly tarnished reputation.

In general, U.S.-Taiwan relations have without doubt suffered significantly under Chen Shui-bian, due to his commitment to "consolidating" earlier gains made in moving Taiwan toward a situation of permanent, *de jure* separation from the Mainland, and his closely related effort to strengthen his (and the DPP's) political position by appealing to the "Deep Green" (i.e., strongly pro-independence) end of the political spectrum. Chen apparently believes that any damage done to the U.S.-Taiwan relationship as a consequence would be temporary and repairable. For its part, the U.S. could probably have minimized some of this damage, by recognizing more completely Chen's primary orientation toward his domestic political environment, and by anticipating various provocative moves that he might make in response to US actions. And yet, from a broader perspective, it is quite possible that Chen Shui-bian's destabilizing policies and actions toward Beijing and the United States have paradoxically increased the likelihood that strong public support for a more pragmatic and realistic long-term approach to cross-Strait relations will emerge, within both the KMT and the DPP. This, in turn, could lay the foundation for a more stable and mutually beneficial long-term US-Taiwan

relationship. Such an unintended legacy of the Chen administration would be welcomed by many observers, including the author.

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