

**Doubly Dualistic Dilemma:
U.S. Strategies towards China and Taiwan**

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This being an election year, the last thing the Bush Administration needs is another crisis on its hands. However, the current cross-Strait climate shows a great possibility for an escalation of tensions that, if the early warning signs are not heeded and acted upon, may lead to a military confrontation. In its relations with Taiwan and China, Washington has begun to implement separate strategies in order to simultaneously deter unilateral action while balancing out the rival political and military forces of each side. A standard strategy simply is not sufficient to maintain the status quo. One must give due attention to the fact that there are very different and, at times, conflicting political forces on both sides of the Taiwan Strait. Taiwan's recent election and the subsequent protests demonstrate the division of the island between those who wish to have closer relations with the mainland by not rocking the "Taiwan Independence" boat, and those who wish to see Taiwan's culture and nationalism grow separately from that of the mainland. In China, there is increasing evidence to suggest that there is a widening gap between the Chinese Communist Party and the more nationalist People's Liberation Army (PLA). U.S. policy has to mirror the duality of the cross-Strait arena by implementing dual balancing and deterrent strategies. It is also imperative that policy makers realize the complexity of the situation so as not to unwittingly provoke either side. This paper is an analysis of the emerging U.S. strategy of deterring both sides of the Taiwan Strait from taking unilateral action while maintaining a balance of military and political forces, and gives some suggestions as to the further development of this strategy.

Changes in U.S.-China Strategic Relations

In the early Bush Administration, there was a shift in policy from dual deterrence to deterrence of China alone. The policy toward Beijing was a mixture of conditioned engagement and security competition: the U.S. maintained its policy of economic and political engagement with China, while also taking a tougher stance on security issues, which included greater support for Taiwan defense. It is obvious that President Bush tried to increase support for Taiwan's security. He even made a precedent-breaking statement that the United States would do "whatever it takes" to defend Taiwan. No previous U.S. president had ever made a similar pronouncement. In the past, "strategic ambiguity" was regarded as the major security policy in dealing with the defense of Taiwan—demonstrating the U.S. military presence and readiness in the region but not clarifying whether or not the United States would indeed intervene in any cross-Strait military conflict. This is the major reason that President Bush approved a significant new package of arms sales to Taiwan and increased U.S. military contacts with Taiwan's military. Weapons sales and military coordination are crucial to enhancing Taiwan's self-defense capability and important to balancing the PLA's threat or use of force. However, it is also obvious that the Bush administration's arms sales to Taiwan and its defense coordination with Taiwan's military are intended neither to restore a military alliance between the U.S. and Taiwan governments, nor to provide an unconditional security commitment to defend Taiwan, but rather are meant to enhance Taiwan's self-defense capability and demonstrate credible deterrence against possible PLA military action. Administration officials avoided rhetorical formulations of policy that would either reassure or irritate Taipei. The U.S. also remained firm when Beijing complained about the shift in policy. The U.S.'s shift to single deterrence was done very deliberately.¹

¹ Robert Ross, "The Stability of Deterrence in the Taiwan Strait," *The National Interest*, Fall 2001, pp. 67-68.

After 9/11, the Sino-U.S. strategic relationship formed into a tri-level security arrangement involving international security cooperation, East Asia security cooperation and bilateral security relations. The Sino-U.S. security relationship entered a new era of cooperation in areas of international security issues, regional crisis and bilateral engagement.² The advent of the war against terrorism marked a turning point in Sino-U.S. relations. As it faces new security threats such as terrorism and the proliferation of WMD's, the U.S. needs cooperative and collaborative actions from the Beijing government.³ At the regional level, Beijing has played a major role in helping Washington in the North Korean nuclear stand-off. Beijing's geopolitical bargaining chips have increased as nations including the U.S., Japan and South Korea have turned to the Chinese leadership for help. Bilateral discussions about trade, human rights, weapons proliferation, and the Taiwan issue have also increased. As a result, Beijing and Washington have, so far, managed to deal with their differences in a pragmatic and flexible way.

Cooperation and collaborative action with the Beijing government is necessary for Washington as it confronts new security threats. Because of that need, balancing against the rising power of China will not be a high priority in U.S. security policy in the foreseeable future. The major reason for Beijing's change of strategic thinking is the need to maintain stable external relationships so that China can focus on internal economic development. For that reason, the Beijing government certainly wants to maintain cordial relations with great powers and friendly conditions in the region.⁴ The impact of 9/11 and the ongoing North Korean nuclear crisis have provided positive opportunities for Beijing and Washington to cooperate on international and regional security; a circumstance that has led to a temporary change in attitude toward bilateral security relations.

While the Sino-U.S. security relationship has entered a new era of cooperation, the PRC has become more and more integrated into Asia-Pacific's regional and international security and economic systems. This new situation has caused leaders in Beijing and Washington to recognize that it is important is most important not to question the other's policy intentions or address bilateral disputes on trade, human rights or the Taiwan issue, but to work together to combat common threats⁵. Therefore, in recognizing the value of engaging Beijing, Washington

² Philip Yang, "From Strategic Competitor to Security Collaborator? U.S.-China New Tri-Level Strategic Relations and Taiwan Security in a Post-9/11 World," *Issues and Studies*, Vol. 39 No.4, Dec. 2003, pp. 182-193.

³ Beijing pledged that China will "exercise strict control of the export of missiles and missile-related items and technologies." Beijing has also expressed its support of early entry into force of Comprehensive-Nuclear-Test Ban Treaty (CTBT), early negotiation and conclusion of a fissile material cut-off treaty, negotiation of the protocol to the Biological Weapons Convention (BWC), and the full implementation of the thirteen nuclear disarmament steps as contained in the Final Document of the 2000 NPT Review. See Li Genxin, "Recent Developments on the Arms Control Agenda and China's Position," paper delivered in the CSCAP 20th Meeting of the Working Group on CSBMs, Singapore, August 10-12, 2003.

⁴ Jia Qingguo, "Impact of 9.11 on Sino-U.S. Relations: A Preliminary Assessment," Brookings Institution, CNAPS Working Paper, July 2002, at http://www.brookings.edu/fp/cnaps/papers/2002_qingguo.htm

⁵ This happened before when Richard Nixon visited China in 1972 and reached a similar kind of shared perception with Beijing's leaders about the common threat from Moscow. Under the strong shared perception of common security threat, disagreements about political ideology and other issues could be bypassed by realistic decision-makers. Security cooperation between Beijing and Washington lasted until the end of the Cold War, when the common threat no longer existed and issues such as human rights and the rising power of China became the major worries in Washington. See David M. Lampton, "Small Mercies: China and America after 9/11," *The National Interest*, Winter 2001/2002, pp. 106-113.

wants to avoid making waves over the Taiwan issue.

U.S. Cross-Strait Policy Objectives

The United States has never wavered from its commitment to the one-China policy, and the premise of Washington's commitment to Taiwan's security is predicated on the premise that Taiwan does not provoke Beijing with independence. Since 1979, U.S. policy has sought to balance Washington's improved relations with China with its interest in protecting Taiwan from mainland's military intervention. This involves striking a complicated balance between U.S. agreements with China under the three Sino-U.S. Joint Communiqués and U.S. obligations to Taiwan under the Taiwan Relations Act.

The U.S. war against terrorism supplanted China as the primary strategic threat for Washington and expectations arose for Taiwan to assume more of the burden for its own security. The Bush administration asserted that the U.S. had not abandoned Taiwan, but, in February 2003, dissatisfaction over the amount of effort Taiwan was putting into its own security affairs led Richard Lawless, the Deputy Assistant Secretary of Defense for Asia and the Pacific, to warn that U.S. support could not "substitute for [Taiwan] investing the necessary resources in its own defense."⁶ President Chen Shui-bian's proposal in 2003 to hold a referendum in conjunction with the presidential election troubled the U.S. On the one hand it was felt that such a fundamentally democratic practice could not be opposed. On the other hand, the Bush administration did not support a deliberate challenge by Taipei to China's claims of sovereignty over Taiwan in the form of a vote on the question of Taiwan's admission to the World Health Organization (WHO). Then, on 28 September 2003, Chen announced his intention to craft a new constitution for Taiwan by 2006 that would make Taiwan a "normal, complete, great state." He proposed that this draft constitution would be approved by the people through a referendum and enacted in 2008 at the end of his second term. Discarding the 1947 constitution, including links between China and Taiwan, would mean a direct challenge to Beijing. Washington also found itself objecting to this proposal to draft a new constitution, and once again was angry that Chen had not consulted with it before announcing a confrontational new policy.

With regard to the defensive referendum issue, Washington is not amused with the many surprises sprung on it by Chen, and mutual trust has eroded as a result. Upon hearing about the proposed defensive referendum, Washington reminded Chen of his "Four-No's" pledge, including the "no" to a referendum on independence. Asked to comment on possible plans for a defensive referendum, U.S. State Department spokesman Richard Boucher said the United States opposed any attempt by either China or Taiwan to change the status quo in the Taiwan Strait. "We also urge both sides to refrain from actions or statements that increase tensions or make dialogue more difficult to achieve. Therefore we would be opposed to any referendum that would change Taiwan's status or move toward independence," he said.⁷

U.S. administration officials did their best to seek changes to this proposal by reiterating their well known position on the one-China policy. In December 2003, when it became evident that President Chen was taking no notice of any official statements on these matters, President Bush,

⁶ See Bonnie S. Glaser, "A Familiar Pattern: Cooperation with a Dash of Friction," *Comparative Connections*, Pacific Forum CSIS, Vol. 6, No. 1, April 2004.

⁷ "U.S. Urges Taiwan Leader to Drop Referendum Plan," *Reuters*, Dec. 2, 2003.

standing alongside Chinese Prime Minister Wen Jiabao in the Oval Office, told the press that unilateral actions by either China or Taiwan were unwelcome but “the comments and actions by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose.”⁸ Furthermore, Bush not only failed to correct Wen in his statement that Bush had said he opposed Taiwan independence, but nodded in agreement. It is very unusual for an American president to criticize a Taiwanese leader publicly while at the side of a Chinese leader.

Bush has, on occasion, praised democracy in Taiwan and announced his intention to do “whatever it takes” to defend Taiwan. The very same president tried to put a stop to Chen’s defensive referendum because he decided it was important to take China’s side, not just because of economic interests, but also because of ties that have been improving over the North Korean nuclear standoff and the war against terror. Bush also realizes that an unnecessary military conflict with China over Taiwan will not serve anyone’s interests. It is for these reasons that President Bush called on President Chen to exercise restraint and call off his controversial referendum scheme.⁹

Recently, at a hearing on Taiwan in the House International Relations Committee of the Congress, James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, reaffirmed the principles of the U.S.’s policy toward Taiwan. He said that “it is useful to reiterate the core principles of our policy:

- The United States remains committed to our one China policy based on the three Joint Communiqués and the Taiwan Relations Act;
- The U.S. does not support independence for Taiwan or unilateral moves that would change the status quo as we define it;
- For Beijing, this means no use of force or threat to use force against Taiwan. For Taipei, it means exercising prudence in managing all aspects of cross-Strait relations. For both sides, it means no statements or actions that would unilaterally alter Taiwan’s status;
- The U.S. will continue the sale of appropriate defensive military equipment to Taiwan in accordance with the Taiwan Relations Act; and
- Viewing the use of force against Taiwan with grave concern, we will maintain the capacity of the United States to resist any resort to force or other forms of coercion against Taiwan.

Our foremost concern is maintaining peace and stability in order to advance U.S. interests, spare the region the dangers of war, safeguard Taiwan’s democracy, and promote China’s constructive integration into the global community as well as the spread of personal freedom in China. Because the possibility of the United States to become involved in a cross-Strait conflict is very real, the President knows that American lives are potentially at risk. Our one-China policy

⁸ Dana Milbank and Glenn Kessler, “President Warns Taiwan On Independence Efforts,” *Washington Post*, Dec. 10, 2003, Page A01.

⁹ Philip Yang, “Defensive Referendum: A Case Study of Factors Determining Taiwan’s Security Policy,” paper presented at “The Military Balance and Decision Making across the Taiwan Strait” Conference, St Antony’s College, Oxford University, U.K., Feb. 27-8, 2004.

reflects our abiding commitment to preserve peace in the Taiwan Strait so long as there are irreconcilable differences.”¹⁰

Kelly prefaced his remarks on policy by observing that, as he had looked back over the past three decades, this U.S. policy had been the key to maintaining peace and stability in the western Pacific while helping to ensure Taiwan’s prosperity and security. He also said that, due to the leadership of seven U.S. Presidents and the active participation of the U.S. Congress, relations with both China and Taiwan – whether economic, political, cultural, or social -- are now far closer and deeper than most would have ever predicted. Equally important, he said, the one-China policy and the Taiwan Relations Act had made vital contributions to easing tensions between Taiwan and the PRC and had created an environment in which cross-Strait people-to-people exchanges and cross-Strait trade could flourish. This environment, it is hoped, will provide the necessary conditions for peaceful resolutions to cross-Strait differences.

The Cross-Strait Status Quo: Whose Definition?

It seems that Beijing, Taipei, and Washington all have agreed to maintain the status quo in the Taiwan Strait. The problem is that all three have different definitions and perceptions of the status quo. Beijing insists on the one-China principle, which states that Taiwan is part of China. Taiwan regards itself as an independent sovereign state and rejects any form of reunification with the current regime in Beijing. The United States wants to maintain a peaceful status quo and warns against any unilateral action that may alter the status quo. Furthermore, though the U.S. has a one-China policy, Washington insists that differences between the two sides of the Strait should be worked out peacefully.

China’s Static Status Quo

By politicizing the one-China principle Beijing has cut off any possibility for change in the cross-Strait status quo by grouping all cross-Strait issues together and limiting opportunities for Taiwan to participate in international affairs. This static definition of the status quo is used as a strategy of further containing and marginalizing Taiwan. Even after the SARS epidemic in early 2003 and amid fears of another major outbreak, Beijing still rejected the idea of giving Taiwan observer status at the WHO despite the fact that WHO membership is not exclusive to sovereign nations. This static definition of the status quo borders on a containment strategy aimed at reunifying Taiwan with the mainland. The legitimacy of the communist regime is intertwined with preventing Taiwan independence. The status quo Beijing wants is one where Taiwan remains as it is now but has to move as soon as possible towards reunification.

While achieving reunification on Beijing’s terms is the long-term goal, China’s short-term objective is to prevent Taiwan from moving toward independence. Currently, Beijing’s “Taiwan policy” consists of five parts: military leverage, influencing U.S. policy, economic integration, “united front” tactics of reaching out to the Taiwanese people and diplomatic isolation. Within the policy of military leverage, the PLA is acquiring military capabilities that would allow it to pose a credible threat to Taiwan and prevent Taipei from declaring *de jure* Taiwan independence. Of course, these military capabilities are also designed to deter, delay, or complicate any possible

¹⁰ Testimony at a hearing on Taiwan, House International Relations Committee, Washington DC, April 21, 2004.

U.S. involvement or intervention in potential cross-Strait conflict.¹¹ It is widely believed that the PLA has the ability to undertake short-term air, missile, and naval attacks against Taiwan but the effectiveness of such attacks would depend on Taiwan's self-defense capabilities and on the degree of involvement of the United States.

Another major factor to consider is the growing independence of the PLA and its influence on government policy. PLA soldiers are often described as ultra nationalists. As far as they are concerned, the Taiwan issue is an internal matter and any attempt by a foreign country to encourage Taiwanese independence is considered a threat to national security. While the military may not prefer to resort to war, it would feel compelled to do so due to the inefficacy of the government and the perceived threat to national security and stability. Nor is there any sign that Beijing is going to compromise on Taiwan. Despite some hopes that the new leadership under President Hu Jintao might be more flexible on Taiwan than its predecessors, Hu simply can not afford to appear to be weak on such a key issue.

In order to deter Taiwan's independence movement and maintain its definition of the status quo, Beijing has often resorted to coercive diplomacy. The latest example was the statement from agencies of China's Communist Party and the State Council, or Cabinet, denouncing President Chen as a man of 'bad faith' and threatening to 'firmly and thoroughly' crush any moves towards independence. The statement said that "[t]he Taiwan leaders have before them two roads: one is to pull back immediately from their dangerous lurch towards independence, recognizing that both sides of the Taiwan Straits belong to the one and same China and dedicating their efforts to closer cross-Straits relations. The other is to keep following their separatist agenda to cut Taiwan from the rest of China and, in the end, meet their own destruction by playing with fire. The Taiwan leaders must choose between such two roads. The Chinese people are not afraid of ghosts, nor will they be intimidated by brutal force. To the Chinese people, nothing is more important and more sacred than safeguarding the sovereignty and territorial integrity of their country. We will do our utmost with the maximum sincerity to strive for the prospect of peaceful reunification of the motherland. However, if Taiwan leaders should move recklessly to provoke major incidents of "Taiwan Independence", the Chinese people will crush their schemes firmly and thoroughly at any cost."¹² This statement reflects the rising frustration on the mainland and the view of many Chinese people that their government's policy towards Taiwan is too soft.

Taiwan's Dynamic Status Quo

The Taiwan government views itself as an independent, sovereign nation and is seeking to make that status irreversible. In fact, Taiwan itself can also be seen as a special type of non-status quo country, dissatisfied with the existing limits placed on it by the international community. A truly sovereign, independent, democratic, and economically vibrant country, Taiwan is nevertheless not recognized by a single country in East Asia. Yet Taiwan's self-identity and democratization grow stronger day by day, and Taiwan's government is stepping up efforts to enlarge the island's international role and increase its participation in international organizations. The United States and other countries feel that a free and democratic Taiwan should be able to accept the current arrangement, given the lack of alternatives presently available. Naturally, there are significant

¹¹ For the discussion of PLA's military capabilities, see *Chinese Military Power* (Washington D.C.: Council on Foreign Relations, 2003);

¹² "Curbing 'Taiwan Independence' Urgent Task," *Xinhuanet*, May 17, 2004.

differences in the degree and nature of demands made by Taiwan and other non-status quo countries. Still, East Asian countries should understand that the appropriate engagement of Taiwan and Taiwan's gradual integration are also necessary for improving the regional and international security situation.

In Taiwan, neither of the two dominant political parties truly wants to reunite with the mainland under its present condition. Even though President Chen Shui-bian won re-election by a very small margin, the opposition candidate still felt the need to offer such nationalist sentiments as kissing the ground and revoking his earlier statement of "one China, different definitions". These actions were obviously directed at gaining support from the pro-Taiwan voter. Since the heated election campaigns, Taiwan's society is more politically polarized than ever. The debacle in Taiwan over the election results has implications for future negotiations between Taipei and Beijing concerning reunification. First, there is a clear trend of rising Taiwanese nationalism as "de-Sinicization" takes hold on the island, emphasizing the need for more "cultural space." Second, Taiwan's domestic politics are being restructured. As the KMT declines in popularity, James Soong's People First Party radicalizes to the right and the Democratic Progressive Party surges forward as the "pro-Taiwan" party, but leans toward the left.

Domestic politics in Taiwan has become an independent factor influencing Taiwan's security policy. Taiwan is a young democracy, facing military threats from the mainland and lacking political recognition by most nations in the world. The Taiwanese public has a very complex and emotional perception of Taiwan politics and cross-Strait relationship. Professor Yun-han Chu rightly observes that cross-Strait policy is viewed by Taiwan's mainstream political elites as three things in one: "a policy instrument in a state-orchestrated nation-building process, a leverage point as well as a bargaining chip in conducting cross-Strait political interaction and negotiation, and a control valve that regulates the scope and speed of cross-Strait economic and cultural exchanges."¹³ This "perpetual dualism" -- i.e., the relationship based simultaneously on military threats and economic interdependence -- is a major source of conflict and power struggles within Taiwan's domestic politics.

While many government officials on the mainland and in the U.S. feel Taiwan President Chen Shui-bian's statement regarding the defensive referendum and the revision of the constitution simply make trouble for those wanting cross-Strait stability, the difficulty of his position should be understood. Chen has to respect the rise of the Taiwanese identity on the island, which is, to varying degrees, opposed to any form of reunification with the mainland. The Taiwanese identity movement most certainly accounts for Chen's re-election last March and, since he himself is an inseparable part of that movement, it would be impossible for him to ignore it at this point. At the same time, President Chen has to avoid upsetting Washington and Beijing with any perceived unilateral moves toward Taiwanese independence. In President Chen's mind, the only cross-Strait security threat comes from China's continued military build up along its eastern coast. Since Chen has insisted that Taiwan is already a sovereign, independent country, he need not take any additional moves to change that status quo. Beijing and Washington, however, still worry that Chen's version of the status quo means that Taiwan will remain as it is now, but is on its way to becoming totally and absolutely separated from China forever.

¹³ Yun-han Chu, "The Political Economy of Taiwan's Mainland Policy," in *Across the Taiwan Straits: Mainland China, Taiwan and the 1995-1996 Crisis*, ed. by Suicheng Zhao (New York: Routledge, 1999), pp. 163-195.

In fact, Chen's campaign for a new constitution is not all that unreasonable, since Taiwan badly needs extensive reform of its constitution to make the island more governable. The current constitution leaves unclear a host of basic questions, such as to whom the premier answers and how power should be divided between the president and the parliament. However, repairing political and legal problems in the constitution may not be Chen's entire motive in pushing for a new constitution. Chen has stressed—especially since Bush's rebuke—that he doesn't intend to change the status quo, and that in a second term he would stick to the "Five No's," a pledge from his first inaugural address not to declare formal independence. Still, Chen has also said repeatedly that Taiwan is already independent. The major determining factor regarding constitutional reform is Chen's true intentions, which remain a mystery. The major question is how far Chen can push his policy mission of strengthening Taiwan's independence and identity without damaging relations with the U.S. and provoking a conflict with the PRC.

Doubly Dualistic Strategies: Dual Balance and Dual Deterrence

In trying to determine the nature of the cross-Strait status quo itself, Washington has gradually come to believe that President Chen's own interpretation of that status quo is aimed at redefining the current situation. Chen is attempting to redefine the cross-Strait dynamic through the intermediary of the current description of the status quo. The assertion that "Taiwan is an independent sovereign nation" is used to establish a Taiwan national consensus, generate media coverage from the international press, and legitimize Taiwan sovereignty. This is like driving through a long tunnel, where no matter in which section of the tunnel you are, the status quo remains the same. Upon reaching the end of the tunnel, however, one finds the destination to have changed.

On the other hand, the United States does not support China's static definition of the status quo either. In politicizing the one-China principle Beijing has grouped all cross-Strait issues together, limiting opportunities for Taiwan to participate in international affairs. This static definition of the status quo is used as a strategy of further containing and marginalizing Taiwan. If Taiwan's "tunnel" strategy and China's "cut off" strategy are both pursued, then a dangerous situation will be created. If this happens, the dynamic and static manipulations of the status quo will be in conflict, setting the stage for major instability in the region.

Therefore, in maintaining the current status of cross-Strait relations, the U.S. has adopted a clear dual strategic policy of balance and deterrence. One aspect of playing the part of balancer is maintaining a military balance between the two sides through arms sales to Taiwan and strengthening the island's defenses. Another aspect is the political balancing act. Engaging in diplomacy with Taipei and Beijing expresses a strong resolve to uphold cross-Strait peace. As for the deterrence strategy, America's dual role is also clearly conveyed to both sides of the strait in that it opposes any unilateral action to change the status quo. Any such action would warrant a political or possibly military response. Therefore, other than its standpoint of "no military action by China, no Taiwanese independence," Washington's policy actually consists of preventing either side from defining or legalizing the status quo. Taking things too far or harboring different intentions will only serve to foster misunderstanding.

Dual Balance: Military and Political Balance

Since 1979, U.S. policy has sought to balance Washington's improved relations with China with its interest in protecting Taiwan from any mainland military action. This involved striking a complicated balance between U.S. agreements with China under the three Sino-U.S. Joint Communiqués and U.S. obligations to Taiwan under the Taiwan Relations Act. For U.S. policy toward China, the U.S. has combined promises not to support Taiwan independence and to limit arms sales to the island, while threatening to intervene on Taiwan's behalf if China launched an unprovoked attack. Regarding Taiwan, the U.S. has combined its promises to aid in Taiwan's self-defense coupled with veiled but implicit threats to reconsider security and diplomatic support if Taiwan attempts to alter the status quo unilaterally.

In the current U.S.-led Asia-Pacific security environment, "peace" and "self-defense" are two basic principles of cross-Strait relations and Taiwan security. Key to the idea of peace is the maintenance of the status quo. Thus, a peaceful resolution is nothing more than a policy of expectation; nevertheless, maintaining the peace and security of the status quo is still important. Meanwhile, self-defense is a circumstantial principle in response to China's continual threat to use military force to resolve the so-called "Taiwan problem." By providing sufficient weaponry to Taiwan on one hand and not ruling out the possibility that the United States might send troops to defend the island on the other, Washington achieves its fundamental goal of providing a deterrent measure against Chinese military action.

The military threat that the PRC poses has been Taiwan's foremost, if not the only, security threat. Taiwan's security policies, understandably, are mostly framed in the context of cross-Strait confrontation, specifically the military threat from China and the volatility of cross-Straits relations. This can explain why President Chen Shui-bian and his administration, preoccupied with cross-Strait military imbalance and the missile threat, proposed to hold a defensive referendum against China's missile deployment and the threat of possible military intervention.

Dynamic equilibrium in the military balance of power across the Taiwan Strait may be shifting toward the PRC.¹⁴ The focus of the military balance between Taiwan and mainland China has shifted from quantity to quality in the past several years. With the PLA's modernization program, the military strength of the PLA is likely to surpass that of Taiwan in the next several years. The PLA's modernization program is focused on "exploiting vulnerabilities in Taiwan's national and operation level command and control system, its integrated air defense system, and its reliance on sea lines of communication."¹⁵ As stated in the Pentagon's PLA report, "China has embarked upon a force modernization program intended to diversify its options for the use of force against potential targets such as Taiwan, the South China Sea and border defense, and to complicate United States' intervention in a Taiwan Strait conflict."¹⁶

As to Taiwan's military equipment and capabilities, U.S. arms sales to Taiwan have been the major source for Taiwan to upgrade its military equipment and to maintain its qualitative edge.

¹⁴ David Shambaugh, "A Matter of Time: Taiwan's Eroding Military Advantage," *The Washington Quarterly* (Spring 2000), pp. 119-121.

¹⁵ Peter Brooks, "The Challenges and Imperatives in Taiwan's Defense," *Heritage Lectures*, No. 775, January 9, 2003.

¹⁶ *Annual Report on the Military Power of the People's Republic of China*, U.S. Department of Defense, July 30, 2003, at <http://www.defenselink.mil/pubs/20030730chinaex.pdf>

By selling some long-needed weapons to Taiwan, the U.S. demonstrated to both Beijing and Taipei that Washington has great interest in maintaining the peaceful status quo across the Taiwan Strait. By maintaining military parity in the Taiwan Strait, it should be possible to create the necessary political and psychological climate, and the necessary trust for cross-Strait dialogue and the maintenance of peace. The policies adopted by the U.S. and its arms sales to Taiwan, therefore, constitute a strategic deterrent strategy aimed at maintaining Taiwan's defensive capabilities and the balance of military power between Taiwan and mainland China.

On the other hand, as the report of the Council on Foreign Relations on Chinese military power points out, "Taiwan is fundamentally a political issue, and any effective strategy must coordinate military measures designed to deter with diplomatic efforts to reassure both China and Taiwan credibly that their worst fears will not materialize."¹⁷ This means that the United States should express its desire for peace and security in the region by providing Taiwan with sufficient defensive weaponry to maintain a military balance. As to the U.S. policy toward China, the report suggests that Washington should maintain the ability and willingness to counter any unprovoked military attack against Taiwan, and Washington should also stick to the principle of "not supporting" Taiwan independence.

Judging from Washington's series of policy readjustments toward Taiwan, the Bush administration is the most "pro-Taiwan" administration since the United States broke off relations with Taipei and recognized Beijing in 1979. However, by publicly opposing Chen's defensive referendum, Bush has apparently tried to initiate pre-emptive measures before the situation gets out of hand. Washington's follow-up strategies of sending envoys to Beijing to calm its leadership and question Chen's motives behind the plan, however, fell short of stopping Chen from holding the referendum. The Bush administration now stands in danger of losing credibility with both Taipei and Beijing¹⁸. Intensive consultations are taking place only between Washington and Beijing, with Washington displaying a heightened sensitivity to Beijing's concerns. The U.S. has also dispatched one emissary after another to calm Beijing leaders exploring their possible plans and warn against unilateral action other than peaceful means to settle the dispute.

Therefore, Washington's role in cross-Strait and Taiwan security issues has expanded from the traditional military balancer to a new role of political balancer. In the case of the defensive referendum, the Bush administration expressed its concerns to Beijing and Taipei that Washington opposes any unilateral change to the peaceful status quo. While publicly questioning Taiwan's motivation in holding the defensive referendum, Washington also warned Beijing not to unilaterally use force across the Taiwan Strait. However, in fostering peace and democracy in the region, the U.S. quelled the passion of the pro-independence movement so as to not provoke Beijing. The U.S. must simultaneously reassure Taiwan that democracy on the island will be safeguarded.

Dual Deterrence: Deterrence against Unilateral Action from Beijing or Taipei

U.S. attempts at dual deterrence in the cross-Strait arena usually focus on the concept of "strategic ambiguity." The essence of that concept is that the United States does not explicitly

¹⁷ See *Chinese Military Power* (Washington D.C.: Council on Foreign Relations, 2003), p. 26.

¹⁸ Kenneth Lieberthal, "Dire Strait: The Risks on Taiwan," *Washington Post*, Jan. 8, 2004.

state whether it will come to Taiwan's defense in the event of an attack by the PRC. The resulting uncertainty about U.S. intentions shapes the intentions of the other two actors. This uncertainty constrains China from initiating an unprovoked attack on Taiwan and constrains Taiwan from making any provocative statements that would instigate a military response from Beijing. A variation of this concept is to say that the United States has a policy of strategic clarity and tactical ambiguity. In other words, America's goal is peace and stability but it will not define in advance the precise steps it will take in order to achieve that objective. However, this is simply a linguistic reformulation that does not solve the policy problem.

Under the strategy of dual deterrence, Washington always tries to remind both Taiwan and China that peace is the key U.S. interest in the Strait and the region. Therefore, Taiwan cannot assume that the U.S. will defend it under any and all circumstances, nor can China assume that the U.S. will not be involved should it decide to attack Taiwan. As Richard Bush points out, what the policy of dual deterrence "seeks to constrain *vis-à-vis* Taipei are political initiatives that provoke Beijing to the point that the latter concludes that it must use force to block a separatist trend. What it seeks to constrain *vis-à-vis* Beijing is military coercion against Taiwan, either as a response to Taiwan's political initiatives or because it loses patience in the quest for unification."¹⁹ Furthermore, in exercising the dual deterrence strategy toward cross-Strait relations, Washington has to be careful that either side not misunderstand or misperceive its real intentions. That is, "In constraining Taiwan politically, Washington must try to do so in a way that does not lead Taipei to feel it is being abandoned. In constraining Beijing militarily, it must do so with sufficient credibility that Beijing is deterred but not so robustly that China concludes that Washington has adopted a fundamentally hostile policy."²⁰

Regarding U.S. policy toward China, the U.S. has combined promises not to support Taiwan independence and to limit arms sales to Taiwan while threatening the possibility that it will intervene on Taiwan's behalf if China launches an unprovoked attack. As for Taiwan, the U.S. has combined promises to aid in Taiwan's self-defense capabilities, coupled with veiled but implicit threats to reconsider security and diplomatic support for Taiwan if Taipei moves to unilaterally alter the status quo. When U.S. Undersecretary of State James Kelly testified before the U.S. Congress about Washington's concern that any moves by Taiwan toward independence could cause American efforts at deterring Chinese coercion to fail and bring disastrous consequences,²¹ he pointed to Taiwan President Chen Shui-bian's often stated "Taiwan is an independent sovereign nation" version of the status quo, and declared that such statements were merely political rhetoric and that the United States would not endorse them. China's buildup and its threat to use force "are uncomfortable realities, yet they are facts with which we must grapple," Kelly told lawmakers. "As Taiwan proceeds with efforts to deepen democracy, we will speak clearly and bluntly if we feel as though those efforts carry the potential to adversely impact U.S. security interests or have the potential to undermine Taiwan's own security."²² Because Chen once again proposed a time frame for establishing a constitution, and Beijing subsequently called it a time frame for Taiwan independence, America needed to firmly warn

¹⁹ Richard Bush, "The Ordeal of Dual Deterrence: the United States between Taiwan and China," paper presented at "The Military Balance and Decision Making across the Taiwan Strait" Conference, St Antony's College, Oxford University, U.K., Feb. 27-8, 2004.

²⁰ Ibid.

²¹ House International Relations Committee Hearing on Taiwan, Statement of Assistant Secretary of State James Kelly, April 21, 2004

²² Glenn Kessler, "U.S. Cautions Taiwan on Independence," *Washington Post*, Apr. 22, 2004; Page A22.

against any unilateral changes to the status quo. With tensions running high across the Taiwan Strait, the Bush administration has already put pressure on Chen to avoid provoking China's communist leadership and to map out a realistic plan for improving relations with Beijing.

In recent days, Chinese Premier Wen Jiabao announced that he will consider a proposal enacting a "reunification law" that would legally bind Chinese leaders to their pledge to order the 2.5-million-strong PLA to attack Taiwan if it formally declares statehood. A law that mandates eventual reunification, analysts said, was necessary in the face of growing calls for Taiwan independence, as well as President Chen's plans to hold a referendum on a new constitution in 2006 and adopt it in 2008. Beijing has already stated that it views the constitutional referendum as a timetable for Taiwan independence; the question now is, whether or not the Chinese premier's statement will be viewed by Taiwan as a timetable for reunification. Such a reunification law, if passed, would raise fears of an attack by Beijing on the island, and might very well increase support for Taiwan's pro-independence movement, as it did during the 1996 missile crisis. With both sides interpreting the other's actions as provocative and with so little trust between them, it will be difficult to achieve a peaceful resolution to the crisis without a strong deterrent role or hands-on approach by the United States.²³

Conclusion

The Taiwan issue is an example of contemporary dilemmas on several levels. First, Taiwan-China relations crystallize two political tensions that will shape the future of Taiwan the most: those of globalization vs. nationalism and those of geopolitics vs. geo-economics. Second, China's approach to resolving the Taiwan issue will indicate whether the emerging modern China is a status quo power or a revisionist state.²⁴ In its relations with Taiwan and China, Washington has begun to implement separate dual strategies in order to simultaneously deter unilateral action and balance the rival political and military forces of each side. The unique role taken by the United States requires continued dual balancing and deterrence initiatives. The way to maintain peace is for Washington to prevent both sides from taking unilateral steps toward its goals, which would naturally provoke the other side, while at the same time keeping its role as an impartial moderator between the two. As long as the U.S. is seen as being beneficial to resolving the cross-strait dilemma, the possibility for peace remains. The U.S. can do this by acting in its dual roles, wherein it can stay impartial, and by fostering peace and cooperation in the region.

²³ Bonnie S Glaser, "U.S. Hands-On Management of Cross-Strait Tension," Pacific Forum CSIS, May 2004.

²⁴ Robert A. Manning, "Taiwan and the Future of Asian Security," *Politique Internationale*, Summer 2000, at <http://taiwansecurity.org/IS/Manning-0700.htm>.