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FORMER AIT HEAD BULLISH ON U.S.-TAIWAN TIES

Interview with

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by

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*Richard Bush, the former chairman of the board and managing director of the American Institute in Taiwan, is now director of the Center for Northeast Asian Policy Studies and a senior fellow in Foreign Policy Studies at the Brookings Institution. Free-lance correspondent Shih Ying-ying sat down in late July with Bush to get his take on recent events in Taiwan and how he sees them affecting trilateral relation*s.

Taiwan Journal: Many important events have happened within the past few months in terms of cross-strait relations, such as the cessation of the National Unification Council, opposition Kuomintang Chairman Ma Ying-jeou's visit to the United States, PRC President Hu Jintao's meeting with U.S. President George W. BUSH as well as the U.S.-Taiwan spat over President Chen Shui-bian's transit stop in the United States. How have these events influenced the development of relations between Taiwan, the United States and China?

BUSH: These events may not have been initiated to have an impact on U.S.-Taiwan relations, but they may have had side impact on U.S.-Taiwan relations. The cessation of the National Unification Council certainly did have an impact because the U.S. believe that this was part of a package of commitments that President Chen made in his 2000 inaugural speech and which he reiterated in 2004. They were the commitments to the people of Taiwan, to China, and to the international community, and they are very important to the maintenance of peace in the Taiwan Strait.

People in Taiwan know very clearly that the NUC episode led to very intense discussions between Washington and Taipei. It also led to concern in Beijing about what might happen next: If this commitment was withdrawn, then what could happen to the rest? As for Ma Ying-jeou's visit to the U.S., Ma spoke here at the Brookings Institute among other places. His speeches, I believe, were intended to signal that the KMT and he personally had an approach to cross-strait relations, to regional stability and to U.S.-Taiwan relations which is moderate and responsible. In general, I think the message was well received.

On the other hand, questions were also asked by Ma's American interlocutors about the difficulties that have arisen as to passing the special budgets for various weapon system and the responsibility of the pan-blue parties for those difficulties. So the visit was not a total success.

As for Hu Jintao's visit to the U.S., Taiwan is definitely one of the issues that Hu wanted to raise. It's my impression that Beijing was satisfied with that discussion. But I also had the impression that President BUSH did not say anything that was new about our policy toward Taiwan. Neither did he say anything that would in any way undermine Taiwan's interests.

As for the transit stop controversy, I believe President Chen had his own reasons for adopting another itinerary. What's important are the subsequent developments in U.S.-Taiwan relations that are much more positive. In his meeting with the AIT Chairman Raymond Burghardt on June 8, Chen reaffirmed the "four noes" from his 2000 and 2004

inaugural addresses, which was immediately welcomed by the U.S. I hope that this is a part of a sustained pattern of words and actions that will restore Taiwan-U.S. relations to a relationship of converging goals and good communication.

Q: The Taiwan Strait has long been regarded as a flashpoint in the Asia-Pacific region and the Taiwan Relations Act also stipulates that the United States should assist with Taiwan's self-defense. How do you think the strategic significance of Taiwan to the United States has evolved over the years?

A: Taiwan is certainly strategically important. The U.S. has learned over the past decade that if the Taiwan Strait issue is not managed in a proper way, it can be a source of instability. That was the lesson of the events in 1995 and '96. Up to that point, American policymakers had somehow believed that the issue would work itself out. After the crisis in '96, we realized that we cannot take peace for granted. The U.S. has to take a more proactive role if we want to maintain peace.

We do have a commitment for Taiwan's defense. But the most important thing is that we conduct diplomacy so situations never happen that we have to act on that commitment. U.S., Taiwan and China have too much to lose by war. U.S., Taiwan and China's economies are too interdependent on each other for there to be a conflict. Realizing that China does pose a military threat to Taiwan and that China is sometimes suspicious about political initiatives that emerge from Taiwan, it is therefore important for leaders from all three sides of the strait to work very hard to ensure that stability and peace are maintained. I believe that communication is very important in this process. China, I believe, is not taking a very constructive approach because it has refused to talk to the Chen government unless the Chen government accepts their "one China" principle. Communication between U.S. and Taiwan has been good at some times but not so good at others, whereas Beijing-Washington communication has been uneven. It is important to make sure that our goals are convergent and emphasize that peace and stability should be maintained.

Q: Under what circumstances do you see Taiwan and China resuming talks like the Koo-Wang talks of 1993?

A: Usually the standards for trade and economics are not so high. For example, the talks on charter flights in early June followed the so-called Macau model, which is a creative device allowing appropriate government officials to talk under the umbrella of private organizations. This demonstrates the creativity and pragmatism of both sides in terms of advancing their economic interests.

Political issues are more complicated. For there to be talks on political issues, China has said that the Chen government must allay Beijing's mistrust by accepting some version of the "one China" principle. My position has always been that the Taiwan side has reason to mistrust China's intentions, and it is precisely because of the mutual distrust that the two sides should talk. Perhaps you can reduce mistrust by talking in spite of an environment of mutual distrust.

There has seemed to be no way out of the current situation if Beijing sets preconditions for political dialogue. Unfortunately, it seems that it is waiting for a new government in Taipei. I think this is an unfortunate approach.

Q: Former Deputy Secretary of State Robert Zoellick has expressed hope for China to become a responsible stakeholder in international affairs. Do you think this indicates any changes of U.S. attitudes toward a rising China?

A: Mr. Zoellick's concept has a long history in U.S. foreign policy. It goes back to Franklin Roosevelt's vision in the Second World War, which held that great powers like the U.S., Soviet Union, the U.K., and the ROC should work together after the war to keep the peace. The idea is that the best way to preserve peace and stability is for the great powers to exercise extra responsibility because they have so much to lose in instability and chaos.

It remains to be seen if China is willing to take on this kind of responsibility today because this would require Beijing to subordinate its narrow national interests. It also remains to be seen whether the U.S. is willing to allow China to help write the rules of the international system. China understandably would ask why it should help America maintain the international system that it created. If China is allowed a role in writing the rules of the game, then it might consider joining the U.S. to help to maintain the system but it won't do it on a second-class basis.

But generally, the proposition for China to become a responsible stakeholder is a very positive vision, one that is very appealing to China. I think a China that takes on such responsibility on a global and regional level is a China that is more liable to adopt creative approaches to the Taiwan issue.

One problem with this vision is that the U.S. is simultaneously taking another approach to China. The U.S. is anxious about China's military buildup and about what it means to the security of Taiwan and other friends of the U.S. This stance can be seen clearly in the recent Pentagon report on Chinese military power.

If you are a Chinese military leader, you might be a bit puzzled and ask which is the true U.S. policy: responsible stakeholder or the picture of China in the Quadrennial Defense Review issued by Defense Secretary Donald Rumsfeld?

The reality is the U.S. is not sure what kind of great power China is going to be. The great challenge for the U.S. is to shape China's direction so that it has greater incentives to head in the direction of being a responsible stakeholder rather than feeling the need to base its great power status on military might.
The challenge for leaders on both sides is to maintain a proper balance between the two aspects--they should emphasize the positive engagement sides and de-emphasize the military sides.

Q: Taiwan has been seeking to sign a free trade agreement with the U.S. Do you think the inking of an FTA will benefit the trilateral relations between Taiwan, the United States and China?

A: In Chinese eyes, a U.S.-Taiwan FTA would be a political problem rather than a benefit because they are liable to believe that it is elevating Taiwan into a sovereign entity. A core element of China policy is to deny Taiwan such a status.

One important part of moving forward with the U.S.-Taiwan FTA would be for Washington to tell China that the rules of the WTO allow the U.S. to conclude FTAs with special customs territories, which Taiwan is, and that for the U.S. to conclude an FTA with Taiwan is not to make a sovereignty statement.

Q: What is your take on the special budget for military procurement that has been stalled in the Legislative Yuan due to opposition boycott? Do you think there is a necessity for the military procurement?

A: The economies of Taiwan and China are interdependent. This is a reality. But another reality is that China is building up its military power in fairly significant and impressive ways. The focus in this military buildup is Taiwan. The way China is training and organizing itself has a clear Taiwan focus. It is preparing not only to attack Taiwan should circumstances require it, but also to block the U.S. from entering the fight. It is clear what China is preparing for, and Taiwan should have no illusions about that. Taiwan needs a certain level of military strength both to deter an attack and to defend the island if deterrence fails. Moreover, if it is possible for there to be negotiations with Beijing, it's better to negotiate from a position with strength. I agree with the administration that Taiwan needs to devote more of its budget resources to building up its military capabilities in general. By having the ability to defend the island, you make an attack less likely. And you give the U.S. more time to come to Taiwan's defense if the U.S. decides to do so.

Q: Do you think the recent spate of political scandals involving Taiwan's first family and President Chen Shui-bian's aides will have any influence on U.S.-Taiwan relations?

A: I don't think it has had an effect. As a matter of principle, the U.S. does not get involved in domestic political contexts in any countries. What we are really concerned about is the policies and whether the policies will converge with the interests of the U.S. or not. Who is in power and who is not is going to be regulated by the constitutional and legal framework of that country.