U.S. TAIWAN-CHINA POLICY: THE KEY TOWARDS MANAGING REGIONAL STABILITY IN ASIA

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# U.S. Taiwan-China Policy: The Key Towards Managing Regional Stability in Asia

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The People's Republic of China (PRC)-Taiwan dispute must be viewed within the larger context of the PRC's ambitions to become a regional power in Asia. Since 1949, the U.S. has interpreted the Taiwan-PRC dispute as a threat to its influence in the region. It is time to redefine the U.S. view and recognize the dispute as an opportunity to improve regional stability. Taiwan's strategic value, to both the PRC and the United States, demonstrates that successful management of the Taiwan issue can positively leverage the PRC's emergence as a regional hegemon. By clarifying the "One China" policy, and using regional alliances and military engagement (with both the PRC and Taiwan), the United States can prevent the emergence of a belligerent and powerful China and the resulting threat it would pose to the regional balance of power in Asia.
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U.S. TAIWAN-CHINA POLICY: THE KEY TOWARDS MANAGING REGIONAL STABILITY IN ASIA

The status of Taiwan is arguably the most critical challenge to stability in Asia today. Unfortunately, United States policy on Taiwan has been inconsistent since 1949. In light of the region’s profound strategic importance to both the People’s Republic of China (PRC) and the United States and its allies, it is time to redefine U.S. Taiwan policy in the larger context of U.S. relations with the PRC. Successful management of the Taiwan issue can turn a situation that is currently fraught with danger into a positive lever to assist the PRC’s non-provocative emergence as a responsible regional power that is fully integrated into the international community.

UNITED STATES POLICY ON TAIWAN

Prior to U.S. establishment of relations with the People’s Republic of China (PRC), the United States recognized Taiwan as the legitimate government of China. Taiwan occupied the Chinese seat in the United Nations General Assembly and Security Council. U.S. policy was to defend Taiwan from any Communist aggression. This policy was formalized in a 1954 mutual security treaty concluded in response to a Communist bombardment of the outlying Taiwanese island of Quemoy.

Taiwan’s status began to change in 1971 when the United Nations conferred recognition on the PRC. In 1978 the United States recognized the PRC, revoked its recognition of Taiwan and terminated the 1954 mutual security treaty. Current U.S. national policy concerning Taiwan dates from the Taiwan Relations Act of 1979. This congressional resolution was a response to the withdrawal of recognition of Taiwan. Central provisions of the Act include a promise that the United States will provide Taiwan with defensive arms and a warning to the PRC that attempts to use force or coercion against Taiwan’s security, social or economic systems may meet with U.S. resistance.

United States policy since 1979 has alternated between more or less active support for Taiwan. Until the fall of the Soviet Union, Europe was the major focus of American foreign policy. The U.S. pursued an unambiguous containment strategy toward the USSR and constructed the NATO alliance to provide collective security for Western Europe against the threat of a Soviet attack. During this period the PRC threat was perceived as less dangerous because it was preoccupied with internal issues and with large numbers of Soviet troops stationed along its border. Consequently, U.S. policy toward the PRC focused on trade and economic relations, with a view towards using the PRC to counterbalance possible Soviet inroads in Asia. The U.S. pursued a policy of “strategic ambiguity” to keep both Taiwan and the
PRC unsure about the depth of U.S. commitment to defend Taiwan. Simultaneously, military outreach programs sought to build bridges and decrease distrust on both sides. The policy nearly backfired when, in the summer of 1995 and the spring of 1996, the People's Republic of China conducted provocative missile firings toward Taiwan. In response, the United States dispatched two aircraft carrier battle groups to the region. This American response surprised the PRC. The PRC had miscalculated America's determination to defend Taiwan, partly because of the muddy strategic landscape created by the policy of "strategic ambiguity." The PRC did not perceive Taiwan as a core U.S. interest and thus did not believe America would respond militarily. Apparently, they failed to appreciate the American resolve to defend U.S. credibility in the region. Said Robert Ross, in a 2000 article in International Security, "the United States used force not to defend its Taiwan policy, but to defend its strategic reputation by influencing perceptions of U.S. resolve." The PRC now understands that any aggression against Taiwan is likely to elicit a U.S. military response. For this reason, the PRC has decided its actions against Taiwan must be so quick as to take the U.S. out of the equation through either a quick strike, which will present America with a \textit{fait accompli}, or with limited strikes directly against American military forces to deter them from interfering against PRC aggression. A third alternative is to conduct operations which intimidate Taiwan without triggering a U.S. military response.

The PRC military planning no longer emphasizes an amphibious invasion of Taiwan. The PRC lacks the power projection capabilities and the military expertise to conduct such operations. Developing these capabilities would require an inordinate investment of time and resources. A conventional cross-strait invasion would also be a large scale, deliberate operation, requiring a buildup of landing forces which would surely provide advance warning to America and Taiwan. Instead, Chinese planners prefer the use of precision missile strikes, alone or in combination with a naval blockade. This is expected to bring Taiwan to its knees while pre-empting U.S. involvement.

The PRC has expended considerable effort to upgrade its missile programs, both tactical and strategic. According to the Cox Report, during the 1990's the PRC conducted extensive espionage activities against U.S. national weapons laboratories at Sandia, Los Alamos, Lawrence Livermore, and Oak Ridge. The result was the theft of secret U.S. nuclear weapons and missile guidance system technology. These secrets will allow the PRC to improve their tactical and strategic missile forces, including their intercontinental nuclear capability.

The PRC tactical missile guidance improvements will, for the first time, make limited missile strikes on Taiwan a viable tactic for forcible reunification. Conversely, a Taiwanese
Limited precision missile strikes against critical Taiwanese targets would cause minimum collateral damage with a high probability of achieving Taiwanese capitulation. According to the 2000 Taiwan Defense Report, Chinese missiles targeted at Taiwan currently number about 400 and grow by about 50 a year. Estimates are the number will reach 600 within the next 5 years.8

Taking lessons from America’s overwhelming victories in Operation Desert Storm and the recent conflicts in Afghanistan and Iraq, the PRC recognizes the importance of space to decisive military operations.9 It is no accident that after decades of trying, a Chinese astronaut recently orbited the earth. This feat was no doubt made possible by the acquisition of stolen U.S. missile technology discussed above. For the near term, the PRC recognizes it cannot compete with American technological superiority. PRC doctrine therefore stresses asymmetric strategies to defeat superior U.S. forces.10 These asymmetric strategies could deter U.S. naval intervention in a cross-strait crisis. For instance, the PRC have purchased Russian Sovremenny-class destroyers whose Sunburn/Moskit anti-ship missiles can currently defeat U.S. Navy Aegis air defense systems.11 With this capability, they might attempt to sink a U.S. carrier early in any conflict, thus hoping to discourage American intervention.

Strategic missile improvements gained from stolen U.S. secrets could give the PRC a Multiple Independent Reentry Vehicle (MIRV) capability which would likely defeat or elude an emerging U.S. anti-missile capability. In a Taiwan Strait crisis, this could give the PRC a credible strike capability that could deter U.S. military intervention. The Cox Report states bluntly “Nonetheless, in a crisis in which the United States confronts the PRC’s conventional and nuclear forces at the regional level, a modernized PRC strategic nuclear ballistic missile force would pose a credible direct threat against the United States.”12

Early in his administration, President Bush moved toward a reversal of the “strategic ambiguity” policy. He emphasized a return to the Taiwan Relations Act and took a more aggressive stance on Taiwan-Mainland relations, indicating he would brook no PRC adventurism in Taiwan. The President called China a “strategic competitor of the United States, not a strategic partner.”13 When asked if the United States would consider military action to defend Taiwan, the President replied “whatever it takes to help Taiwan defend itself.”14 The events of September 11, 2001 caused the administration, at least publicly, to soften its tone on cross-strait relations. The U.S. now needs PRC support in the United Nations for its war on terror; specifically in Iraq. If this is not direct PRC support in favor of military action, then it must at least be their tacit support through abstention in U.N. voting. U.S. diplomatic efforts toward the PRC were aimed at securing this cooperation. In an August 2002 news conference in
Beijing, Deputy Secretary of State Richard Armitage emphasized that the U.S. did not support Taiwanese independence and stated that the U.S. would put the East Turkistan Islamic Movement on the foreign terrorist list; an action China had been advocating.\textsuperscript{15} Subsequently, the PRC cooperated in the United Nations with the U.S. War on Terrorism and later U.S. administration anti-PRC public statements have been more muted. Recent developments in Asia have continued to make PRC support necessary to achieving U.S. foreign policy goals. The deterioration in U.S. relations with North Korea, and that country’s threat to develop nuclear weapons, have made the PRC an important partner in controlling tensions in the region. If the PRC can secure concessions from North Korea, it will enhance PRC stature in the region.

**PRC STRATEGIC INTERESTS IN TAIWAN**

The modern PRC claim to Taiwan is rooted in the 1949 Communist victory on the mainland and the flight of the Nationalists to Formosa, now called Taiwan. The PRC has since maintained that Taiwan is part of “One China” and must eventually be reunited with the mainland, by force if necessary. Yet in truth, though it has been ruled by outside powers in the past, Taiwan has never been completely integrated with mainland China. Chinese claims to Taiwan as a renegade province are tenuous at best.\textsuperscript{16}

Reunification has long been a matter of Chinese national pride. Today, however, it has become more critical. As the PRC’s experiment with capitalism blossoms, the Chinese Communist Party must work harder to maintain its legitimacy. Similarly, the party has loosened its grip in many areas of Chinese life in order to promote economic growth. Collective farms have been abolished and farmers are now allowed to lease land from the government for up to 25 years. The household registration system that formerly controlled Chinese movement has also been dropped. Combined with the growth of an interstate type highway system, this has led to an unprecedented movement of people throughout the country, especially from rural into urban areas. A middle class has emerged which is larger than the entire U.S. population.\textsuperscript{17}

The reunification of Hong Kong to the mainland is also affecting the communist government. Allowed to retain its capitalist system, the enclave is creating subtle pressure on the PRC to adopt the rule of law and capitalist practices.\textsuperscript{18} Economic progress has raised expectations for better living standards and many in China no longer regard the communist government with the reverence they once did; preferring to look elsewhere for solutions to the country’s problems.\textsuperscript{19} All these pressures are driving the Communist Party towards a crisis of legitimacy. To remain in power it must retain its stature as the guardian of Chinese Nationalism. For its own survival, it cannot afford to be perceived as “losing” Taiwan.\textsuperscript{20} This presents the
dangerous possibility that the PRC Communist party, struggling to remain in power, could strike at Taiwan as its only means to save itself.

There is other strategic rationale for China to pursue reunification. The first is to control access to shipping routes. This control has both defensive and offensive facets. From a defensive perspective, the Chinese economy is dependent on shipping for imports of raw materials and exports of its products. A 1993 Center for Naval Analysis study noted that about one third of the world’s shipping passed through the South China Sea.\(^\text{21}\) Additionally, as the Chinese economy grows, it is becoming more dependent on Middle Eastern oil shipped through the Taiwan Strait. The PRC has been a net importer of oil since 1993.\(^\text{22}\) A hostile Taiwan could potentially strangle the nascent Chinese economic miracle should Taiwan restrict transit through this strait. While Taiwan has not interfered with shipping to date, the PRC cannot take the chance that international tensions could someday lead Taiwan or the United States to interfere with Chinese shipping lanes. The possible disruption of shipping has implications for the other nations in the region. Japan, a key U.S. ally and major importer of raw materials, is dependent on energy supplies which also transit these same shipping lanes. Chinese control of shipping would heighten the PRC’s influence in the region at Japan’s expense. Further complicating the entire issue is a difference in defining territorial sea limits. China insists on an interpretation of 200 miles as its Exclusive Economic Zone, a claim which encroaches on other nations.\(^\text{23}\) Under this interpretation, the Taiwan Strait would be considered PRC territorial waters. The common Law of the Sea interpretation of territorial waters is 12 miles, making the Taiwan Strait international waters. Any hostile action in the strait would therefore be considered an act of war under international law, however, a powerful Chinese military capability could essentially present other regional actors with a *fait accompli* regarding alternative responses to China’s excessive territorial claims.

A second reason for PRC commitment to reunification is related to the first: China desires to become a regional power. China is the largest country in the region and feels it has a rightful place as one of the region’s leaders. It also perceives that the U.S. opposes this goal and is practicing “containment” to maintain the current regional balance of power. Emergence as a respected regional power will help China preserve access to the energy sources it needs and deter interdiction by any regional competitor. Additionally, the possibility of finding oil reserves in the South China Sea is a motivation for Chinese expansion and has provoked territorial disputes with other nations in the region.\(^\text{24}\) In order to facilitate its emergence as a regional power, China is pursuing an open ocean navy by purchasing modern naval vessels from
Russia. Taiwan stands between the PRC, unrestricted access to the oceans, and the increase in regional power that unification could enable.

The PRC's desire to acquire Taiwan is also founded on economic considerations. Taiwan has a booming economy and, as will be described below, is one of the leading foreign investors in the PRC. The island is one of the world's leading micro chip manufacturers and has the capability to produce the advanced technology China needs for its future military weapons systems. Acquisition of Taiwan would provide the PRC with a needed economic capacity and substantial increase in production capability.

UNITED STATES STRATEGIC INTERESTS IN TAIWAN

The United States has strategic diplomatic, military and economic interests in a peaceful, favorable resolution of the Taiwan issue. Generally, the United States would prefer to maintain the status quo in Taiwan. Forceful reunification with a Communist China could threaten American interests.

The necessity to maintain open shipping lanes is important to the U.S. economy and all the economies in the region. As noted above, an ever increasing amount of world shipping transits this region. Japan presents a particular challenge. Japan’s status as the world's third largest economy and its close connection to the U.S. economy means the United States can ill afford a threat to Japan's lifeline.

United States strategic military interests are to support the maintenance of U.S. hegemony and the existing balance of power between the other nations in the region. Chinese intentions, explained above, can undermine these objectives. Chinese possession of Taiwan, coupled with the emergence of a credible blue water navy, could constitute a serious threat to U.S. and other regional nations' interests and would irrevocably change the regional balance of power.

Diplomatically, the United States has a double interest in the Taiwan situation. First, Taiwan is a successful democracy in a region that contains 4 of the world's 5 remaining communist countries. The March 2000 election of Democratic Progressive Party candidate Chen Shui-bian marked the first transition of power from one political party to another. It validated Taiwanese democracy after the 1987 lifting of the Emergency Decree which had given the President virtually unlimited powers since 1948. Taiwan serves as an example, economically and politically, for Asia's less progressive nations. On principle alone, America is obligated to support a democratic Taiwan.
Second, American credibility in the region would suffer immensely if the PRC forcibly annexed Taiwan. The other nations of the region would see an America that does not honor its promises. They likely would interpret a PRC annexation of Taiwan as the United States having ceded influence in the region to the PRC. The PRC’s stature would rise, challenging American interests and changing the regional balance of power. Japan would be immediately threatened and the forcible takeover of Taiwan would contribute to the PRC’s emergence as a powerful regional hegemon.

Economic factors also cause the U.S. to favor the status quo in Taiwan. Taiwan is a major U.S. trade partner, ranked directly below the PRC in volume of trade. The United States is currently running record trade deficits with the PRC. Those deficits would only grow if Taiwan reunited with the PRC. As previously mentioned, the PRC’s acquisition of Taiwan would also give it access to advanced technology it does not currently possess, further contributing to its emergence as a peer competitor to the U.S.

TAIWAN

Taiwan’s best interests, at least in the near term, are served by continuing the status quo, despite the strong appeal of independence. The country has a maturing democracy and a vibrant economy. With the gradual weakening of the old ruling Kuomintang and establishment of democracy in 1996, power on the island is increasingly held by ethnic Taiwanese and second generation transplanted mainland Chinese. Ties to the mainland are fading but the threat of PRC retaliation for a declaration of independence outweighs the benefits that independence would bring. The Taiwanese have watched closely the Hong Kong example, which the PRC hoped to use as precedent for reunification, and found it lacking. The PRC concept of “One Country, Two Systems” is experiencing problems, as evidenced by large scale Hong Kong demonstrations against PRC attempts to curtail liberties under a new security bill proposed in July 2003.

Strong economic factors drive Taiwan towards the status quo. The island’s trade with the mainland has increased by 26% annually since 1980 and today represents about $41 billion. Taiwan currently enjoys a trade surplus estimated at $25 billion and is a leading foreign investor on the mainland with investments between $80 and $100 billion. The net effect of this economic interdependency is the de facto creation of “one economy, two governments.” For instance, in the first half of 2002, one quarter of Taiwan’s exports were sold to the mainland. This represents the first time the mainland has topped the United States as a market for Taiwanese
exports. Independence could result in an enormous economic loss to both the PRC and Taiwan should it be followed with a break in economic ties as well.

RECOMMENDATIONS FOR U.S. TAIWAN POLICY

Chinese economic growth is allowing modernization of the People’s Liberation Army, Air Force and Navy. Arguably the most dangerous period of PRC-Taiwan relations is likely during the next ten years. Varying accounts estimate that within 10 to 15 years the PRC will develop the military capability to acquire Taiwan by force. The most dangerous window appears to be between now and 2010\(^3\) while U.S. ships are vulnerable to Chinese cruise missiles and while U.S. defenses in the area are distracted by the Global War on Terror. The U.S. must ensure the adopted Taiwan policy prevents the PRC from attempting to forcibly annex Taiwan during this window of vulnerability.

The most critical aspect of U.S. policy on Taiwan is that of consistency. The 24 years since enactment of the Taiwan Relations Act has seen American policy variations which have led to dangerous miscalculation by the PRC. U.S. policy on Taiwan must be placed in the larger context of overall relations with the PRC. It should be founded on three pillars and strive for one of two outcomes favorable to the United States.

The first pillar of policy should be maintenance of a modified “One China” strategy. Each of the three parties has interpreted the term “One China” differently. The PRC interprets “One China” as meaning that the PRC is the lawful Chinese government, and that Taiwan is a province of the PRC. Taiwan interpreted the “One China” policy to mean just the opposite: that Taiwan constituted the sole legitimate government of China and would one day rejoin the mainland in a leadership role.\(^2\) Although diametrically opposite, both interpretations were based on a common precept: a “unified” China (Taiwan and the mainland/PRC). However, since the democratization of Taiwan in 1996, the island has moved away from this interpretation toward a desire for independence. This threatens to break the common basis for Taiwanese and PRC “One China” perceptions. Complicating this dichotomy is the U.S. policy towards China. The U.S. has deliberately kept its interpretation of “One China” vague, allowing both belligerents to believe that theirs was the correct definition of the policy. The policy must be precisely defined or, just like the policy of strategic ambiguity, risk dangerous miscalculations of American resolve in the region.

The U.S. should clarify its “One China” policy by recognizing the PRC as the “One” but also making clear that the integration of Taiwan would be a Taiwanese decision. The U.S. policy should explicitly state that, absent a Taiwanese decision to reunite, the U.S. favors
maintaining the status quo and will intervene, militarily if necessary, to preserve it. This clarification represents a major change in U.S. policy and carries risks, primarily of provoking the PRC. To mitigate these risks, the policy clarification must include strong U.S. pressure on Taiwan not to declare independence, and assurances to the PRC that America would not recognize such a declaration.

Concurrently, the U.S. should continue economic engagement with the PRC and attempt to better integrate the PRC into the international community where membership in global political and economic organizations creates pressures for political and social reforms. The decision to support PRC membership in the World Trade Organization is a positive step in this direction. Attempts at limited U.S.-PRC military contacts should also resume as a confidence building measure to help offset simultaneous improvements in U.S.-Taiwan military contact. These contacts should help drive both transparency and cooperation. In 1997, then Chairman of the Joint Chiefs of Staff Shalikashvili noted that military contacts with the PRC reduce suspicion and the chances for miscalculation in a crisis.\textsuperscript{33} Taken globally, the attempts at military cooperation have been less than optimal from a U.S. viewpoint. The PRC has benefited from detailed briefings and visits to U.S. military bases but in return has oriented their contacts more on show than substance. The PRC military displays have involved limited access to individuals and visits to what senior American military officers have described as insignificant military installations.\textsuperscript{34}

Along with the positive steps to engage China, the U.S. must ensure the PRC understands that force or intimidation against Taiwan will be met with U.S. actions of a diplomatic, economic and even military nature. There is no room for “strategic ambiguity” in managing the Taiwan situation. To bolster this perception and lend credibility to this policy, the U.S. must continue to maintain presence in the region through military deployments and exercises.

The second pillar requires that the U.S. continue to provide Taiwan with the equipment and training it needs to maintain a credible deterrence against a possible PRC forcible annexation attempt. The U.S. has been inconsistent in its weapons sales program with Taiwan: reducing sales when it feared offending the PRC. President Bush’s 2001 approval of a nearly 6 billion dollar arms sale represents the largest deal since 1992 and the end to a 10 year drought in military support to Taiwan.\textsuperscript{35} Included in this recommendation is an increase in military contact with the Taiwanese to improve the training and professionalism of their armed forces. The 2003 Defense Authorization Act requires the Pentagon to evaluate the feasibility of conducting military training and flag level officer exchanges with the Taiwanese military.\textsuperscript{36} The
recent invitation for Taiwanese officers to attend courses at the Asia-Pacific Center for Security Studies is a step along this path and should continue.\textsuperscript{37} Other initiatives could include increasing Taiwanese officer enrollment in U.S. defense schools. Similarly, the United States should proceed with Patriot 3 sales to Taiwan as a defense measure against PRC missiles. The U.S. should also revisit the requirement of the 1998 Defense Authorization Act to study the possibility of providing Taiwan a missile defense capability. Beyond providing Patriot missiles, America should strongly consider extending her future missile defense system to protect Taiwan. U.S. missile defense of Taiwan can serve as a bargaining tool to elicit reductions in PRC missiles aimed at Taiwan.

The third pillar requires reinvigorating existing treaties in the region and perhaps establishing new ones. There has never been an organization equivalent to NATO in the Pacific. Asia lacks the consensus of culture, political views and perception of a common threat that underlies NATO. Consequently, the United States has pursued security and stability through bilateral and limited multilateral treaties and pacts.\textsuperscript{38} The Association of South East Asian Nations (ASEAN) ten nation grouping was established partially as a means to offset PRC influence. Today the association’s members have differing views on how to manage the PRC threat while the PRC is actively engaged in acquiring political and economic influence in several ASEAN countries: Thailand, Cambodia and Burma. One Thai facetiously complained that “Thai foreign policy is made in Beijing” and Chinese influence in Burma is also extensive.\textsuperscript{39} The United States should counteract this growing influence through increased investment and diplomatic initiatives while continuing to improve relations with the other ASEAN members such as Vietnam, Singapore, Indonesia, Malaysia, Brunei, Laos and the Philippines. Some of this improvement could be accomplished through increased cooperation on the Global War on Terrorism. Other improvements can result from diplomatic initiatives and increases in the Theater Security Cooperation programs managed by the Commander, United States Pacific Command. The United States should also look to expand ASEAN membership to include bring Japan and South Korea. Both are strong U.S. allies and have strategic interests in maintaining open sea lanes and balancing increasing PRC influence. For Japan, this step can be a logical follow-on to the 1997 agreement on security cooperation, in negotiation since the early 1990s and concluded after the PRC’s 1995-1996 missile provocations against Taiwan.\textsuperscript{40} Japan is already a partner in ASEAN Plus Three but is not a formal ASEAN member.\textsuperscript{41} Full ASEAN membership could help satisfy Japanese desire to assume a greater role in the region while contributing to improving Japanese credibility among other Asian nations. Tightening the association as a counter to increasing PRC hegemony may prove harder in the case of South
Korea, which sees good PRC relations as a key to managing the North Korean dispute. South Korean trade with the PRC has also leapt five fold since 1992.\textsuperscript{12} Offering the PRC admission to ASEAN could serve to win South Korean cooperation while simultaneously engaging the PRC. Criteria for PRC admission should be carefully constructed with a view to shaping PRC reforms in economic, military and political transparency. The allure of ASEAN membership for the PRC would be increased stature in the region and the benefit of belonging to a regional economic association. External to ASEAN, India is also emerging as a competitor to PRC influence in Asia. The United States should exploit this development by working to improve ties with India as a counterweight to increasing PRC influence in the region.

The United States should also reinforce its economic relationship with Taiwan. In addition to support for Taiwan’s admittance to the WTO in “separate customs territory” status, America should pursue a free trade agreement with Taiwan. This free trade agreement would have economic and security implications for a trade partner which represents the tenth largest U.S. export market, immediately behind the PRC.\textsuperscript{13}

From an American perspective there can be two favorable outcomes to the Taiwan situation. Integration but counter balancing the PRC will prevent aggression toward Taiwan, preserving the status quo until the PRC democratizes and the two entities either reunify peacefully or decide to recognize each other’s independence. Absent PRC democratization, the United States must preserve the status quo of a Taiwan that is independent in all but name. Either outcome will require a coherent, consistent U.S. policy and the commitment of military, diplomatic and economic means for the foreseeable future.

**MANAGING PRC EMERGENCE**

The PRC’s eventual emergence as a regional, and perhaps world, power is highly probable. Its economy has grown exponentially in the last decade and that growth appears to be continuing. The Communist government has thus far successfully walked the fine line between liberalization and maintaining control of the country. A nation of over 1 billion people, the PRC represents an enormous untapped market that lures most developed market economies. This demographic weight also makes the PRC a dangerous and capable future Asian land power. Optimistically, the PRC’s emergence as a major power could be a force for stability in the region if the country exercises that power responsibly. The opposite is also true. Consequently, the PRC’s neighbors throughout Asia worry about the emergence of a potentially belligerent super power in their backyard. The character of emerging PRC power and its application remains in doubt and is a source of concern and anxiety within the region.
Until the picture becomes clearer, PRC emergence must be managed to ensure stability in the region. The United States has the capability to organize, facilitate and manage that emergence. It is in America’s best interest for the defense of allies and the preservation of regional stability. Collectively, these measures mitigate the deleterious impacts of an emerging PRC superpower. The intent is to insure regional stability while creating the conditions for continued economic prosperity for all regional actors; the U.S. included. These policies will not “contain” China, for its emergence as a regional power is likely inevitable. Instead they are intended to manage its emergence during the first critical stages by establishing conditions for U.S. cooperation that will also be advantageous to the PRC.

The first condition is Chinese renunciation of the use of force or coercion to obtain reunification with Taiwan. Indications of compliance would include a public renouncement of forcible annexation and a severe reduction or elimination of the missiles aimed at Taiwan. Achieving this condition will require a demonstrated U.S. commitment to the PRC and Taiwan to guarantee the status quo as already explained. This commitment must be made clearly and forcefully. Complementing this commitment must be an increase in confidence building measures with the PRC to prove the U.S. will not support Taiwanese independence.

Related to the Taiwan question is the PRC’s provocative stance on other disputed territories in the region. Specifically, the PRC must renounce aggressive pursuance of her claims in the South China Sea. In this area, the PRC has territorial disputes with Japan, Indonesia, Malaysia, the Philippines, Brunei and Vietnam. Islands claimed by China can serve to control shipping flows or include suspected oil deposits and are thus of immense importance to the PRC. The communist government has strongly advocated using world bodies to resolve disputes. It must heed its own advice, withdraw from disputed occupied areas, and negotiate a settlement or submit its claims for arbitration. Successful provocative or aggressive PRC actions to secure these disputed areas could potentially derail the U.S.’s ability to manage regional stability.

The PRC’s respect for basic human rights must improve dramatically. The central government has relaxed some controls over its citizenry during the last decade, but has likely done so as a self preservation tactic and not to empower the populace. The brutal repression of the Tiananmen demonstrations in 1989 has remained the backdrop for further intransigence and basic human rights have not substantially improved. The PRC had an easy opportunity to visibly support human rights reforms by ensuring Hong Kong retained the freedoms it enjoyed before reunification with the mainland. Instead, the regime nearly destroyed this opportunity when it attempted to institute new security measures in the summer of 2003. These new
measures would have restricted Hong Kong citizens’ freedoms and human rights. The measures were repealed only after massive demonstrations in Hong Kong.\textsuperscript{45}

Conversely, the PRC’s entry into the World Trade Organization (WTO) is an important step in joining the international community. U.S. support for PRC membership was a critical factor in their acceptance. WTO membership will open the PRC economy to fair trade and will create better living conditions for the average Chinese citizen. The United States should closely monitor PRC progress in opening its economy and implementing fair trade measures. Continued extension of Most Favored Nation trading status should be linked to PRC reforms in these areas.

Similarly, the PRC has gained influence with the United States as a result of its cooperation in the Global War on Terror and its intercession in the North Korean nuclear crisis. As a result, the United States has muted its characterization of the PRC as a strategic competitor and recently supported the PRC’s criticism of independence talk from the campaigning Taiwanese president. The PRC should not squander this influence by continuing to supply advanced weapons and weapons technology to rogue states. The PRC is a known supplier of arms to North Korea and Iran, two members of what President Bush terms the Axis of Evil.\textsuperscript{46} Chinese thefts of sensitive U.S. missile technology make these weapons connections even more threatening. The PRC must demonstrate responsibility and restraint in weapons sales and the transfer of sensitive technology, especially to potential sponsors of terrorism.

The final condition of U.S. cooperation will be the most difficult and long term. The PRC must move towards a representative form of government. This will be exceedingly difficult for the Communist Party. It will directly threaten the Party’s control of the country and possibly its very survival. However, economic reforms already have begun to weaken the Party’s control of the country. Also, the rise of the internet is allowing Chinese citizens to experience other cultures, escape their isolation, and expose them to alternative systems of governance. Nevertheless, the government continues to try and control internet access, but the efforts appear futile.\textsuperscript{47} Improvements in living standards brought by the growing economy will probably combine with these factors to create rising expectations in the Chinese population and degrade the control of the population so necessary for communism to remain viable. These growing social expectations will likely be met only by democratization and the liberty it brings. Paradoxically, these factors place the U.S. in a position where regional stability depends upon the success of the communist government’s ability to continue control of the populace while it transitions to a more representative form of government. Alternatively, the PRC could lose
control and disintegrate into anarchy, adversely affecting both regional stability and the U.S. economy.

SUMMARY

Successful resolution of the Taiwan dispute is inextricably linked to the larger question of U.S.-Chinese relations. America must enunciate and follow a clear, consistent policy and demonstrate its willingness to enforce that policy. It appears inevitable that the PRC will eventually emerge as a major world power. A belligerent and powerful PRC is a threat to the region and thus to U.S. national interests. The challenge for U.S. foreign policy is to manage the PRC’s emergence as a regional and world power for the benefit of both nations and the region. Taiwan can be a lever to solidify this relationship while serving as a vehicle to achieve desired reforms in the PRC. In this regard, the complex and ambiguous “One China” policy can actually serve the interests of all parties as each makes the compromises necessary for continued economic development and regional stability. However, the path to the future is paved with uncertainty and danger. The PRC’s authoritative and repressive communist regime has a propensity for provocation. Conversely, the ambiguous and disjointed U.S. foreign policy and potential over-reaction to PRC regional challenges could also lead to catastrophic regional failure. Ironically, successful management of the Taiwan issue can be the catalyst for further cooperation, transparency, prosperity and regional stability.
ENDNOTES


3 Ibid.


6 Report to Congress, 4.


8 Ibid, 3.


11 Ibid.


14 Elisabeth Economy, “Changing Course on China,” Current History (September 2003): 244.

16 Rahman, 70.
18 Ibid, 199.
19 Ibid, 201.
20 Ibid.
22 Rahman, 71.
29 Ibid.
31 Bernier, 73.


34 Ibid, 60.

35 Bernier, 81.

36 Ibid, 89.

37 Economy, 244.


39 Halloran, 60.

40 Ding, 385.


43 Bernier, 81.

44 Gunter, 198.


47 Gunter, 198.
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