THE PAST, PRESENT, AND FUTURE: AN ANALYSIS OF THE ACROSS STRAIT RELATIONSHIP AND ITS IMPLICATIONS TO THE UNITED STATES

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The Past, Present, and Future: An Analysis of The Across Strait Relationship and Its Implications to The United States
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Introduction

China, in its long history, has always been one of the largest empires in the world. Since the turn of the 20th century it has had a tumultuous history and almost isolationist government. However, it is now emerging as one of the world’s strongest powers in the world. Yet, a continual thorn in its side is the tiny island of Taiwan across the strait. Several incidents have occurred which have brought the U.S. into the area and has been a cause of concern to the rest of the Pacific community. This paper will explore the three sides of the Taiwan Strait issue and where each side stands. It will provide insight into China and Taiwan’s policies and will examine what this means to the U.S. This study attempts to argue that the recent dramatically changed political and economic situation across the Taiwan Strait appears to be more in favor of a peaceful relationship between the mainland and Taiwan than ever before. The U.S. could play a more positive role to encourage this development by weaning its defense commitment to Taiwan.

The Evolution of the Taiwan Issue

In 1921 the Chinese Communist Party (CCP) was founded. They sought an alliance with the Nationalist’s party--the Kuomintang (KMT)--and its leader at that time, Sun Yat-sen, who agreed; unfortunately he died in 1925. Chiang Kai-shek succeeded Sun Yat-sen but was much more adverse to Communism than Yat-sen was. In 1926 Chiang Kai-shek launched a northern expedition to reunite China. In April 1927 he reached Shanghai but allowed local gangsters and the secret KMT agents to wipe out Communists in the city before bringing his army in to take control. This increased the rift between the CCP and the KMT and was the ultimate split
between the two as the civil war raged. This Chinese civil war was interrupted by Japanese aggression and World War II. The CCP’s activism against the Japanese expanded support for their revolution and spread the word that Chiang Kai-shek was corrupt. In 1949 the KMT Nationalists withdrew to Taiwan where Chiang Kai-shek declared Marshall Law as the rest of the world was getting over World War II. The second-generation islanders, groomed under the Japanese colonial rule, had acquired a sense of history and culture identity intrinsically different from the historical consciousness of mainland Chinese. Later, the leaders of Taiwan would try to use this sense of cultural identity as it dealt with mainland China.

The outbreak of the Korean War on 25 June 1950 suddenly extended the lease on the life of the Nationalists for another half century. The resumptions of U.S. military and economic aid helped the Nationalist state apparatus and the armed forces stay afloat. In 1952, out of the San Francisco Peace Treaty, Japan ceded all territorial rights of Taiwan; however, no country was specified as the “receiving country.” The KMT leader, Jiang Jieshi, through land reform programs, enhanced the KMT’s regime in Taiwan, and was still trying to maintain itself as the legal government of China. The U.S. further institutionalized its security commitment to Taiwan by signing the U.S.-ROC Mutual Defense Treaty in 1954.

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1 From Yao to Mao: 5000 Years of Chinese History. DVD. Produced by New Mexico University. Performed by PhD, Kenneth J. Hammond. 2004., Lesson 33.
4 Chen Jian, Beijing and the Taiwan Strait Crisis of 1958 handout., p. 167.
In the 1950s and 1960s Chiang Kai-shek sent his men several times to Beijing to open secret channels of communication. Often the talks were about reunification.\(^6\) Hong Kong correspondent Cao Juren made trips between Beijing and Taiwan which led to an agreement for conditions for reunification. This agreement led to formal negotiations in 1965; unfortunately the Cultural Revolution of 1966 interrupted contact between the two sides.\(^7\)

In 1971 the PRC replaced the ROC as the China representative to the United Nations, a move supported by the U.S. There was no resolution of Taiwan’s status or representation. In 1972 President Richard Nixon met with Chinese Premier Zhou Enlai in Beijing. Shortly thereafter the Shanghai Communiqué was agreed upon between the U.S. and China. This document established the U.S.’s principles towards a “One China” policy. The U.S. acknowledged that that those on both sides of the strait considered that there is one China and that Taiwan was a part of it. The U.S. was also looking for a peaceful settlement to the issue by the Chinese themselves.\(^8\) This was the turning point where the U.S. recognized the Communists as the legitimate government of China, and chose to partially support Taiwan without actually recognizing it as a sovereign nation.

**Previous China-Taiwan Events**

Since the Nationalist party broke away from China in 1949 and withdrew to Taiwan, there have been numerous “incidents” between the Nationalists and the mainland. The first incident occurred during October and November 1949. The People’s Liberation Army (PLA)

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\(^7\)Ibid., p. 22.
experienced two significant defeats in attempting to occupy Jinmen and Dengbu (small islands off Zhejiang province). The defeats shocked the PLA commanders and CCP leaders in Beijing.9 In the 1950s Mao was preparing a plan to “reunify” Taiwan with China. His plan included training from July 1950 through March 1951, and the Taiwan campaign would commence in the summer of 1951.10 However, Mao’s plans were interrupted when the Korean War broke out on 25 June 1950. President Truman, worried about Communism spreading both to Korea and Taiwan, sent in the Seventh Fleet to the Taiwan Straits to neutralize the area until after the war.11 Though China did not see the arrival of the Seventh Fleet as a threat, Mao felt he was spreading its military too thin and tabled his plans to reunite Taiwan with the mainland. During the years of the Korean War, Beijing maintained a defensive posture in relation to the KMT-controlled offshore islands, and the Nationalists occasionally invaded the Communist-controlled coastal areas.12 The U.S. presence set the stage for future incidents.

The next incident occurred between 1954 and 1955. Mao planned and initiated a “liberate Taiwan” propaganda campaign while building his plan to shell Jinmen Island. These plans were also in an effort to prevent the U.S. and Chiang Kai-Shek from signing a military treaty. However, his shelling of Jinmen accelerated negotiations and resulted in Washington sending three carriers, a cruiser division, and three destroyers of the Seventh Fleet to patrol the Strait and also hastened the signing of the Mutual Defense Treaty with Taipei.13 Since the treaty did not include securing the outlying islands, the U.S. only assisted the KMT in withdrawing from Dachen and Yijiangshan islands. However, President Eisenhower hinted that nuclear

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9 Chen Jian, Beijing and the Taiwan Strait Crisis of 1958 handout., p. 166.
11 Ibid., p. 86.
12 Chen Jian, Beijing and the Taiwan Strait Crisis of 1958 handout., p. 167.
weapons could be used in the Strait; thereby resulting in Mao’s race to acquire its own nuclear program. Once Beijing controlled these islands, they announced they were willing to negotiate with Washington and this Taiwan Straits crisis ended.

The next Taiwan Crisis occurred on 23 August 1958. China, via the people’s Liberation Army, commenced artillery fire on the Jinmen Islands, controlled by the KMT. By 25 August the shelling had “totally stopped Taiwan’s supplies and shipments to the Jinmen Islands.” During the 1958 Quemoy and Matsu crisis, Chiang Kai-Shek succeeded in rejecting the American demand to abandon the offshore islands, but he was eventually persuaded to give up any plan for waging military operations on the mainland under intense pressures from the Kennedy administration in 1961-62.

It was not until the mid-1990s a new crisis took place in the Taiwan Strait. On 22 May 1995, to the surprise of many, the U.S., reversing a sixteen year ban on U.S. visits by high-ranking ROC officials, suddenly granted a visa to President Lee Teng-hui for a six day “private” visit to his alma mater, Cornell University. This prompted a crisis in both China—U.S. relations and cross-strait relations. China suspended the meetings between Taiwan Koo Chen-fu, chairman of the Strait Exchange Foundation (SEF), and Wang Daohan of the ARATS who had previously successful meetings in Singapore. In March 1996, while Taiwan was holding its first-ever direct presidential election, Beijing conducted a series of military exercises in the Taiwan Strait, including missile tests with target areas just thirty to forty miles away from Keelung and Kaohsiung, Taiwan’s two largest ports. When cross-strait tensions mounted in March 1996, the U.S. dispatched two aircraft carrier battle groups, the USS Independence and USS Nimitz, to

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15 Chen Jian, Beijing and the Taiwan Strait Crisis of 1958 handout., p. 170.
patrol international waters outside Taiwan and ‘monitor’ Beijing’s missile tests.\textsuperscript{18} The immediate danger to armed confrontation passed, but cross-strait relations lurched, for the next four years, between stalemated negotiations and signs of renewed crisis. Seeking to improve relations, the Clinton administration faced PRC demands to demonstrate that it did not encourage separatists sentiments in Taiwan.\textsuperscript{19}

These events demonstrated the dance between China, Taiwan and the U.S. Each side has been trying to prevent an engagement between the U.S. and China, while each side used the other as a leverage point. During these events Taiwan continued to struggle to maintain its own survival, if not independence.

\textbf{China’s Current Position}

China and the PRC’s position on Taiwan have evolved over time. Once the KMT had retreated to Taiwan, Mao came to feel “once the colonialists had been expelled, state borders were not to be tampered with.”\textsuperscript{20} Therefore he was adamant Taiwan was a part of mainland China territories. In addition, in the Chinese 1954 Constitution, when discussing the apportionment of deputies for Taiwan, there was no number because it was to “to be liberated.”\textsuperscript{21}

Mao, after the Chinese civil war and prior to the Cultural Revolution in 1966, was still willing to work with Chiang Kai-shek in Taiwan. In 1960, Mao and Premier Zhou Enlai put forward a plan, “one principle, four points,” for negotiation with Chiang Kai-shek on

reunification. The principle was that Taiwan must return to China. In addition 1) Chiang Kai-shek would retain all rights over local governments and military personnel, but diplomatic rights would be handed over to Beijing; 2) the Chinese central government would tend to the financial needs of the Taiwan government, armed forces and economy; 3) Social reform would be carried out under the right conditions with respect to Chiang’s view; and 4); each side would behave towards the other.\(^{22}\)

Though these principles seemed reasonable to both sides, the Cultural Revolution wreaked havoc on the mainland and worked to eliminate Chinese Culture. Therefore contacts between the two sides ceased. Given the disasters taking place in China, Chiang Kai-shek did not continue to work with Mao.

With the normalization process occurring between the U.S. and China starting in 1971, in addition to the PRC replacing the ROC in the Chinese seat in the U.N., Mao reiterated his “One China” policy philosophy. Even Taiwan understood the “One China” policy; however they hoped to use it to their advantage. “The justification for a system of extra-constitutional legal arrangements and emergency decrees and the revolutionary mandate of the KMT party were both founded on the so-called “one-China” principle, which sustained the claim that there is only one China, Taiwan is part of China, and the ROC government is the sole legitimate government representing the whole of China.”\(^{23}\) This rhetoric in Taiwan would leave China skittish.

In the late 1970s China no longer wanted to “liberate” Taiwan by force, but instead formed a policy of “peaceful reunification.” In January 1979, the Standing Committee of China’s National People’s Congress (NPC) sent “A Message to Compatriots in Taiwan.” On the

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same day the message was issued, China’s Defense Ministry announced the end of the two-decade-long symbolic bombardment of Jinmen Island and other offshore islands. Beijing also began to reduce its troop concentrations in Fujian province facing Taiwan. It called for reunification talks with Taipei and promised that after reunification Taiwan could enjoy a high level of autonomy.24 This policy continued on for several years and China also took specific unilateral actions to encourage trade that included ending customs duties on good from Taiwan, strongly urging that Taiwan could retain its intelligence administrative, and legal systems.25

Though China asserted that they would act in a peaceful way towards Taiwan, and they took actions to help build Taiwan’s economy, they still wanted to ensure that internationally China was recognized as the sole China, and that Taiwan was a part of it. Deng Xiao-ping emphasized that “under no circumstances will we allow any foreign country to interfere. Foreign interference would simply mean China is still not independent, which would lead to no end of trouble.”26

In working towards a peaceful solution, on 22 February 1984, Deng Xiao-ping officially announced the “one country, two systems” formula for reunification.27 Though Deng Xiao-ping was pursuing peaceful reunification, during a meeting with Hong Kong industrialists in 1984 he stated “if the problem cannot be solved by peaceful means, then it must be solved by force.”28 China pressed strongly that Taiwan is an internal affair, and not an issue between separate states.

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25 Ibid., p. 7.
26 Hughes, Christopher. Taiwan and Chinese Nationalism. 1997., p. 16.
In an effort to reemphasize its quest for independence, the DPP in Taiwan started looking at a “Two State” theory which China did not agree with. Beijing’s publication of the 1993 White Paper reiterated its policy toward Taiwan and issues of unification was a clear indication of its growing anxiety over China policy advocated by DPP and certain KMT faction. China’s White Paper clearly states that Taiwan was given over to China de facto and de jure after WWII and was an inalienable part of China. In the 1995 incident, Beijing had proven it was willing to use force. Not only did it have the will, but China was developing its military capabilities; some of which could be used against Taiwan if necessary.

Beijing has stood by the “One China” policy with the White Paper expanding that there can be two political systems in a reunified China. However, when President Lee Teng-hui mentioned a “Two States” theory on a German radio station in 1999 he riled the PRC. China claimed that Lee took an “extremely dangerous step” towards splitting China, and warned him against playing with fire. The PRC reaffirmed that it had never renounced the use of force to prevent Taiwan’s independence and warned Taiwan not to underestimate Beijing’s determination and capability to uphold the nation’s sovereignty, dignity, and territorial integrity. It warned that Lee had taken “the people of Taiwan, as well as his foreign patrons hostage down his road of destruction and into his suicidal, separatist adventures.”

China’s approach to Taiwan from 2000 to 2003 was more moderate, due in part to China calculating that its economic interaction with Taiwan put time on its side and seeing that past

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intimidation had been counterproductive.\(^3^1\) However, China never let up on its “one China” policy.

As late as November 2008 when the U.S. was commencing an arms sales deal, China cancelled a senior military visit to Washington. China reiterated that Taiwan is part of its territory and has vowed to use force if necessary to ensure that the island remains part of the country. “The U.S. shouldn't sell arms to Taiwan,” said Li Jiaquan, a retired Taiwan analyst with the Chinese Academy of Social Sciences. "The problems between China and Taiwan are totally internal. America is interfering in our internal affairs."\(^3^2\)

The bottom line is that China adheres to the “One China” policy and will use force, if necessary to “maintain its border.” However, China would like to maintain a peaceful reunification if possible and accepts a “two system” political system within China.

**Taiwan’s Position**

Taiwan’s position towards China has evolved due to survival and cultural necessities. Growing political and ideological cleavage between Taiwan and the mainland further confused a local population already disenchanted with the concept of Chinese reunification. Long term separation across the Taiwan Straits also precipitated the assimilation of the mainlander group steadily into local society. In addition, recurring war-preparation against possible PRC aggression fostered alienation from mainland China and shared a sense of destiny between the mainlander and native Taiwanese.\(^3^3\) These factors, in addition to strong propaganda campaigns

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against the Communists, helped to cement a sentiment towards the mainland; however it is still difficult for the Taiwanese not to be considered a part of China when you visit their society. Individual words have demonstrated how complex the situation is and how a spoken or written word can change the relationship across the Strait. Both the PRC and the ROC have become proficient in selecting their words carefully to ensure a balance of power and international acceptance.

Under Chiang Kai-shek and his Marshall Law, the people of Taiwan had no choice but to live under “One China” policy. However, when the PRC took the seat of China in 1971 in the U.N., and the U.S. started normalization with China, Taiwan had to reconsider its position in the world and in relation to the mainland. It wasn’t until the 1990s that an emerging theory came about that could maintain the peace while working to increase Taiwan’s stature in the world. Lee Teng-hui worked to break the definition of China as being along borders, and instead wanted to look at China as a people, of which the Taiwan was a part of. He worked to build a national unity and seemed to succeed. “By advocating the possibility of a working relationship between two political entities that have come to exist within one China, it leaves a question mark hanging over the necessity of making the state congruent with “China” at all. The unavoidable conclusion to this train of logic is, at the very least, that “China” can be conceived of as an entity quite distinct from the two states that exist within it.”34 During Lee Teng-hui’s twelve years in power, the percentage of people in Taiwan who considered themselves as solely Chinese dropped from 48.5% in January 1993 to 13.1% in mid-99. Those who considered themselves Taiwanese rather than Chinese increased from 16.7% to 44.8% for the same period. Those who

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34 Hughes, Christopher. *Taiwan and Chinese Nationalism*. 1997., p. 76.
said that they were both Taiwanese and Chinese increased from 32.7% to 39.9%. Therefore Lee’s policies were increasing the nationalism of the Taiwanese.

Lee Teng-hui worked some minor miracles in Taiwan. In December 1992, the Legislative Yuan election brought in a new parliament wholly elected for the first time by the people of Taiwan. It was also the first time that the KMT formally surrendered its governing position to a democratic contest, and signaled the end of the mainlanders’ dominance in national politics. Lee was able to harness the independence zeal with a gradual defection from the one-China principle. His sensible alternative to the pursuit of _de jure_ independence was launched with a concerted diplomatic effort to join the U.N. and its related agencies. He also wanted to promote the so-called “Republic of China on Taiwan” formula that anchored on a two-China model. Then in 1994 the Taiwan White Paper on cross-strait relations pointed out: “the two sides should be fully aware that each has its jurisdiction over its respective territory and that they should coexist as two legal entities in the international arena.” Hence the very word “legal” strongly implies “sovereignty”—that is, two equal sovereign entities. Taiwan asked China to drop its “one China” thinking, and suggested that sovereignty could be shared by both the ROC and the PRC in the U.N. as equals. Taiwan was still struggling over its identity as a sovereign state and started to initiate other means of settling in the theater.

Concerned with Democratization and the possibility of Lee wanting independence, the PRC’s Jiang Zemin reiterated on 30 January 1995 the “One China” principle and its foundation for a peaceful unification. However, he did state Taiwan could develop private economic and cultural contacts with foreign countries. Zemin wanted to continue with bilateral talks and stated

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China would not attack unless there was foreign intervention or secession. He opened the door for Taiwan leaders to visit Taiwan “in the appropriate capacity.”

Lee Teng-Hui, because this policy ruled out government-to-government negotiations between Chinese, and there was no flexibility on allowing Taiwan to be represented in international organizations, retorted to the NUC on 9 April 1995 that he would pursue the unification of China, but he wanted to strengthen the exchanges between the two sides. He insisted on taking an equal part in international organization though and supported the preservation of the prosperity of Hong Kong and Macau. This would allow China and Taiwan to be looked at in a different light; not necessarily as two geographic states, but instead two political systems within one nation.

Lee then came up with *Gemeinschaft* to help embrace a Taiwan identity and community. There was debate it originated with China’s Peng Ming-min, but it was a “belief that a political community is built by the subjective identification of individuals, rather than objective criteria imposed by ethnicity.” What defines one’s membership of Taiwan’s *Gemeinschaft* is not when you came to the island, nor what ethnic group you belong to, but whether you yourself want to identify with Taiwan. Lee transformed the way those on the island looked at themselves, and the way they could work with the mainland.

However, as he was working to transform the way Taiwan thought, Lee was also walking a fine line with China. About a week after he mentioned the “special relationship between two

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39 Ibid., p. 90 – 91.
40 Ibid., p. 98.
41 Ibid., p. 100.
countries” on the German Radio station Lee Teng-hui announced that it would launch a major diplomatic offensive to promote its “two states” policy to in the international community. Initiatives included sending the chairman of the Council for Economics Planning and Development, Chiang Pin-Kung, to attend the Asia-pacific economic Co-operation (APEC) meeting in New Zealand in September 1999, where he would explain the “new principle” to regional leaders at the gathering. It would ask the U.N. to allow Taiwan to join the U.N. under the German Model. He obviously met with resistance at the U.N. as they are still not a member today.

Taiwan today continues to walk the fine line with the mainland. Depending on which party is in charge will partially determine the policy of Taiwan; however neither party wants a forceful reunification with the mainland. In 2004 on Taiwan, “there was a palpable shift in public opinion away from tolerance of official Taiwan efforts to seek tensions with the mainland, originally for domestic political gain but with growing negative international and economic consequences.” This demonstrates the understanding that the Taiwanese have of the growing power of the mainland. Additionally, the election of President Ma in Taiwan may not only be an emphasis on economics in Taiwan, but also of a friendlier attitude towards the mainland. If Taiwan can maintain the balance of the “One China” policy and still use its own definition of what China is to their benefits, they will maintain peace.

44Ibid.
China’s Taiwan Strategy

China’s basic behavior is influenced by Confucianism and Realpolitik. Additionally, “Chinese leaders have a near obsession with maintaining stability at all costs.”46 Therefore “realist behavior dominates but is justified as a defensive on the basis of a pacifist self-perception.”47 Hence, China will use force if required. China’s overall strategy is devoted to their “One China” policy; however there is leeway with “two systems.” This can be seen with how they have adopted Hong Kong and Macau back under their flag.

Beginning in 1979 China launched a strong peace offensive against Taiwan. The end of shelling of Quemoy (Jinmen) and Matsu was announced on New Year’s Day. This was done in an effort to work peacefully with Taiwan and bring them back to the motherland.48 In addition, the two sides also took steps to increase their overall contacts. Beijing pushed vigorously for formal political contacts and earlier talks on reunification. Taiwan also agreed to negotiate cross-strait affairs involving what it called “common power,” not officially but through a semi-official organization, the Strait Exchange Foundation (SEF), established in February 1991. Beijing accepted this informal arrangement and set up its own counterpart, the Association for Relations across the Taiwan Strait (ARATS) in the hope that the process would lead to talk on reunification.49 Later, in 1993, Singapore became the trusted venue for the historic meeting between China’s Association for Relations across the Taiwan Straits and the Taiwan Strait Exchange Foundation.50 These talks were some of the first steps in China’s strategy. Beijing’s

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47 Ibid., p. 38.
unification strategy has three pillars: 1) Economically integrating Taiwan; 2) Internationally isolating Taiwan; and 3) Containing the pro-independence force within Taiwan.  

Beijing has worked to develop economic relations across the Strait; however earlier, Lee Teng-shui was reluctant to discuss the “three direct links” of postal, transport and trade. Lee was concerned that Taiwan would have too much interdependence on China economically and was afraid China would use it against them. This concern can be seen by the missile threats in 1995. “Over a 10-day period in early March, $370 million was withdrawn from local banks.” This crisis hurt Taiwan and the U.S. had to provide support in the meantime. However, there was no such evidence that China wanted to cripple Taiwan’s economy. China has repeatedly said that it wants a win-win situation in economic cooperation across the Strait and its economy is actually benefiting from strong Taiwanese investment. The reliance on economics is a tie that keeps the cross-straits talks open. “For Beijing, the achievement of three direct links (postal, transportation and trade) would not only help to foster economic links, but also deter the Taiwan’s independence claims and finally prompt national unification.” In 8 November 2008, this came to fruition. Taiwan and Chinese officials signed 13 agreements to allow direct air and sea cargo shipments, open postal links and notify each other quickly of any food safety issues. This new step is in conjunction with Beijing’s plans to peacefully reunify with Taiwan.

When it comes to isolating Taiwan from the international community, China has done it in several ways. China has exercised a veto on Taiwan’s participation in the ASEAN Regional

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Forum (ARF) on the ground that membership, as with the U.N., is a prerogative of sovereign states.\textsuperscript{55} In addition, in the U.N., China, as a veto-holding permanent member of the Security Council has had “reservations at the council’s increasing involvement in areas traditionally considered with in the domestic jurisdiction of states.”\textsuperscript{56} They have blocked Taiwan’s several attempts for membership based on the West Germany, East Germany concept.

China continues to prevent Taiwan from formally having diplomatic ties with countries it is friendly with. Even the U.S. does not have an official embassy in Taiwan, rather an “American Institute in Taiwan” that has many of the same privileges of an Embassy. However, “the PRC will likely remain on the defensive, and will probably be successful in preventing Taiwan from opening formal diplomatic relations with most countries and intergovernmental organizations.”\textsuperscript{57} China continues to reach across the strait with economic enticements, while it keeps the threat of the use of force in its back pocket.

\textbf{Taiwan’s Mainland Policy}

Taiwan’s mainland policy has changed since the ROC first withdrew to Taiwan. It maintained official state and sovereignty relations internationally and with the U.S. until 1979. However, after the U.S. began to normalize its relations with the PRC on the mainland, Taiwan had to accept the normalization as a fait accompli. Moreover, Taiwan had agreed, with great reluctance, to accept the Administration’s proposal to conduct future relationships through the

\textsuperscript{55}Leifer, Michael. "Taiwan and South-East Asia." 2001., p. 194.
AIIT and the Coordination Council for North American Affairs. This event was the start of careful treading of its policy towards mainland China.

Taiwan concentrated on building its identity and establishing itself internationally through economics, while its “Big Brother” watched across the strait. By 1980, Taiwan was the world’s sixteenth largest exporter and was well placed to enjoy the global recovery of the early 1980s under economic plans which gave priority to upgrading the export-oriented electronics sector. Taiwan was able to use this economic strength as a way of working with other countries without directly violating China’s “One China” policy. Taiwan’s developing economic muscle also provided Taipei with the means to begin to counter the island’s international isolation by substituting economic ties for diplomatic recognition, and trade and cultural offices for consulates and embassies. It even became the number one exporter of microchips for the U.S.

Taiwan had to ensure it did not enrage its neighbor while it tried to survive. However, in the mid-1980s there was a thaw in cross-strait relations, which developed fast, but mainly in one-way unofficial economic relations: tens of thousands of Taiwanese businessmen went to invest in and trade with mainland China, but not the reverse, because of the ban by the Taiwan Government on investment and goods from mainland China. Taiwan wanted to ensure that China did not control it through economics, but it did allow China to partially rely on Taiwan economics.

In the 1990s, Lee Teng-hui wanted to encourage the economic growth, while potentially working a relationship with the mainland. He set up the National Unification Council (NUC)

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59 Hughes, Christopher. Taiwan and Chinese Nationalism. 1997., p. 49.
60 Ibid., p. 49.
which set up guidelines that seemed peaceful: Short term phase of exchanges and reciprocity; medium term phase of mutual trust and cooperation; long term; phase of consultation and unification. However, the approved “Guidelines for National Unification” that were adopted by the NUC in 1991 provided that the PRC must drop its right to use force to resolve the Taiwan problem and must allow the ROC to return to international society. Just as it was hoped that domestic reform need not impinge on the issue of national identity, it was now being proposed that Taiwan’s status in international society could be achieved by allowing Taiwan to be active in international society as a state, but not insisting that the PRC recognize it as one. Instead, the regimes on both sides of the Taiwan Strait would recognize each other under a new concept. This concept is the ‘political entity’ which is an alternative to ‘state’ or ‘government’ which allows ‘sufficient “creative ambiguity” for each side to live with. This policy did not sit well with the mainland.

A growing establishment in Taiwan was the DPP which did not endorse unification or the concept of “one China.” Instead, the DPP policy towards China established on 25 October 1992 was 1) Taiwan has an independent sovereignty and does not belong to the PRC; 2) Taiwan should adopt a “one China, one Taiwan” policy in order to break out of the diplomatic isolation imposed by Beijing, and raise Taiwan’s profile in the international community; 3) Taiwan’s sovereignty does not extend to the Chinese mainland and outer Mongolia, because the PRC is a legal, sovereign government governing mainland China; and 4) ROC-PRC relations can be normalized and properly managed only after Taiwan has become independent of mainland

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63 Hughes, Christopher. Taiwan and Chinese Nationalism. 1997., p. 68.
China.” However, the population became concerned of this “radical” policy and reelected President Lee in order to maintain peace across the straits.

President Lee’s policy continued to support economic growth and relations, at the acceptability of the mainland. This came in the way of a joint communiqué with small countries such as Vanuatu and Papua New Guinea. An example of this came on 24 September 1992 when Taipei signed a joint communiqué with Vanuatu. Then, on 26 May 1995, they developed the same relations with Papua New Guinea. Because the communiqué discussed an economic relationship and no specific talk of a political relationship, Beijing demonstrated no attempt to break off relations with Vanuatu or Papua New Guinea. Therefore as long as Taiwan did not try to consider itself a separate sovereignty, and worked with small entities, China was willing to let things sit. As in all democracies, however, the leadership is what drives the policy.

President Chen Shui-bien became president in 2000, the first, and so far, the only, from the DPP. He and his ruling DPP refused to accept the notion of one China. President Chen Shui-bien pushed his agenda for change in Taiwan. One issue was on a nuclear power plant, and the other on Taiwan’s quest to become an observer to the World Health Organization. These proposed referendums were thought by sum to create issues for his reelection in Marcy 2004, but they were also to set the stage for Taiwan’s formal independence. Chen did eventually, in 2002, get a seat on the World Trade Organization for Taiwan, albeit as the “Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu,” otherwise known as Chinese Taipei.

Several initiatives have occurred between mainland China and Taiwan that have increased the economic ties. One of the first was agricultural ties that would provide tax

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incentives, financial support, and preferential land use for Taiwan investors who would develop agricultural ties on the mainland. In addition, Beijing implemented tariff-free imports on selected fruits from Taiwan.68 These incentives built cross-strait ties and increased economic links on both sides. In addition, Taiwan finalized plans to relax restrictions on company investments enabling firms to use 0.18-micron chip manufacturing technology in China vs greater than .25-micron chip technology. In November 2006, the Taiwan Semi-Conductor Manufacturing Co. was given permission to set up a Chinese chip plant69 and two others would bring the total up to an $825 million investment in the mainland. This business deal set the stage to provide for Taiwan businessmen as well as the mainland economy.

The course for Taiwan continues along economic channels to build relationships versus the internationally recognized diplomatic channels. Taiwan’s basis of association with South-East Asia has been primarily economic, with the region becoming the second largest recipient of overseas investments.70 In addition, Taiwan worked with the five founder members of ASEAN (Indonesia, Malaysia, the Philippines, Thailand, and Singapore). The burgeoning trade and investment ties with Taiwan were supported by quasi-diplomatic establishments in each other’s capitals. Diplomatic privileges and immunities were accorded to Taiwanese staff whether or not diplomatic relations had been established with Beijing.71

The economic policy has been working best for Taiwan. Taipei’s diplomacy tells us about the relationship between Taiwan’s identity and its international status. As far as international society is concerned, there is a considerable degree of latitude for a state to carve

71 Ibid., p. 178.
an international niche for itself without the privilege of diplomatic recognition.\textsuperscript{72} Taiwan’s use of economic ties has allowed it not be dismissed entirely in the international community.

As in all political situations and similar to the U.S., the leadership and party in charge will determine how the cross-strats policies are interpreted and implemented. In May 2008 President Ma was elected in Taiwan. He is a KMT member and has reopened doors with China without the preconditions that his predecessors had. They recently signed Cross Strait agreements that senior economic official Chen Tien-chih states “will help the two sides find a new pattern of investment and trade”\textsuperscript{73} and no doubt a closer tie. Under Ma’s regime, he will use “flexible diplomacy” with current and future allies as he tries to “reach agreement with the other side of the Taiwan Strait in an effort to win diplomatic allies.”\textsuperscript{74} He will continue to build the economic ties across the strait and internationally, as well as open doors with the mainland that were previously shut.

\textbf{U.S. Position and Policy}

The received wisdom among hawks and doves alike is that U.S. policy on Taiwan over the last 30 years has been remarkably stable and consistent.\textsuperscript{75} The strategy has been to minimize the possibility of military conflict in the Taiwan Strait, while simultaneously normalizing

\textsuperscript{72}Hughes, Christopher. \textit{Taiwan and Chinese Nationalism}. 1997., p. 141.
relations with Beijing. The U.S. has not encouraged Taiwan to pursue *de jure* independence nor allowed the PRC to use force to unify Taiwan.\(^{76}\)

Since 1953 the U.S. has supported Taiwan in one capacity or another. During President Eisenhower’s first State of the Union address he “issued instructions that the Seventh Fleet no longer be employed to shield Communist China.”\(^{77}\) As the U.S. shied away from its containment of Communism, its policy towards Taiwan changed from an official “Mutual Defense Treaty” between the Republic of China (defined as Taiwan and the Pescadores)\(^{78}\) to the present day Taiwan Relations Act of 1979.

Because of the relationship between the U.S. and the ROC, there was discontent internationally. Some even felt that “the ROC’s precarious sovereign status, for an extended period following the outbreak of the Korean War, was sustained essentially by American hegemony. It was the U.S.-initiated international recognition, including membership of the U.N. and a seat on Security Council before 1971, that elongated KMT’s fictional sovereign claim until the end of 1979.”\(^{79}\) Whether this is true or not is for history to decide.

In the mean time, the U.S. was working on relationship with the PRC in China. In 1972 Nixon visited China, and the first joint communiqué was signed. The U.S. stated amongst other things that she 1) *acknowledges* that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China and 2) has in interest in a peaceful


settlement of the Taiwan question by the Chinese.\textsuperscript{80} This agreement started the normalization process between the U.S. and the PRC on China.

The second Communiqué signed in 1979 reiterated the agreed-to Shanghai Communiqué, but also included 1) the recognition of the PRC being the sole government of China and China’s recognition of the U.S. and 2) that the U.S. will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.\textsuperscript{81} The Deputy Secretary of State, Warren Christopher, unveiled the U.S. position and announced that “the U.S. intended to maintain in full force the existing treaties with one exception, the Mutual Defense Treaty.”\textsuperscript{82} However, the normalization process upset members of Congress; they felt President Carter had used executive authority without consulting the Congress on his foreign policy; and they were upset with the secretive way it was carried out.

In response, in 1979 the U.S. Congress then drafted and passed the Taiwan Relations Act. Congress worked the words to ensure it supported the administration, while at the same time reminded the executive branch that the Congress was responsible for foreign relations. “The Administration acknowledged the PRC position that Taiwan was part of China. Thus, the U.S. had not itself agreed with the PRC position, nor had the U.S. contested it. Neither the Administration bill nor the Senate committee bill tackled the extremely complex issue of Taiwan’s status under international law. For this bill, however, Taiwan was treated as a country for the purpose of domestic law, without regard to Taiwan’s international identity.”\textsuperscript{83}

\begin{footnotesize}
\textsuperscript{82}Lee, David Tawei. The Making of the Taiwan Relations Act. 2000., p. 19.
\textsuperscript{83}Ibid., p. 137.
\end{footnotesize}
However, due to the TRA, the U.S. policy towards Taiwan and China may seem ambiguous at best. “For the past 20 years, Washington has never given Taipei a clear military commitment to its security.” The TRA provides an option of strategic deterrence by legalizing this security provision as domestic law. This gives the U.S. a legal basis for helping to defend Taiwan, thus deterring any possible threat or invasion of the island, while allowing for necessary upgrades to Taiwan’s self-defense military capability to further deter any PRC aggression. The TRA’s language is ambiguous, but could still justify a security relationship with Taiwan and a major Congressional role in managing it.

After this act was passed, Beijing was displeased. They charged that “the TRA violates the terms of the Shanghai Communiqué and the Normalization Communiqué, both of which, the PRC claims, have the force of treaties under the terms of the 1969 Vienna Convention on Treaties.” Despite Beijing’s feelings, Congress wanted to ensure that they knew that “the TRA was a clear signal to Beijing and to the world that the U.S. hoped that the PRC would leave Taiwan alone.”

Despite these misgivings, the normalization process continued between the U.S. and the PRC. The question of arms sales had been deferred from the Second Joint Communiqué until a later time. In 1982 President Ronald Reagan and Premier Zhao Ziyang met and produced a third communiqué. The Chinese were not convinced that the U.S. should be selling weapons to Taiwan, but “finally ‘agreed to disagree’ on the continuous defensive weapon sales to Taiwan

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after normalization."89 The Third Joint Communiqués established that 1) the U.S. would not carry out a long term arms sales to Taiwan; 2) the U.S. will reduce its sales over time; and 3) that both sides agreed with the two original Joint Communiqués.90

Therefore the U.S. still agreed that there was only “One China,” and the U.S. was also involved in an ambiguous relationship with Taiwan due to the TRA. As late as 1999, the U.N. General Assembly also agreed on the “One China” policy. It was in September 1999 that “Britain, France and Spain affirmed, for the first time, a “one China” position in the steering committee.”91

The U.S. continued to walk a fine line between the PRC and Taiwan, however the House passed and President Clinton signed into law an amendment to the Immigration and Nationality Technical Corrections Act of 1993 allowing the ROC president and other high-level officials to visit the U.S. for discussion on trade, nuclear proliferation, national security, and other issues.92 This subsequently caused problems across the strait as discussed earlier. But it was the ambiguous language of the TRA that allowed President Clinton to send the ships to the Taiwan Strait during China’s “missile tests” in 1996; thereby reminding China not to flex its muscles too tightly.

President Clinton later solidified the change in U.S. policy when he spelled out in detail for the first time in public the official U.S. policy toward Taiwan. “We don’t support independence for Taiwan, or two Chinas, or one Taiwan one China. And we don’t believe that

91Sheng, Lijun. China and Taiwan. 2002., p. 35.
Taiwan should be a member in any organization for which statehood is a requirement.”93 This was a dramatic change from the 1972 acknowledgement of the two sides’ points of view to actually stating that the U.S. does not support an independent Taiwan, nor would we interfere to make Taiwan a sovereign state.

Beginning in 2000, the cross-strait relationship became more controversial. As Taiwan’s presidential election campaigns intensified during the final months of 2003, Chen Shui-bian proposed to hold two more referendums on the Election Day in March 2004 (one “defensive referendum” against China’s missile threat and another referendum to amend Taiwan’s constitution). Chen Shu-bian’s controversial efforts made the U.S. more concerned. Thus at a joint news conference with the visiting Chinese premier at the White House in December 2003, President George W. Bush bluntly stated that the U.S. opposed Taiwan’s attempt to unilaterally change the status quo of the Taiwan Strait.94 Having President Bush take such a clear stand was clearly a score on the Chinese side. He continued the policies of building relations with the PRC while maintaining support for Taiwan. However, with the Global War on Terrorism on the radar, the Taiwan and PRC issues have not been the focus of the Bush Administration.

The current rumors are that President Obama will maintain the same policy as Bush and Clinton. However, commenting on Taiwan’s President’s Ma’s election in May, he stated “the U.S. should respond by “rebuilding a relationship of trust and support” with democratic Taiwan. “The U.S. should reopen blocked channels of communication with Taiwan officials.”95 In addition, Richard Bush, an advisor to Obama’s security team understands that China and Taiwan

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peace will “occur through a gradual, step by step process.” The bottom line is that the U.S. has been using the TRA as its basis for policy and now understands that there is only one China, it does not support Taiwan independence; however it may support Taiwan under certain circumstances.

The U.S. reaffirms the One-China policy as defined by the three communiqués. The Taiwan Strait issue must be resolved peacefully by the two sides without interference from the U.S. The agreement must be mutually acceptable to both sides and not imposed by one side or the other. Finally, arms sales to Taiwan will continue to assist in providing a self-defense for Taiwan. The continued use of these principles can help ensure that the U.S. does not become a catalyst to the use of force by China to reunite Taiwan. However, the U.S. may need to consider if the sale of weapons to Taiwan is more beneficial or harmful. Because we are not as concerned about the Communist threat as we were in the 1950s, perhaps Taiwan is no longer a strategic interest for the U.S. Therefore the U.S. must work to not be a pawn to be used by either the PRC or by Taiwan as the issue of the Strait is resolved.

CHINA’S ALTERNATIVES

Status Quo

Currently, China could maintain its present policy of peaceful unification with its eye on a peaceful offensive. Beijing has launched a new round of peaceful offensives using the united front to widen its policy options. The two major targets are the opposition politicians and

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businessmen in Taiwan.\textsuperscript{98} Continuing to lure Taiwan businessmen to the mainland will help ensure a peaceful policy towards the mainland. Additionally, this option is least costly. As Beijing has used its “wait and see” policy while President Chen was presiding over Taiwan, it was able to build successes on the island with the competing party. Hence in May 2008 the KMT was restored to power as President Ma was elected. With this election comes a more open policy towards China with less talk of \textit{de jure} independence. Economic and business ties across the strait have flourished in contrast to the political stalemate.\textsuperscript{99} Building upon these economic and business ties will encourage the democratic Taiwanese. In addition, Taiwan and mainland China have developed a number of informal relationships since 1987 that include tourism, trade, investment, and cultural sports exchanges.\textsuperscript{100} The continuation of these relationships ensures the people of Taiwan will want to keep the status quo and that force will be unnecessary. Otherwise, if Taiwan develops economically too independently, it could show up the failure of the PRC’s past economic and political policies. This in turn inherently challenges the authority and prestige of the Chinese Communist Party.\textsuperscript{101} Maintaining the status quo has proven beneficial for China, Taiwan and the U.S. and time is on its side.

\textbf{Use of Force}

China has been maintaining its peaceful unification policy, but has never stepped away from using force as an option. For the last 30 years China has declared that they would use force if Taiwan sought support from foreign powers. They would use force if there were social

\textsuperscript{99}Ibid., p. 90.
disorder on Taiwan. This option was presumably tied to Chiang Kai-shek’s succession if the original Taiwanese wanted their island back. However, this particular event did not come to fruition, but yet still provides a “moral” reason for China to use force. Finally, China would use force if Taiwan declared independence. In their latest White Paper they also alluded that if Taiwan refused to negotiate indefinitely they had the right to settle by force.\textsuperscript{102}

However, the use of force is really not dependent on China’s intentions, but instead on Taiwan’s intentions and possibly the U.S.’s perceived “meddling.” China understands that a use of force becomes problematic. There is the potential the U.S. or other nations would be involved. To take Taiwan by force makes it more difficult for post-use of force peace. In addition, the use of force could devastate the island and disrupt the mutual economic benefits of a peace. Thus China is unlikely to use force; however it is not beyond using it to prevent further escalations. Therefore, though it may seem like an escalation, China has used minimal demonstrations of force as a means to prevent using force, and will so in the future if necessary. China’s logic is that they would have to wage a war against Taiwan if it declares independence; therefore military threats would reduce the likelihood of a declaration of independence; and so therefore military threats would make a war less likely.\textsuperscript{103}

However, China has been practical in its application of force so far. They would have the military might to do a surprise attack. Pragmatic leaders have never ignored the careful calculation of the costs of fighting a war that would contravene China’s long-term and fundamental goals of economic modernization.\textsuperscript{104} Therefore it would be in China’s best interest to not attack. In addition, the purpose of force is not to destroy Taiwan and slaughter innocent

\textsuperscript{103}Zhao, Suisheng. “China's Bottom Line and Incentives for a Peaceful Solution.” 2004., p. 94.
\textsuperscript{104}Ibid., p. 94.
people. Instead, it is to bend Taipei’s will to break away and bring it back to negotiation. Thus, any decision of using force would be an extremely difficult one.\textsuperscript{105}

If China did resort to force, however, it could do it under the ‘act of state’ doctrine. “Carried out within its own territory, it cannot be challenged in the courts of other states (not even if the acts are contrary to international law, according to the most extreme version of the doctrine).”\textsuperscript{106} Therefore China would use the TRA and all previous discussions between Taiwan and China that they are both a part of China. Hence it is an intra-state (civil) war and no other sovereign states, i.e., the U.S. should become involved. Though possible but unlikely, the right chain reaction could occur for China to use force.

**Soft Power**

China has another alternative to force, and that is a three point strategy. “The first is economic and social integration; the second is to establish a credible deterrence against attempts inside Taiwan to make a desperate run for independence; and the third is to hold the U.S. committed to the one-China policy.”\textsuperscript{107} All three components of this strategy can be considered using soft power.

China’s growing economy puts them in an excellent position to draw Taiwan businessmen to it. China is also working on its own economic modernization. Beijing realizes that economic modernization is more important than immediate reunification with Taiwan. The reunification should be a means to make China stronger, not to exhaust itself. For the near future, ruling out extreme situations such as a large-scale economic disaster or Chinese policy

making being overtaken by internal politics instead of rational strategic thinking, China will be unlikely to invade Taiwan.\textsuperscript{108} However, Taiwan in the past has been concerned; Lee Teng-shui hoped for a “go slow, be patient” policy. This was because there was “the possibility that Taiwan could become over-dependent on the booming PRC economy and thus be forced to make political concessions through economic pressures of some kind.\textsuperscript{109}

Currently, the economic ties with China are relatively strong. Taiwan’s number one trade partner is mainland China, with the cross-strait trade being a major component of Taiwan’s economic activity. The two are also complementary. Taiwan brings a large sum of capital and advanced production technologies to the table along with experienced Chinese-speaking managerial talent. This complements China’s cheap land, abundant food, raw materials and an enormous low-wage labor force.\textsuperscript{110}

The economic policy will keep encouraging Taiwan businessmen to invest on the mainland. At some point, when it is certain that Taiwan’s economy sufficiently vulnerable and that it poses a clear preponderance of military power, the mainland may simply give Taiwan the choice of capitulating to its demands for unification or face certain defeat. This strategy might be termed ‘waiting for the ripened fruit to fall.’\textsuperscript{111}

China’s involvement with putting pressure on Taiwan may have resulted in President Ma being elected, a turn away from a call for \textit{de jure} independence. Lee Teng-shui’s policies to try to differentiate the people of Taiwan as being a part of China, while the geographic separation is different opened up the door to potential issues. The idea that all people of Chinese descent

\footnotesize{\textsuperscript{108}Sheng, Lijun. China and Taiwan. 2002., p. 129.  
\textsuperscript{109}Hughes, Christopher. \textit{Taiwan and Chinese Nationalism}. 1997., p. 113.  
\textsuperscript{111}Dreyer, June Teufel. "China's Ability to Take Military Option and Its Calculations." 2004., p. 163.}
should have political rights in the ROC presents a number of practical problems for Taiwan. There is the theoretical possibility that a tacit recognition of dual nationality in ROC law (which allows any “Chinese” person to become a voter in Taiwan) could result in an unmanageably large overseas electorate outnumbering the population of Taiwan itself. This could even be manipulated by the PRC to interfere in Taiwan’s domestic affairs. China may be able to use this loop-hole to attract mainlanders to Taiwan to vote in the elections, or potentially run for office. It has not come to this yet, however China is providing influence on the elections, without using force. Using political leverage provided some back fire in 2004. Beijing verbally attacked Hsu Wen-lung, a prominent Taiwan businessman in China, hoping to scare pro-DPP business people. However, Hsu Wen-lung never pulled out of the mainland and many thought that it was counterproductive, knowing Beijing was making empty threats. The Taiwanese businessmen in China are actually an ally to the mainland. If China harasses them they begin to distrust the mainland. The more threats against Taiwan businessmen, the more likely Taiwan investors are to be driven elsewhere.

**Impact on U.S. Security**

The U.S. is the third factor in the triangular relationship between Taiwan and China. The rules of the game in a triangular relationship can be summarized as follows:

1. Each player will, maximally, try to have good relations with both other players or, minimally, try to avoid having hostile relations with both players
2. Each player will try to prevent close cooperation between the other two players

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Therefore any move that Taiwan or Beijing makes will affect the U.S. If Taiwan considers independence, it could cause China to use force. The TRA may impel the U.S. to support Taiwan, but it does not necessarily mean the U.S. must assist.

The U.S. must be concerned due to the massive buildup in the Chinese military. The U.S. doesn’t know the intention of China’s build up. It could be for a surprise attack on Taiwan or it could just be for defense. Another drawback is divining whether projected capability enhancements are earmarked for offensive or defensive purposes. Weapons procurement by one state can provoke alarm in another, triggering round after round of countermeasures by each side, even when both have defensive motives.\textsuperscript{115} However if we look closer, China worked hard to send signals to Taiwan to not work on independence, but has used as little force as possible to make that happen.

Not knowing the motives though is difficult for the U.S. One of the threats could be a nuclear issue since “China also possesses the world’s third largest nuclear deterrent force.”\textsuperscript{116} Therefore it is imperative that the U.S. work to embrace China when possible, and not use Taiwan as a pawn in the power struggle between Beijing and Washington.\textsuperscript{117} However, it is in the best interest of the U.S. to not keep Taiwan and China opposed as triangular strategy may suggest. In this particular instance, if Taiwan and China can come to an agreement that allows Taiwan’s democracy, prevents China from taking the island by force, and ensures that China does not feel it loses any geography, then the area can remain stable. However, if either side of

\textsuperscript{117}Zhao, Suisheng. "China's Bottom Line and Incentives for a Peaceful Solution." 2004., p. 93.
that triangle makes a move outward, it adds pressure to the U.S. to make a move as it had during
the last Taiwan Straits crisis in 1995.

Another pressure that Washington must look at is how the world or its allies will perceive
the U.S. If the U.S. does not abide by the TRA and does not assist Taiwan if it looks like China
may invade, then our other allies may feel that we will “cut and run.” Our international student
from Lebanon has already expressed that feeling that the U.S. left the “Lebanese to fend for
themselves.” If the U.S. could turn its back on a long-time ally because of mounting
involvement with the PRC, Israel might be so treated in the future due to mounting American
involvement with Arab countries.118 However, as the U.S. continues to build its relations with
China, a huge concession for China may be if we actually do reduce our arms sales to Taiwan.
The strategic significance of Taiwan is weaning and may be worth passing on as we strive to
build trust with China.

Recommendations:

Each move that Taiwan or China makes affects how the U.S. will have to react. The U.S.
will not be able to go to the U.N. for assistance since Taiwan is not a part of the U.N. nor is it
considered a recognized sovereignty. However, ideologically the U.S. may not be able to sit
back and do nothing. The best U.S. option is to maintain and build its relationship with China,
while encouraging them to work a peaceful unification with Taiwan. In order to build this
relationship, the U.S. should reduce its sale of weapons to Taiwan, as the Joint Communiqué
suggested, but only as long as China makes no show of force against Taiwan. Lastly, the U.S.
should encourage the two entities to discuss options available to themselves. The U.S in its new

administration is seeking closer cooperation with major powers, and needs to include China as it builds a U.S.-led regional and global security cooperation mechanism.\textsuperscript{119}

\textbf{Conclusion:}

The history between China and Taiwan is relatively short compared to China’s longer dynastic history. Time is on China’s side to bring Taiwan back under its umbrella. Over time the leadership changes in China, Taiwan and the U.S. have led to less reason to use force to regain it. The U.S. is no longer worried about containing a Communist threat, and understands its role in working with China to build a global security state. Taiwan is no longer trying to be the sole government of the mainland, and is therefore looking for survival. China is no longer impelled to “liberate” the island, instead it understands the symbiotic economic relationship with the people on Taiwan. As time continues, China’s best position is to continue its use of soft power and economic ties to bring Taiwan peacefully back under its wing. Taiwan’s best strategy is to allow the melding back to China, with the understanding that it can maintain its political system as Hong Kong and Macau have. Finally, the U.S. can start to wean itself from its commitment to Taiwan, instead it can foster a global security by continuing to build relations with China.

\textsuperscript{119}Sheng, Lijun. China and Taiwan. 2002., p. 128.
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