A MOMENT OF OPPORTUNITY IN THE TAIWAN STRAIT?

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Issue: How should a new administration manage its relations with Taiwan? Are adjustments needed in the U.S. policy framework for handling Taiwan-related matters? Can the status quo be sustained for an indefinite period and are there steps a new administration can take that would promote a peaceful resolution?

> "These principles of one China and peaceful resolution of the Taiwan question remain the core of our China policy. While our policy has been constant, the situation has not and cannot remain static. We support a continuing evolutionary process toward a peaceful resolution of the Taiwan issue. The pace, however, will be determined by the Chinese on either side of the Taiwan Strait, free of outside pressure.
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> "For our part, we have welcomed developments, including indirect trade and increasing human interchange, which have contributed to a relaxation of tensions in the Taiwan Strait. Our steadfast policy seeks to foster an environment in which such developments can continue to take place."
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> — *Secretary of State George P. Shultz, March 5, 1987, Shanghai, China. Then-Mayor Jiang Zemin, host.*

The Current Situation: The Possible Opportunity

A new administration assumed office in Taipei in May 2008, while a new administration comes into office in Washington in January 2009. In turn, both new administrations will have a Hu Jintao-Wen Jiabao regime early in its second term to deal with in Beijing. This particular conjunction of developments provides a moment of opportunity in cross-Strait relations that holds out the possibility of reducing cross-Strait conflict as a potential incendiary device in regional stability. The challenge facing the new U.S. administration is how to overcome the twin perceptions of either trying to build relations with Beijing at Taipei's expense, or vice versa. Strategically, this may provide the single-largest upside possibility in U.S. foreign policy for the new administration, in an admittedly dreary international landscape — which includes wars in Iraq and Afghanistan, shaky relations with Russia, volatile interactions with Iran, and a dismal U.S. global image. In his inaugural address, Taiwan's new president invited a change in thinking saying that, "what matters is not sovereignty but core values and way of life."

The opportunity for the stabilization of cross-Strait relations and therefore broader regional stability, a truly important strategic gain for the United States, arises from the fact that as of May 20, 2008, the people of Taiwan have a Kuomintang (KMT) government in control of the legislative and executive branches. This reduces the divided-government gridlock of the preceding eight years that effectively killed any possibility of significant forward motion. The post-May 20, 2008 government replaces a Democratic Progressive Party (DPP)-led administration that spent eight years conducting identity politics and hesitated to deepen cross-Strait economic and social interaction for fear it would constrain autonomy, and block ultimate independence.

As indicated by President Ma Ying-jeou's inauguration speech, the visit of KMT Chairman Wu Poh-hsiung to the mainland shortly thereafter, and the June agreement on direct charter flights; the new administration in Taipei has delicately subscribed to the so-called "1992 Consensus" that vaguely affirms a one China approach. The KMT and its leaders see Taiwan's economic welfare at stake in growing economic interaction with the mainland — reflected in talk and action with respect to increased direct trade and transportation, currency exchange, augmented tourism, and more investment across the Strait. In short, the new government in Taipei wants to improve cross-Strait relations and stabilize ties for a considerable period — moves profoundly in America's interests. This brings us to the mainland.

In Beijing, Hu Jintao's second-term administration represents an evolution from earlier policies of forceful "liberation" in the 1950s and 1960s, through the policy of "peaceful reunification, one country, two systems" (with the emphasis on reunification), to the current implicit, more modest, and more feasible objective of "no (de jure) independence" for the island. The mainland is as focused on its own staggering internal agenda as Washington is focused on its problems internationally (not to mention, domestically). Beijing wants and needs to stabilize the cross-Strait situation so it can focus inward on true regime threats. This is the underlying reason why President Hu Jintao, in his report to the 17th Party Congress of October 2007, expressed his hope to reach "a final end to the state of hostility between the two sides [of the Taiwan Strait], reach a peace agreement, construct a framework for peaceful development of cross-Straits relations, and thus usher in a new phase of peaceful development."

And in Washington, almost irrespective of which political party or individual wins the White House (and Congress) in the November

2008 elections, the United States will not be looking for tension or conflict in the Taiwan Strait. The United States will have to take account of its ever-growing strategic stakes in cooperating on transnational and proliferation issues with Beijing; while adjusting to the fact that China is America's fastest-growing major export market, a major U.S. creditor, and an engine of the world economy. Of course, there may be an after-wash of possible major weapons sale(s) to Taipei by the George W. Bush administration to deal with, as there may be some legacy of unhelpful campaign-trail rhetoric to overcome, but these developments are unlikely (in isolation) to fundamentally change the opportunities discussed here.

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The new administration in Washington should delicately, but vigorously, seize the above-mentioned alignment of stars in each capital to encourage and facilitate the long-term stabilization of cross-Strait relations — realizing that Beijing and Taipei have to take the initiative, that progress will take time, and that too assertive a role by Washington would likely be counterproductive. The lodestar for policy should be the one articulated by Secretary of State George P. Shultz in March 1987 — "Our steadfast policy seeks to foster an environment in which such developments can continue to take place."

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U.S. Interests?

The definition of "U.S. interests" is shaped by analysts' varied values and definitions of the situation — consequently, it is not always objectively obvious what is in "America's interests." Moreover, short and long-term interests may diverge. A China that is a responsible international stakeholder and has progressively more humane, law-based, and pluralistic governance is a China in which everyone can have more confidence. In some sense, what is in U.S. interests depends on the character of the future China.

With these caveats accepted, one can begin thinking about "U.S. interests" by considering the Taiwan Relations Acts of April 1979. In this U.S. law, core American interests were defined (by the U.S. Congress, agreed to by then-President Carter, and subsequently reaffirmed by five successive administrations) as follows: "to help maintain peace, security, and stability in the Western Pacific; and…the continuation of commercial, cultural, and other relations between the people of the United States and the people of Taiwan." Clearly, a long-term framework for cross-Strait peace — that stabilized the situation in the Strait and left

Taiwan free to deal with the rest of the world commercially, culturally, and otherwise — would meet this basic test.

U.S. credibility among friends and allies in the region and beyond increasingly requires that Washington show the capacity to manage the cross-Strait situation in a way that progressively reduces the dangers that they (U.S. allies) would be drawn into an unnecessary and counterproductive cross-Strait conflict. Increasingly, U.S. allies (Japan and the Republic of Korea most notably) find that China is their number-one export market; and they seek to balance their interests between Washington and Beijing, rather than blindly following Washington into a conflict in the Taiwan Strait, as Deputy Secretary of State Richard Armitage found out in 2001 when he traveled to Australia. Whereas in the Cold War "standing up to Beijing" is what it took to achieve credibility and unity of purpose with our allies, increasingly, the capacity to manage the relationship with Beijing in a productive fashion is what is required to be credible in the new era. The U.S. image in Asia would be enhanced if Washington could somehow contribute to a long-term stabilization of a situation that has been a major regional worry for nearly six decades. Australia and the Republic of Korea are only the two most obvious examples of allies who ardently wish not to choose between Beijing and Washington in the context of a Taiwan conflict.

Another take on U.S. interests simply requires one to look at the overall context — China is becoming economically and strategically more important to the United States at a considerable rate; no significant transnational problem (e.g., global warming, energy, proliferation, or global infectious diseases) can be handled without its cooperation. As the benefits of cooperation continually grow, the costs of a head-on collision grow as well. Increasingly, therefore,

without cross-Strait stability, Washington will find itself making ever-bigger commitments to offset China's growing strength – to defend relatively smaller and smaller interests in Taiwan – at the expense of strategically central cooperation with Beijing.

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And finally, the United States (in some sense like China) desperately needs to focus on its own internal tasks such as deficit reduction, rebuilding and expanding physical and human infrastructure, developing new energy sources, funding social security for a rapidly expanding group of retirees, improving education for K-12 students, and constraining health care costs to a tolerable percentage of gross domestic product (GDP).

Cumulatively, these interests require that the United States at least be supportive of both sides of the Taiwan Strait in their efforts to stabilize cross-Strait relations. The question is how to do so without sparking the anxieties of either or both sides of the Strait?

Recommendations and Conclusions: How (If At All) Can the U.S. Contribute to Long-Term Stabilization of the Strait?

As Secretary Shultz said more than 20 years ago with respect to cross-Strait tension reduction: "The pace, however, will be determined by the Chinese on either side of the Taiwan Strait, free of outside pressure." If I were to amend this in light of developments since 1987, it would be with respect to only the last clause. President Bill Clinton and George W. Bush's administrations forcefully enunciated American interests when Beijing or Taipei threatened to upset the status-quo in ways highly adverse to U.S. interests — the former president by sending aircraft carriers to the waters off Taiwan in 1996, and the latter by trying repeatedly to restrain then-Taiwan President Chen Shui-bian. The United States has interests and should not be shy about articulating them. But, as these two examples suggest, Washington needs to be careful that the mere acts of deterring or reassuring one of the cross-Strait parties do not fuel the counterproductive anxieties, or reckless behavior, of the other. The Clinton administration's efforts to reassure then-Taiwan President Lee Teng-hui by issuing him a visa to go to Cornell University in 1995 aroused destabilizing behavior from Beijing in 1995-96 (firing missiles); which in turn necessitated efforts to deter Beijing by sending carriers. These moves (and the early statements of President Bush) emboldened Chen Shui-bian to ignore Washington's equities, and those of the entire region in a variety of ways. Consequently, the administration of George W. Bush spent most of its two terms trying to limit the dangers presented by an emboldened Democratic Progressive Party (DPP) president.

One of the first actions a new administration should take is to articulate a framework for its overall China policy, which includes Taiwan. Such a framework would contribute to building a base of

public and congressional understanding in which the day-to-day frictions and opportunities with China can be placed within the larger perspective of tradeoffs, costs, and gains. With respect to Beijing and Taipei, such a framework creates added confidence that the new administration is not in an opportunistic, reactive mode. The administration of George W. Bush did not articulate a coherent, comprehensive presidential statement on China in its first seven years. The best, most comprehensive and forward-looking statement of that administration was given by then-Deputy Secretary of State Robert Zoellick in September 2005 — five years into the Bush presidency. The Zoellick statement represents a good starting point for the next U.S. administration. A key part of such a framework should be focusing U.S.-China relations on the strategic task of cooperatively addressing the huge spillovers from China's modernization and transnational problems.[1]

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Second, in the current circumstance, there is no reason to fiddle with any of the underlying major documents that have structured the U.S.-China relationship since the Shanghai Communiqué of February 1972 (including the Normalization Communiqué of December 1979, the August 1982 Communiqué on arms sales, and the April 1979 Taiwan Relations Act). But, it might be useful for the new president to make it clear early in his administration

that the United States sees no incompatibility between its own interests and ever closer mainland-Taiwan cooperation.

Third, Washington (including the administration of George W. Bush) should encourage Beijing to make some meaningful moves that will give Taiwan's new President, Ma Ying-jeou, some added capital with his own people. In his inaugural address, Ma took several steps forward by expressing a willingness to proceed with the People's Republic of China on the basis of the "1992 Consensus"; introducing a note of flexibility about the dead-end argument over sovereignty; expressing a willingness to move forward with the mainland on the basis of "no unification, no independence, and no use of force"; and moving away from Chen Shui-bian's efforts to de-sinify the island, by referring to the "common Chinese heritage" of both sides of the Strait. It will be much easier for President Ma to respond to a meaningful Chinese move.

One such move, for instance, would be to a find a way for Taiwan to meaningfully participate in the functional work of the World Health Assembly/Organization (WHO) in an appropriate status, subsequently proceeding to other organizations for which statehood is not a requirement. Such a gesture by Beijing, when added to movement already underway on cross-Strait transportation, tourism, investment, taxation, and foreign exchange, could give cross-Strait relations considerable momentum.

And finally, a new administration ought to remind Beijing and Taipei that U.S. security and weapons activities in the Taiwan Strait have always been tied to the cross-Strait threat and that a lower threat level would result in less need for U.S. security-related concern and actions, including weapons sales. In this vein, the George W. Bush administration never did explore Chinese President Jiang Zemin's intimation in Crawford, Texas, in October

2002 that U.S. restraint in arms sales might result in reduced numbers of missiles aimed in Taiwan's direction. In the context of a cross-Strait peace framework by Beijing and Taipei, such U.S.-China discussions would presumably be appropriate. In the meantime, to signal its cooperative intentions, Beijing should announce an indefinite "freeze" in new missile deployments, perhaps simultaneously asking for comparable restraint in Taiwan and elsewhere.

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[1] David M. Lampton, *The Three Faces of Chinese Power: Might, Money, and Minds* (Berkeley, CA: University of California Press, 2008).