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THE TAIWAN CHALLENGE

by

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BACKGROUND

I will begin with the larger picture - the enormous economic and strategic stake that the United States has in maintaining a peaceful, stable and cooperative Asia/Pacific. This is a region that contains the three largest economies in the world, a region that accounts for 60% of the world's economic output and more than one-third of total U.S. trade. It is a region in which the interests of four major powers intersect and in which the United States has 100,000 troops and two alliances. Three major wars involving the United States began in this region in the past half century: Vietnam, Korea and World War II. In geopolitical terms, the United States is the holder of the balance of power in the Asia/Pacific region and all of the countries in the region are well aware of this.

It is in this geostrategic context that we have to look at Taiwan and the complex relations between China and Taiwan. Taiwan - along with North Korea - is and will remain one of the two potential flashpoints in Asia. It has the capacity to bring the United States and China into a conflict that neither wants. Such a conflict would have a devastating impact on the entire region and on the world. To avoid such a conflict, the United States needs to be aware of the dangers and, above all, it needs to develop a strategy - hopefully bipartisan - to reduce gathering tensions without sacrificing either the security or integrity of Taiwan or the promising new and cooperative U.S.-China relationship that has developed since 9/11.

For the past 30 years, since President Nixon went to China in 1972 and President Carter normalized relations with China in 1979, the United States has developed an effective set of arrangements to manage the U.S.-China-Taiwan relationship. These arrangements, which include the three communiques with China, the U.S.'s "one China" policy and the Taiwan Relations Act, have not pleased everyone in the United States, China and Taiwan. But they have been extremely effective in guaranteeing Taiwan's security, prosperity and de facto independence, in protecting the development of a vigorous democracy in Taiwan, especially during the past decade, and in providing China with the necessary assurances that, despite all the ambiguity in the U.S.'s "one China" policy, the United States does not actively promote or support Taiwan's formal independence. These arrangements, with all their ups and downs over the past 30 years, have made it possible for U.S.-China relations to advance.

U.S. policy, which has been well described as “double deterrence,” is that there should be no use of force by China against Taiwan and no declaration of independence by Taiwan. This policy, which has been endorsed by every U.S. president since Nixon, has been very effective in doing the one thing that needs to be done in this complex and dangerous situation: buying time for a solution to the problem that is not now on the horizon.

The solution is not now on the horizon because the overwhelming majority of Taiwan’s citizens have no desire to be unified with an authoritarian China, at least in the immediate future, and because no Chinese leadership could survive if it renounced China’s claim to sovereignty over Taiwan.

The ultimate solution to the China-Taiwan impasse will depend on the prospects for political reform in China, on whether or not China makes its political system more attractive to the Taiwanese people, on economic factors such as growing economic integration across the strait, and on many other considerations. In the short run, all three sides - China, Taiwan and the United States - should have a common interest in maintaining the status quo and, most important, in demonstrating restraint.

China, for its part, knows that a war with Taiwan would gravely harm its relations with the United States and Japan and thereby threaten the economic development of China that is the number one priority of the regime. Taiwan knows that declaring de jure independence would alienate the United States, Taiwan’s only real friend and protector in the world, and that it would run the risk of starting a war with China. That is why a substantial majority of the Taiwanese people still prefer the status quo to either reunification or formal independence. And the United States prefers the status quo at the moment because reunification in the foreseeable future seems impractical and formal independence seems too risky. All of this points to at least one shared interest among all three parties – maintaining the status quo.

ELECTION RESULTS

Although the election results are still being disputed, the Central Election Commission in Taiwan has certified President Chen Shui-bian as the winner, and the United States has recognized him as the winner while recognizing ongoing legal challenges. This very close victory by President Chen and his Democratic Progressive Party, or DPP, will have profound implications for all three sides - Taiwan, China and the United States.

President Chen's victory at the polls with slightly more than 50% of the vote - although a very narrow margin of victory - will strengthen Taiwan's surging sense of identity and separateness. In the past decade, as a result of Taiwan's democratization and Beijing's heavy-handedness, an increasing number of Taiwan's citizens have started to see themselves as Taiwanese. The shift toward a Taiwan identity is evident in a poll carried out twice a year for more than a decade by Taipei's National Chengchi University. When the poll was first taken in 1992, 26.7% of the respondents identified themselves as Chinese, 17.3% said they were Taiwanese, and 45.4% said they saw themselves as both Taiwanese and Chinese. In the most recent poll in June of last year, the percentage of people saying they are Taiwanese had jumped from 17 to 41.5%, while those identifying themselves as Chinese fell from 26% to 9.9%. The number who said they were both Chinese and Taiwanese dropped only slightly to 43.8%.

Numbers such as these helped shape the recent election campaign. The Kuomintang, which had earlier held out eventual reunification with the mainland as its goal, was forced to say during the campaign that it no longer believed reunification with China is the only option for Taiwan and that eventual independence could also be considered.

Moreover, a sense of Taiwanese identity appears strongest among the young. Recent election surveys show that in the 20-29-year-old age group President Chen and his independence-minded DPP consistently outpoll opponents.

The growing sense of Taiwanese identity takes many forms - cultural, linguistic and educational. Southerners, especially, are reasserting their culture by using the Taiwan dialect instead of Mandarin Chinese. Teachers and the history books they use are starting to emphasize Taiwan's own history rather than China's.

Part of the explanation for Taiwan's growing sense of separateness has to do with historical factors. Taiwan has not been governed by the mainland for most of the past 110 years. It was ruled by the Japanese in the first part of the 20th century, in the second half of the 20th century by the Kuomintang, and more recently, by the DPP. The fact that Taiwan has been separated from the mainland for such a long period of time, plus Taiwan's vigorous democratization since the Kuomintang set the stage for free elections in the 1980s, and the rise of the DPP, which affirms Taiwan's separateness, have all contributed to Taiwan's new sense of identity.

Beijing's heavy-handedness has also been an important factor. China's missile tests near Taiwan in 1996, its continuing efforts to isolate Taiwan diplomatically, its build-up of missiles opposite Taiwan, and, more recently, its anti-democratic moves toward Hong

Kong have all encouraged Taiwanese suspicions of the mainland. Opinion polls show that, despite growing trade and investment, most Taiwanese see the mainland as more of a threat than an opportunity.

All of this helps to explain why Chen Shui-bian, who won only 39% of the vote four years ago, received more than 50% in the recent elections.

Given President Chen's victory at the polls, an important question for the next four years is how he intends to conduct relations with the mainland. Will he pursue a conciliatory policy in an effort to rebuild the trust that has virtually disappeared between the two sides during the past four years? Or will he move inexorably toward formal independence? More specifically, will President Chen try to rewrite the obsolete 1947 Constitution? And, if he does, what form will this new constitution take and what impact will it have on issues of sovereignty?

Finally, and perhaps most important, what does President Chen see as his legacy for the second term that is now beginning: Taiwan independence or a stable relationship with China while maintaining Taiwan's autonomy?

IMPLICATIONS FOR CHINA

Mainland leaders are bound to be extremely worried by the election results. They had anticipated a victory by the Kuomintang and were reportedly preparing a more conciliatory policy toward Taiwan if the Kuomintang went back to its earlier "one China" position, which it seemed likely to do, albeit in a more qualified form.

Mainland leaders are very suspicious of Chen Shui-bian and his DPP. They know the long history of this party and its consistent advocacy of Taiwanese independence. They have never fully believed American, Taiwanese or Chinese analysts who have argued that President Chen is a pragmatic politician who will use fiery independence rhetoric to win an election but will ultimately seek a compromise with the mainland on the sovereignty issue. Many on the mainland will now fear the worst - that President Chen will use his second term to cement Taiwan's sovereignty and to draw the world's attention to it.

In the view of China's hardliners, the only way to stop this dangerous trend toward Taiwan independence is to continue to build up China's military capabilities in order to pose a credible threat and to employ that force if Chen crosses China's red lines. This dire scenario is not likely to materialize in the very near future. But it can no longer be ruled out. China is increasing its military budget in double-digit

terms annually and it is focusing like a laser on one objective: intimidating or, if necessary, defeating Taiwan, preferably in such a lightning strike that the U.S. would not have time to intervene.

China's hardliners, however, will have to confront the arguments of more moderate voices on the mainland who will argue that China now needs to change its approach to Taiwan to display the kind of flexibility that China has demonstrated in other areas of foreign policy and to win the "hearts and minds" of the Taiwanese people if they hope to restrain the independence movement.

China could, for example, drop its opposition to Taiwan's becoming an observer in the World Health Organization and it could drop its preconditions for dialogue with President Chen.

Such overtures could set the stage for a long process of negotiation between the two sides that might eventually lead to a reduction of suspicions and tension.

If China does not adopt a more flexible policy toward Taiwan and continues the rigid stance it adopted after Chen's election four years ago, the breach in the Taiwan Straits will deepen and the two sides will increasingly run the risk of a confrontation that will inevitably involve the United States.

IMPLICATIONS FOR THE UNITED STATES

The United States will face some very difficult choices in the years ahead. On the one hand, the U.S. will have a very strong incentive to maintain a cooperative relationship with a China that is now becoming a crucial diplomatic as well as economic partner in the war against terror, in the struggle to prevent North Korea from developing nuclear weapons, and in the effort to maintain peace and stability in Asia. On the other hand, no U.S. administration can allow China to use military force against Taiwan or to coerce Taiwan into an agreement that is against the will of its own people.

The United States has a clear national interest in preserving the status quo in the Taiwan Strait. That interest prompted President Clinton to send aircraft carriers to the Taiwan Strait to deter China in 1996 and prompted President George W. Bush, on December 9, 2003, to warn President Chen against making unilateral changes to the status quo - right after Chen ignored private U.S. warnings and moved ahead with his plan for a referendum on Chinese missiles and missile defense.

An important question for the next U.S. administration will be how proactive a role it wants to play in trying to preserve the status quo in the Taiwan Strait. I would argue that this should be a very important priority. Apart from Taiwan, there is no other issue now on the foreign policy radar screen that has the potential to bring about an unwanted war between two major powers. And the dangers of miscalculation and misperception are very real. Indeed, one of my academic colleagues has recently argued that the impasse in the Taiwan Strait has all the makings of a perfect storm that could eventually lead to a situation beyond anyone's control. We do not have the luxury to allow things to drift. There are risks in adopting a more proactive policy. But I would argue that there are greater risks in maintaining a benign indifference to what is clearly a growing danger in Asia.

What, then, do we need to do? First, we have to continue to make clear to both sides - China and Taiwan - that the United States is against any unilateral change in the status quo by either side and is prepared to take concrete actions to implement that policy, including both positive and negative incentives. Second, we have to do our best to help restart the dialogue between China and Taiwan. Initially this might best be done in private by authoritative meetings. But it should soon take the form of a resumption of the official dialogue that was conducted in the 1990s. Third, we need to make clear to China that its past policies toward Taiwan of military threat and diplomatic isolation have been counterproductive and have only served to increase suspicion and distrust of China. It is in China's own interests to develop a new policy toward Taiwan that will reduce this suspicion and mistrust and thereby create the atmosphere for a constructive dialogue. This policy should include giving Taiwan more space on the international scene, including observer status in the WHO; muting hardline Chinese rhetoric; and showing greater flexibility on its preconditions for dialogue with Taiwan.

Fourth, we need to make clear to Taiwan that although America supports Taiwan's democracy and will stand by its obligations under the Taiwan Relations Act, those obligations do not involve handing Taiwan a blank check. Taiwan's leaders must consult with us on any actions or policies that could threaten cross-strait stability, including the revision of the Taiwan Constitution. The process of changing the Taiwan Constitution must be a transparent one, and the views and the cautionary notes being expressed by the United States need to be taken into account. In his inaugural speech in May, President Chen could repeat past assurances that he would not move toward independence by reiterating the "five no's," which in effect renounce the pursuit of formal independence, and making clear what he will and will not do in efforts to revise the Constitution.

Fifth, and not least, we need to say to both sides: Take more constructive approaches to cross-strait relations. Use less confrontational rhetoric. Move forward in areas such as trade and transportation links where you have common interests. Establish a dialogue. Think about reciprocal moves that could lessen tension.

CONCLUSION

True statesmanship consists of leaders looking not only at current problems and challenges, but looking beyond the horizon to anticipate problems that are not yet upon them. The combination of a surging sense of Taiwanese identity and growing Chinese military power focused on Taiwan could in the near future lead to a major conflict in the straits. American policymakers need to start acting now to head this off.



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