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THE CONDUCT OF U.S.-TAIWAN RELATIONS
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Maintaining a solid, cooperative relationship between the United States and Taipei serves the interests of both sides. For Taiwan, the relationship is one of life and death importance. Access to American markets is crucial to Taiwan's economic development. Taipei also needs Washington's constant support and reassurance to counter the threat of military action by the People's Republic of China. Although Taiwan's perceived strategic value varies from one U.S. Administration to another, Washington's relationship with the island is widely regarded as part of a litmus test of America's security commitment to the East Asian region and its role as a champion of democracy throughout the world.

It is fair to say that without the constant presence of the United States since 1949, the history of the Republic of China (on Taiwan) would probably have taken a very different and much less desirable path. The Truman Administration decided to abandon the Nationalist government in the late 1940s, which partially contributed to the Kuomintang's (KMT, or Nationalist Party) losing the civil war to the Chinese Communist Party (CCP). The outbreak of the Korean War in 1950 prompted President Truman to make an about-face in his policy toward the Chiang Kai-shek government, which by that time had fled to Taiwan. The renewed relationship ensured Taiwan's security, put a cap on the Nationalists' desire to retake the Mainland, and jump-started Taiwan's economic development. Then in the 1970s, the inevitable came in the forms of the "one China" policy, two joint U.S.-PRC communiqués, and finally the normalization of relations between Washington and Beijing in 1979. The U.S. Congress passed the Taiwan Relations Act (TRA) to govern unofficial U.S.-Taiwan relations. The TRA ensured Taiwan's security, while adopting a hands-off approach to Taiwan's internal politics. The role the United States has played since, among other internal and external factors, contributed to the development of a vibrant economy, and the emergence from the late 1980s of a fledgling democracy in Taiwan. The critical role that Washington played in Taiwan's post war success can hardly be downplayed.

However, the task of maintaining the relationship in a mutually beneficial fashion has become increasingly difficult. Since the 1990s, the leadership in Taipei has actively nurtured a distinct Taiwan identity and is more willing to influence the American political system to serve its perceived interests. Mainland China, a rapidly rising regional economic and military power, perceives Taiwan as slowly but surely drifting away, and is becoming increasingly resolute in its belief that military force may be necessary to resolve the Taiwan issue. The United States, the ultimate balancer and an advocate of peace and stability in the region, finds it increasingly challenging to maintain the status quo. The foundation of a stable, mutually acceptable, and manageable Sino-U.S.-Taiwan trilateral relationship is slowly eroding.

This essay focuses primarily on Taiwan's diplomacy toward Washington since the peaceful transfer of political power on the island in 2000. It also touches upon the United States' policies and practices toward Taiwan, particularly those of the Bush Administration. Finally, it identifies patterns and pitfalls in the process and searches for more effective and efficient ways to manage future U.S.-Taiwan relations, hopefully resulting in a more desirable state of affairs between China, the U.S., and Taiwan.

The Clinton Era

The Clinton Administration's policy toward Taipei and Beijing changed little from previous

Administrations. But this does not mean that the Administration handled this sensitive issue well.

Top-level Clinton Administration officials did not approach the cross-Strait issue from a strategic perspective. Rather, they dealt with issues as they came along, much to the dismay of both Taipei and Beijing. Even though Washington's "one China" policy has been in practice for two decades and has been embraced and adhered to by successive Administrations to good effect, the policy does need to be updated periodically in order to stay current and relevant. By the time Bill Clinton became President in 1993, the terms of the triangular relationship had changed dramatically due to Taiwan's successful democratization. The new Administration's task was to accommodate the impulses of Taiwan's emerging democracy with the longstanding American interest in peace and stability.

By the 1990s, Taiwan's fledgling democracy had become quite vibrant. As a result, the Democratic Progressive Party (DPP), at that time the opposition party, and President Lee Teng-hui of the KMT made fighting for more international space for Taiwan a high priority. These efforts in turn were embraced by the public. But the U.S. State Department humiliated President Lee in the spring of 1994 by severely restricting his freedom of movement during a refueling transit in Hawaii. After this unfortunate incident, the Clinton Administration revised its policy by establishing guidelines governing the transit of high-ranking Taiwan officials in the U.S. After the Clinton Administration adopted its new transit policy, Taiwan's senior leaders could enter the United States for the first time since normalization between the U.S. and the PRC in 1979. But the premise and style with which Washington executed this policy seemed to tend more toward minimum accommodation to Taiwan's evolving domestic changes, rather than recognition of its democratic achievements.

It is widely believed that the 1994 transit incident prompted Lee to push for an unofficial visit to the United States. The Clinton Administration, under significant pressure from Congress, broke an earlier promise to Beijing by granting Lee a visa in 1995. The PRC was so upset that it decided to threaten Taiwan, firing missiles in its vicinity that summer. The pressure continued, with the PRC test-firing more missiles during Taiwan's 1996 Presidential election campaign. In response, the Clinton Administration dispatched two carrier battle groups to the Taiwan area to control the situation. In part to placate the PRC, President Clinton traveled to Mainland China in 1998 for a ten-day state visit, during which he announced the policy of "three no's" toward Taiwan. Seeking to counter the perceived damage, President Lee announced the "special state to state" policy in 1999.

The Clinton Administration's approach did not change significantly after Chen Shui-bian became the president of Taiwan in the spring of 2000. During President Chen's first U.S. transit that August, the State Department made sure that his visibility in Los Angeles was kept to a minimum. Several Congressmen planned to hold an informal, private gathering with Chen, but the idea was dropped because of Clinton Administration opposition. In the end, one dissatisfied and enterprising Congressman did manage to shake hands with Chen outside a delegation banquet.¹

The zigzagging nature by which top Clinton Administration officials handled cross-Strait relations created concern and insecurity in both Taipei and Beijing. This prompted both sides to try to manipulate the Clinton Administration's policy to their own perceived advantage. With President

¹ "President Chen Transits, American Limousine Breaks Down," *China Times Express*, August 14, 2000.

Lee's consent, for example, the Taiwan government spent large sums to lobby the Republican-controlled Congress to pass pro-Taiwan legislation to counter the Clinton Administration's policies.

Chen Shui-bian and George W. Bush: A Positive Beginning

After George W. Bush was sworn in as the 43rd President of the United States in January 2001, the tone and substance of U.S.-Taiwan relations changed drastically. Gone were the days of the changing rhetoric and short-term policy adjustments that had exacerbated the persecution complexes that ran rampant in both Taipei and Beijing.

Some foreign policy experts who became officials in the State Department and the Pentagon had well-defined views on cross-Strait policy. They viewed the People's Republic as a rising power that was bound to challenge the status quo power, the United States. They felt that the U.S. should deal with the PRC with a firm hand, and that the Taiwan issue was one arena where Washington's resolve could be demonstrated. These experts deplored what they perceived as the Clinton Administration's soft stance toward Beijing and harsh treatment of Taipei. They advocated abandoning the "strategic ambiguity" policy and replacing it with "strategic clarity," designed to deter the perceived PRC militarism toward Taiwan and showcase America's support for the democratic island.²

Once in place, the Bush team put these beliefs into practice and was hard on Beijing and warm to Taipei. In early April 2001, an U.S. Navy EP-3 surveillance plane collided with a People's Liberation Army Air Force (PLAAF) fighter in mid-air over international waters off the coast of southern China. After China took custody of the American crew, President Bush quickly issued a stern warning, saying, "We have allowed the Chinese government time to do the right thing," and that Beijing should return the crew and the plane back to the United States immediately and unconditionally.³

Then, after the resolution of the EP-3 incident, in an interview on April 24 with ABC's *Good Morning America*, President Bush pledged to, "do whatever it takes to help Taiwan defend itself. Even though the White House immediately arranged another interview for Bush with CNN to recant this statement, the president left little doubt that he meant what he said. This statement marked the beginning of a major shift, if only in rhetoric: the United States was shedding its long-held policy of strategic ambiguity in favor of strategic clarity on cross-Strait issues. Furthermore, the President seemed to be leaning toward Taiwan instead of adhering to the position held by previous Administrations that the United States must remain evenhanded in dealing with Taipei and Beijing. In a marked change from the Clinton years, Washington did not see Taiwan as the troublemaker. Instead, Taiwan was a democratic success story and needed to be shielded carefully.

In late April 2001, the Bush Administration concluded the so-called "annual arms talks" with a

² James Mann, *Rise of the Vulcans*, p.285.

³ "President Discusses American Plane and Crew in China," April 3, 2001, www.whitehouse.gov/news/releases/2001/04/20010403-3.html.

delegation from Taipei. Taiwan was offered the purchase of four mothballed Kidd class destroyers; several batteries of the Patriot Advanced Capability (PAC 3) low-tier antimissile system; a squadron of P-3 Orion antisubmarine aircraft; and eight diesel powered submarines. This package was generally regarded as one of the most robust arms sale packages allowed by Washington in years.

The Bush Administration also relaxed its approach to transits through the United States by Taiwan leaders. During the Clinton Administration, the principles guiding the Taiwanese president's transit were comfort, security, and convenience. When the Bush Administration handled its first such transit in the summer of 2001, the word "dignity" was added to the guidelines. Answering reporters' questions after a Congressional hearing, Deputy Secretary of State Richard Armitage said that it was the appropriate way to "treat a friend."⁴ For the first time since de-recognition in 1979, Taiwan's President was allowed to visit New York City. More than twenty Congressmen traveled to New York and met with Chen, a far cry from his last transit during the Clinton Administration. During the return transit through Houston – also a first time for Taiwan's President – the powerful then-House Republican Whip Tom Delay organized a series of high-profile activities to welcome Chen.

The Bush Administration also stopped publicly affirming the so-called "three no's" policy articulated by President Clinton during his trip to China in the summer of 1998. This move helped Taiwan restore its sense of balance in the Sino-U.S.-Taiwan relationship.

All the developments cited above, among other factors, created a clear perception of the Bush Administration in Taiwan - the executive branch, the legislative body, and the media all felt that the American president stood firmly behind Taiwan.

President Chen had an opportunity to reciprocate the Bush Administration's goodwill after the September 11 attacks. He was among the first international leaders to express condolences and pledge support to President Bush. Taiwan also actively and enthusiastically cooperated with the United States in the global war on terrorism. After the U.S. defeated the Taliban in Afghanistan, the Chen Administration contributed resources to the U.S.-led reconstruction efforts there. For example, the U.S. requested that the Taiwan government support the endeavor by providing 100 military-grade trucks to Afghanistan, and the Chen Administration delivered.⁵ Also, when the Bush Administration started promoting the removal of Saddam Hussein's regime in Iraq by military force, Taiwan declared its complete support early in the international debate.⁶

Even though China became more important to American strategic interests after September 11, Taiwan's positive appraisal of the United States continued. For the first time in many years, a meeting between the American and Chinese heads of state did not play into the worst fears of the people on Taiwan. During the Clinton Administration, virtually every time a meeting between Clinton and President Jiang Zemin was announced, the Taiwanese media would immediately start speculating on whether Taiwan would be "sold out" by the two leaders. In the autumn of 2001,

⁴ "American Policy Determines Transit Treatment," TVBS News, May 18, 2001.

⁵ "Save the Oilfields, MND Participates," *China Times*, April 18, 2003.

⁶ "President Chen Today Declares We'll Show Concrete Actions to Support America's War On Terror," *China Times*, September 10, 2002.

however, the people knew the Bush Administration would not yield an inch on this issue to Beijing.

Also, for the first time in recent memory, the U.S. government permitted Taiwan's minister of national defense to visit in a semi-public mode. In early 2002, General Tang Yiau-ming (ret.) attended a conference convened by the U.S.-Taiwan Business Council in St. Petersburg, Florida. Moreover, Deputy Secretary of Defense Paul Wolfowitz flew to Florida to meet Minister Tang. This was widely perceived as a significant development in the U.S.-Taiwan military to military relationship, to the great dismay of Beijing.

The Bush Administration's support regarding Taiwan's access to international bodies such as the World Health Organization far exceeded the Clinton Administration's. In 2002, the Secretary for Health and Human Services, Tommy Thompson, began speaking out in Taiwan's favor during the WHO's annual meeting. This moral support raised morale in Taiwan, and further confirmed the impression that President Bush was firmly on Taiwan's side. It was also a boon to the ruling DPP, which had long championed gaining Taiwan observer status in the WHO's annual World Health Assembly. Not surprisingly, despite American support, the results of the campaign have been disappointing. This underscores the PRC's resolute determination to keep Taiwan from participating in international bodies. In 2003, when Taiwan was hit hard by the SARS epidemic, the PRC's predictably hostile actions in this matter also enhanced the image both at home and abroad of Taiwan as David versus the Goliath of Beijing. The U.S. Congress is constantly informed of these recurring battles of unequals by pro-Chen elements in Washington.

Another Taiwan initiative which enjoyed the Bush Administration's support was the decision, announced by the Ministry of Foreign Affairs (MOFA) in the spring of 2003, that the words "issued in Taiwan" would be included for the first time on the covers of newly issued Republic of China passports. For the Chen Administration, this change was another step toward the nurturing and fostering of a distinct Taiwan nationality. But it risked strong reaction from Beijing, which saw it as yet another provocation. The State Department, however, did not object to this initiative.

The Bush Administration's positive approach brought political benefits to the Chen Administration. Whether it was arms sales, President Bush's security guarantee, liberalized transit guidelines, or support for broader international support, Chen and his advisors were quick to seize available opportunities and portray them as successes.

Because of the critical role of the United States as Taiwan's ultimate guarantor, any administration in Taipei which is able to project the impression it can skillfully manage the Taipei-Washington relationship stands to gain politically within Taiwan.

From Good to Bad: 2002-2004

Maintaining good relations with Washington is obviously important for Taiwan's security and for the political standing of the island's leaders. But in certain circumstances, other political considerations become more pressing or important. These involve issues concerning "Taiwan identity" and Chen Shui-bian's reelection campaign strategy. This shift in priorities became increasingly obvious as the March 2004 election neared.

“One Country on Each Side”

President Bush’s attitude toward President Chen shifted, particularly after Chen announced the “one country on each side” definition of cross-Strait relations in the summer of 2002.

Although Taiwan has never been under the control of the People’s Republic, both sides since the late 1940’s have embraced the belief of “one China,” with each asserting its right to represent the whole of China. This policy, however, has been considerably weakened since the 1990s in Taiwan with the implementation of certain policies designed to promote Taiwan’s independence. In that way, the “agree to disagree” nature of the one-China concept, one of the major underpinnings for peace and stability in the Taiwan Strait for decades, was undermined. The Bush Administration felt that, by publicly pronouncing “one country on each side” in August 2002, Chen was antagonizing Beijing, and weakening one of the cornerstones of the current framework of Sino-U.S.-Taiwan relations. Worse, it did so at a time when the United States badly needed stability in the region and active cooperation from the Beijing authorities so it could concentrate its resources to fight the war on terror. President Bush’s heartfelt support for Taiwan remained, but in the post- 9/11 environment he also demanded friends or allies support him, and not cause him unnecessary problems. Upset by Chen’s remark, Bush delivered a stern, private warning to Chen’s representative to the APEC Leadership Forum, Nobel laureate Lee Yuan-tseh, in Cabo San Lucas in October 2002.⁷

The Bush Administration was also disappointed that Taiwan did not act quickly on the high profile and “robust” arms sales package it was offered in the spring of 2001. These weaponry systems were originally requested of the Clinton Administration by President Lee Teng-hui’s government, and the Chen Administration was slow to respond to the approval. Although the primary reason for the delay was an impasse in the legislative body, the Legislative Yuan (LY), and not the Administration, the perceived balance of power between Taipei, the PRC and Washington shifted decidedly away from Taipei. Finally, late last fall, the Chen Administration committed U.S.\$20 billion to purchase American weaponry.

The Referendum

In late fall 2003, the relationship between Taipei and Washington was seriously strained when President Chen announced that he would initiate a so-called “defensive referendum.”

The SARS epidemic, a worldwide health crisis in the spring and summer of 2003, struck Taiwan hard, and underscored the practical need for Taiwan to participate in global health regimes such as the World Health Organization (WHO). However, during the Chen Administration’s efforts in the midst of the epidemic to obtain observer status in the WHO’s annual assembly in Geneva, the Beijing authorities adamantly opposed Taiwan’s bid. This generated a strong domestic backlash in Taiwan, and the political leadership vowed that Taiwan would go its own way. In the immediate aftermath of the SARS crisis, the drive to pass a referendum bill into law gathered momentum. The Executive Yuan announced that, per President Chen’s directive, it would begin investigating the

⁷ David M. Lampton, “The Stealth Normalization of U.S.-China Relations,” *The National Interest*, Fall 2003 (No. 73).

possibility of holding a “consultative referendum” on the day of the presidential election in March, 2004 on issues such as Taiwan’s participation in the WHO.

Since it was well known that most voters would support the idea, the referendum drive was generally perceived as part of a populist political strategy calculated to boost Chen’s support in the upcoming election. Facing mounting concern in Washington that such a move would destabilize the region, President Chen appeared to drop the initiative and allowed the LY to negotiate the referendum legislation. The leading DPP proponent for a plebiscite withdrew his proposal after intervention by the Presidential Office, which was prompted by concern in Washington over the perceived provocative nature of the draft. The “pan-Blue” camp, a coalition of the former ruling Kuomintang (KMT) Party and its breakaway, the People First Party (PFP), seized the opportunity and passed a more moderate version into law last November.

The legislative setback created an uproar within the “pan-Green” camp (the DPP and the Taiwan Solidarity Union, or TSU). Within days, President Chen announced that he planned to hold a “defensive referendum” by invoking Article 17 of the newly passed Referendum Act in order to protect Taiwan’s sovereignty in the face of the PRC’s missile threat and that the referendum would be held on the day of the presidential election in March 2004.

This move too was seen as provocative and again caused serious concern in Washington. Mid-level bureaucratic infighting ensued, with the White House National Security Council (NSC) taking a tougher position on the Chen Administration than the State Department’s Bureau of East Asian and Pacific Affairs (EAP). The EAP’s position was weakened by the fact that the NSC was in charge of the impending visit of Chinese Premier Wen Jiabao and the fact that the Bush Administration needed Beijing’s cooperation on more immediate and important issues, such as America’s global fight against terrorism and the Korean peninsula situation.

In an attempt to persuade President Chen to desist from what they perceived as provocative actions, the Bush Administration sent an envoy to Taiwan carrying a personal letter from President Bush to President Chen the weekend before Premier Wen’s visit to Washington. After determining that the message essentially fell on deaf ears in Taipei, President Bush decided to publicly denounce Chen. At a White House press event, he rebuked Chen in front of television cameras with visiting Chinese Premier Wen seated next to him.⁸

To defuse the tension with Washington, in a televised address on January 18, 2004, just two days before President Bush’s annual State of the Union address, President Chen announced the two questions to be posed in the referendum. The first question would ask voters whether they support dialogue with Beijing; the second question asked whether the voters support purchasing more missile defense missiles. Chen hoped to satisfy the Bush Administration by using non-offensive language in the questions. However, Bush did not praise Taiwan during his State of the Union address, as the Chen Administration had hoped. Secretary of State Colin Powell and his Deputy Secretary Richard Armitage both gave more measured responses. China watchers in the United States also felt that the trust between Taipei and Washington was badly damaged, and it would take a major effort by Taiwan to restore mutual confidence.

⁸ “President Bush and Premier Wen Jiabao Remarks to the Press,” December 9, 2003, www.whitehouse.gov/news/releases/2003/12/20031209-2.html.

The March 2004 Presidential Election in Taiwan

The mysterious shooting which took place on the eve of the presidential election in Taiwan helped Chen Shui-bian overcome his deficit in the pre-election polls. He won the election by the narrowest of margins – roughly 29,000 votes out of 13 million cast. Sympathy votes poured in after at least one unknown gunman fired a shot at President Chen, grazing his abdomen and slightly injuring him. After the provisional vote count result was announced by the Central Election Commission in Taipei, the opposition immediately cried foul play, demanding a complete recount of the votes and investigations into the mysterious shooting and alleged voting irregularities.

The fact that President Bush did not send a public message to personally congratulate Chen on his reelection victory immediately after the provisional result was announced, per past practice, did nothing to bolster Chen's domestic political situation.

Six days after the election, the Central Election Commission formally certified Chen as the winner. The White House released a statement congratulating the Taiwan people, acknowledging that Chen had been certified as the official winner, denouncing any use of violence in the still ongoing election dispute, and expressing the hope that any disputes should be solved by the established framework.

However, Therese Shaheen, then Chair and Managing Director of the American Institute in Taiwan (AIT), the office that conducts the United States' "unofficial" relations with Taiwan, sent a different signal, triggering an explosive situation. Taiwan's Foreign Ministry successfully maneuvered for and secured a congratulatory message from Shaheen, and immediately released it to the Taiwan media, apparently to show that Chen had received the Bush Administration's endorsement. before the White House release. In the ensuing fall-out, both Shaheen and Taiwan's Foreign Minister Eugene Chien resigned from their posts.

Shaheen's letter aside, Washington's dissatisfaction with the Chen Administration in general and President Chen in particular was unmistakable. The most comprehensive statement came in Congressional testimony by Assistant Secretary of State James Kelly in late April 2004. He congratulated Taiwan for its exercise of democracy while strongly warning Chen Shui-bian not to push for Taiwan independence, as to do so would risk destroying much of what Taiwan had managed to accomplish. In the bluntest language heard in U.S.-Taiwan relations in years, Assistant Secretary Kelly delivered a stern warning to Taiwan's leaders. With regard to Taiwan's current status, Kelly stated: "the U.S. does not support Taiwan independence, and it opposes unilateral moves that would change the status quo as we define it...Realistically, any unilateral move towards independence will, in our view, avail Taiwan of nothing it does not already enjoy in terms of freedom, autonomy, prosperity and security...[I]f such a thing [military response] were done by China, that could destroy much of what Taiwan has built[.]" On America's "one China" policy, he said: "I can tell you what it is not. It is not the one-China policy or the one-China principle that Beijing suggests, and it may not be the definition that some would have in Taiwan."⁹

⁹ Assistant Secretary of State James Kelly's testimony in front of the House International Relations Committee, April 22, 2004.

Factors Contributing to Deterioration in the Relationship

The evolution of U.S.-Taiwan relations from the spring of 2001 to the spring of 2004 raises an obvious question. Why did such positive ties fray so much and so quickly? The answers can be found in the decision-making systems in the two capitals, conflicting interests, and the conduct of diplomacy.

Structure and Practice of Decision Making

Taipei

In theory, the president of Taiwan is the head of state. He handpicks the premier, who officially the chief executive. But in practice, the president performs both jobs at the same time.

During President Lee Teng-hui's tenure, it became practice that in addition to functioning as head of state, the president would also exercise executive control over national defense, foreign policy, and cross-Strait relations. Chen Shui-bian by and large followed this precedent when he became President in 2000.

Basically, he would determine foreign policy strategy, particularly policy toward the United States, with the help of close and trusted advisors in the National Security Council. Like the NSC in the U.S., Taiwan's NSC is the President's own staff organization. To the public eye, it is semi-secretive. Senior members of the NSC maintain low profiles and frequently conduct secretive foreign trips. They are responsible only to the President, and are not required to appear before the Legislative Yuan for questioning.

The Ministry of Foreign Affairs does not formulate important policies toward the U.S., but more often executes lower-level policies. The Minister is frequently called upon to appear before the Legislative Yuan to respond to questions; he often does not know the answers. A case in point is the reaction the current Foreign Minister, Mark Chen (Chen Tang-shan), gave when asked about the visit of Chiou I-jen, then the president's chief of staff, to Washington just prior to Chen's inauguration. Minister Chen said he would ask Chiou for the details of his trip when he returned to Taipei.¹⁰

President Chen's two primary sources of official information on Washington are the Ministry of Foreign Affairs (MOFA) and the NSC, who frequently send officials to Washington to consult with American officials. Both channels have their own problems.

The Taipei Economic and Cultural Representative Office in Washington (TECRO), Taiwan's de facto embassy, files numerous cable dispatches to MOFA headquarters in Taipei on a daily basis. The Foreign Ministry then decides which to forward to the President for his review. It is widely believed that MOFA conveyed information to the president that was more optimistic than what was really happening on the ground in Washington.

¹⁰ "Chen Tang-shan: Taiwan-U.S. Mutual Trust Mechanism Needs Reconstruction," *China Times*, April 28, 2004.

As for President Chen's few trusted advisors in the NSC, when they travel to Washington, TECRO arranges private meetings with State Department and White House National Security Council officials on their behalf. Because of their ideological underpinnings and a relative lack of experience in the complex world of diplomacy and diplomatic language, the interpretations the NSC officials form of those meetings may not be entirely objective. This situation is not helped by the fact that they arrange meetings with Department of Defense (DOD) officials on their own, collecting information that represents the DOD's current institutional bias, including its disdain for the PRC. The combined effect is such that one flawed source of information is reinforced by the opinions of the other flawed source, and vice versa. Hence it may be more difficult for President Chen, who has limited English capability and is generally inexperienced in foreign affairs, to develop a clear sense of what is really happening between his government and the Bush Administration.

Another case in point is the widely reported "secret trip" made by then-White House NSC senior official James Moriarty to Taipei last winter, just days before Chinese Premier Wen's trip to Washington. Moriarty, acting as President Bush's representative, delivered a one page, three-paragraph letter to President Chen, essentially asking him to drop the idea of a referendum on election day.¹¹ Chen and his trusted advisors appeared to misjudge the seriousness of Bush's resolve in this matter. It was not until President Bush publicly denounced Chen in the presence of Premier Wen at the White House that the Chen Administration began to realize the damage their action/inaction may have caused. Further, Chien-jen (C.J.) Chen, the veteran diplomat then representing Taipei in Washington, went back to Taiwan and publicly declared before the Legislative Yuan that the bilateral relationship was in grave condition. Only at this point did the Chen Administration begin seriously searching for a way to placate President Bush.¹²

Finally, there is the issue of lobbying. TECRO, paid lobbyists working for Taipei, and Taiwanese American organizations such as the Formosan Association for Public Affairs (FAPA) work actively on Capitol Hill to advance President Chen's policies. The most noticeable results in the recent past have been the founding of two Taiwan caucuses, first in the House of Representatives and then in the Senate. Congress members and Senators affiliated with these groups frequently introduce non-binding resolutions or insert pro-Taiwan language into bills.

Washington

During the Clinton Administration, both the executive branch and Congress influenced Washington's Taiwan policy. The Congressional impact was especially pronounced after the Republicans took control of the House and the Senate after the 1994 elections. The Clinton Administration was frequently pressured by Congress to adopt what was perceived as a more pro-Taiwan policy. President Lee Teng-hui's successful trip to Cornell University in 1995 is a case in point. Even after the 1996 missile crisis, when the executive branch decided to substantially beef up its unofficial dialogue and military cooperation with Taiwan, the Republican-controlled Congress was still critical of the Clinton Administration's policy toward Taiwan more often than not. Members of Congress, working closely with lobbying groups, frequently proposed legislative

¹¹ Conversations between the author and several officials.

¹² "Chen Chien-jen: U.S.-Taiwan Relations Unprecedented," *China Times Express*, December 29, 2003.

initiatives designed to increase perceived American support toward Taiwan.

Within the American government, the balance of power shifted drastically when George W. Bush became president in early 2001. With the executive and legislative branches both under Republican control, Congress took a back seat in terms of influencing Washington's policy toward Taiwan. President Bush set the tone early when he claimed he would do whatever it took to help Taiwan defend itself and agreed to the sale of a huge arms package to Taiwan. His view of the People's Republic of China as America's strategic competitor was reinforced by the EP-3 incident off Hainan Island and helped shape Washington's overall strategic view of cross-Strait issues. This was a view that the Republican Congress supported.

Within the Administration, there is little coordination between the agencies handling Taiwan policy. The NSC, the Office of the Vice President, the State Department, and the Department of Defense each interpret the President's views differently and this is reflected in the variety of meetings that Taiwan officials must schedule when they visit Washington. In 2003, the White House NSC was very concerned about President Chen's push for Taiwan independence, while the Vice President's office was determined to strengthen Taiwan's defense capability. At the same time, they demanded absolute loyalty from Taipei in return. The State Department was supportive of Taiwan's democratic achievements and tended to see many of President Chen's policies from that perspective. The Department of Defense was determined to beef up Taiwan's defense and to lay the foundation for Taiwan and the U.S. to be genuine military partners in containing perceived PRC expansionism. At the same time, AIT Chair Therese Shaheen was engaging in her own version of diplomacy by supporting Chen and the DPP.¹³

Shifting Interests and Domestic Politics on Both Sides

Taipei

Since Chen Shui-bian took office in May 2000 after a historic presidential election victory earlier that year, the primary focus of Taiwan's foreign policy has been on the United States. The core strategy, it seems, is to try to please Washington – especially the Administration – in exchange for more freedom, both at home and abroad, to pursue further separation from the Mainland. Since this policy implies the possibility of a future *de jure* Taiwan independence – a situation that could be extremely unsettling if not explosive – to ensure success, Taiwan needs its most accomplished policy-makers and seasoned diplomats to play roles in U.S.-Taiwan affairs. If this prerequisite is not met, it becomes necessary for the Chen Administration to make comparatively more concessions *vis-à-vis* Washington on issues that are of secondary importance in order to create a safety margin for the pursuit of this strategy.

There has been a consistent pattern in the Chen Administration as a whole to publicly emphasize certain messages from Washington and de-emphasize others. Spinning Washington's messages in a certain direction for public consumption in Taiwan is understandable. But pursuing policy objectives based on false pretenses can be dangerous, and this pattern seems to guide President Chen's thinking to a certain extent.

¹³ "Shaheen: Confident After Election Bian Will Restart Dialogue," *China Times*, October 15, 2003.

However, in 2003 and early 2004, the importance of maintaining good relations with the Bush Administration was overtaken by something else for Chen. He was in the fight of his political life – his Presidential reelection campaign. President Chen decided to run his campaign on a broad pro-Taiwan independence, anti-China platform. One crucial element was the so-called “defensive referendum,” which he proposed to use as a way of expressing the Taiwan public’s concern about the danger posed by PLA missiles deployed across the Taiwan Strait. Chen had hoped to use the referendum initiative to energize his base, even at the risk of alienating his relationship with the Bush Administration.

However, to many outside observers, the “China threat” seemed to exist to some extent only in President Chen’s rhetoric. Critics believed that Taiwan was not serious about its own defense. Some held the view that the DPP believed the People’s Republic was not prepared to wage war against Taiwan because of the high priority it places on economic development and its desire to successfully host the 2008 Summer Olympics in Beijing.¹⁴

Washington

In the summer of 2000, during the run-up to his own election, President Bush and his foreign policy advisors adopted an approach that differed from the Clinton Administration’s engagement policy toward the People’s Republic. This was partly campaign rhetoric, but to a certain extent it reflected the Bush camp’s ideological underpinnings.

After Bush won the Supreme Court-decided Presidential election, he and his foreign policy team adopted a pro-Taipei, Beijing-wary policy and attitude. But after the 9/11 attacks, the top leadership in the Bush Administration turned most of its foreign policy focus to combating terrorism. Washington’s diplomatic relations with Beijing received top-level attention and the atmosphere between the two capitals improved dramatically, although DOD was still reluctant to reopen meaningful military to military exchanges with the People’s Liberation Army and continued planning for the redeployment of U.S. forces aimed at containing perceived PRC expansionism. This development meant that the Taiwan issue was temporarily off the radar screen and it was left to mid-level officials at the State Department and DOD to interpret and execute the President’s views. The overriding concern, as far as top-level Administration officials were concerned, was that Taiwan should stay quiet and not cause any trouble for Washington. However, the Administration seemed to uniformly believe that the PRC’s military threat toward Taiwan was genuine, and supported helping Taiwan defend itself better. The sense that the Chen Administration did not take the threat posed by the PRC seriously was a constant source of frustration and irritation among Administration officials and policy experts in Washington.

Critique - Taiwan

Bypassing American Diplomats

It is no secret that the Chen Administration was not pleased when Douglas Paal was announced as

¹⁴ “Lee Teng-hui: “Hope to Realize the Dream of a Taiwan State in Five Years,” *China Times*, September 19, 2003.

Director of AIT's Taipei office in fall 2001. Chen's team considered Paal to be pro-Beijing, and a member of the so-called "red team" in the United States, a group that promoted better Sino-U.S. relations at Taiwan's expense, as the Chen Administration defined it. However, Taipei did not object to Paal's appointment. Formally, the relationship between the Chen Administration and Paal was fine. But in reality, President Chen and his advisors tended to take a more dismissive attitude toward Paal. They also leaked their dissatisfaction with him to the Taiwan press and tried to undermine his position by suggesting that the Chen Administration bypassed him by maintaining direct communications with high-level officials in Washington.¹⁵

In addition, the Chen Administration attached disproportionate weight on the messages sent by the new AIT Chair and Managing Director based in Washington, Therese Shaheen. By design and past practice, Shaheen's position was largely ceremonial. Believing that she could exercise real influence because of her position and the perception that she was well connected to top officials at DOD and in Vice President Cheney's office, President Chen and his close advisors may have miscalculated the relative importance of Paal vis-à-vis Shaheen.

Distrust of MOFA

During his tenure from 1988 to 2000, President Lee Teng-hui adopted the approach of frequently using resources outside the executive branch, or outside the customary government chain of command, to promote certain policy initiatives. On the diplomatic front, President Lee's decision to divert several million U.S. dollars yearly from the National Security Bureau (NSB) through the Taiwan Research Institute (TRI) to retain the services of Cassidy and Associates, a well-known Washington lobbying firm, is the most obvious example.

When Chen Shui-bian took office in 2001, he generally followed Lee's practices in promoting his foreign policies. It is widely believed that President Chen and his close advisors did not trust the foreign policy establishment in Taipei. From their perspective, MOFA was too conservative, lacked initiative, was entrenched behind the idea of "one China," and was unwilling to actively embrace and promote "one China, one Taiwan." Furthermore, in the early days of the Chen presidency, they believed that MOFA was responsible for leaking to the press certain sensitive information regarding top officials' "secret trips" to foreign countries beforehand to "sabotage" those initiatives.¹⁶ The lack of trust in MOFA felt by President Chen and his close advisors was apparent in the planning, deliberation, and execution of Taiwan's policy toward Washington. It is fair to say that the Foreign Ministry primarily executed foreign policies. Its influence in policy deliberation and formulation was negligible. The Chen Administration believed that the Foreign Ministry was too timid, and filled with defeatists. But it overlooked the fact that, even though many foreign service officers were not enthusiastically promoting the separate and distinct Taiwanese identity, their collective readings of the situation on the ground were based on a wide range of sources and therefore were more or less on the mark. Discounting the messages in those dispatches purely on an ideological basis did not serve Taiwan's interests.

¹⁵ "AIT Making Noise, Presidential Palace Dismayed," *China Times*, June 24, 2003.

¹⁶ "Who Leaked? President Palace Wants Investigation and Disciplinary Action," *China Times*, August 16, 2002.

Policy Planning and Implementation

In Taiwan, the key players in the formulation of foreign policy are the President, his Chief of Staff (the Secretary General of the Presidential Office), his national security advisors (the Secretary General of the National Security Council and others), the Premier, the Foreign Minister, and the Defense Minister. However, a mechanism to link the players horizontally as well as vertically does not exist. Without such a web, officially sanctioned or not, communications within the executive branch are inevitably limited and therefore less efficient. In addition, under President Chen's watch, very few people are fully informed of the whole picture. Extensive policy debates within the Administration are virtually non-existent.

Bureaucratic Infighting

On a less important scale, political infighting within the Foreign Ministry, particularly involving the leadership in Taipei and in Washington, also diminishes the overall effectiveness of the Chen Administration's diplomacy toward Washington. For example, the Minister of Foreign Affairs outranks Taiwan's top representative in Washington. However, because the Foreign Minister lacks extensive knowledge and background in Washington and may not be a member of President Chen's inner circle, it is difficult for the top brass in Taipei to exercise appropriate guidance and control over the Washington operation. One side effect of this circumstance is constant sniping between MOFA headquarters and TECRO. The former Deputy Representative in Washington, Dr. Lyushun Shen, former Foreign Minister Eugene Chien, and to some extent C.J. Chen, the Representative in DC from 2000-2004, are among the casualties of this battle.

Trust Destroyed

Chen Shui-bian arguably enjoyed the best circumstances vis-à-vis the United States of any new President in Taiwan since 1979. In 2000, the second successful presidential election and the first peaceful transfer of power in Taiwan conveyed a very strong and favorable image to the hearts and minds of the American people. U.S. Congressional support for Taiwan was at an all-time high. George W. Bush's election victory over Al Gore also ensured unwavering executive branch support for Taiwan, an improvement over the policy flip-flops of the Clinton Administration.

At first, the Chen Administration made good use of these favorable circumstances by arguing that Taiwan had become completely democratic and had legitimate claims for greater participation in the international community. The new government also pointed out that Taiwan had been treated unfairly on the world stage, where the People's Republic of China was suffocating it in every sense of the word. The Beijing authorities were also constantly threatening the use of force against Taiwan by deploying ballistic missiles, among other measures. Chen had successfully communicated to Washington that a democratic Taiwan deserved a more active role in international affairs. Participation in the World Health Organization (WHO) was one obvious example of this unfair treatment. Riding on the wave of democracy, the Chen Administration successfully lobbied mid-level officials in the U.S. government to support plans to reform Taiwan's constitution and to exercise the principle of referendum on the WHO question, so long as

Taiwan did not use these venues to unilaterally change the status quo.¹⁷

However, President Chen's decision to use referendum as a tactic in his reelection campaign seriously breached the trust with Washington that his Administration had spent so much time and energy to build and exploit. Now that Chen will remain in office another four years, the challenges his Administration faces are first and foremost how to restore trust, and secondly, how to sell his agenda to a more suspicious audience in Washington.

Critique – the United States

The core problem in the Bush Administration's policy on Taiwan is the fact that senior U.S. officials do not have time to address issues in the bilateral relationship. Initiatives are therefore left to mid-level "policy entrepreneurs" in the government to fill in the blanks based on President Bush's pro-Taiwan track record during the early days of his presidency. When the very top level of the Administration realizes that there is a situation brewing, it briefly engages in the issue, temporarily preventing the development from worsening, and then moves on without really solving it.

Inconsistent Messages

After Therese Shaheen was confirmed as the new Chair and Managing Director of the American Institute in Taiwan, replacing the widely respected Richard Bush, her pro-Taiwan and pro-Chen comments soon raised more than a few eyebrows in both the U.S. and Taiwan.

It was difficult for the Chen Administration to fully appreciate President Bush's personal irritation toward Taiwan when Shaheen was generally seen in Taipei as enjoying access to high-level officials at DOD and Vice President Cheney's office. President Chen's transit through New York City in the fall of 2003 was executed in such a fashion that it was difficult for the new, relatively inexperienced AIT Chairwoman – the ranking U.S. official – to turn down a personal request by President Chen to allow TV cameras in an event. Hence the longstanding American policy of limited media coverage was "lifted," to the great satisfaction of Chen Shui-bian and his advisors, who hailed this as another significant breakthrough in the bilateral relationship. Moreover, at the same event, Shaheen hailed President Bush as Taiwan's "guardian angel." Her words and deeds were then interpreted in most press reports as reflecting Bush's personal commitment to the democratic Taiwan.¹⁸

President Chen's announcement of the "defensive referendum" issue in late November 2003 coincided with Chinese Premier Wen's trip to Washington in early December. Since the White House NSC was in charge of the Premier's visit, the timing offered the NSC an opportunity to exercise temporary control over the cross-Strait issue, to the dismay of the State Department's East Asia bureau.¹⁹

¹⁷ Briefing by Deputy Assistant Secretary of State Randall Schriver to the Taiwan media at the Washington Foreign Press Center. November 20, 2003.

¹⁸ "Comical and Not Condescending, Shaheen Breaks Away From Diplomatic Tradition," TVBS News, November 2, 2003.

¹⁹ Conversations between the author and several officials.

The White House's dispatch of James Moriarty to Taipei to ask President Chen to stop the proposed referendum measure produced less than desirable results. First, the letter was written in diplomatic language, which meant it was not blunt, clear, and direct. Coupled with the fact that the messenger was also a diplomat by trade, who was used to speaking in less offensive language to convey his points, the letter failed to raise antennae among President Chen and his close advisors.²⁰ Secondly, President Bush's subsequent rebuke of Chen at the White House in front of the Chinese Premier was not followed up by the NSC because of personnel reshuffling and the fact that the Premier had left the U.S. days later. By that time, the operational control of the Taiwan issue was back to the State Department. It was up to EAP to substantiate the President's displeasure in policy form. However, it remained difficult for the Chen Administration to fully appreciate the severity of the situation. That was particularly true when a State Department official tried to explain his view to Taiwanese reporters and officials in Washington that there were three different types of referendum issues in theory. Some issues the U.S. would not object to, others it would oppose.²¹

Later, to the disappointment of Chen Shui-bian and his supporters, the White House and the State Department both adopted the same measured attitude toward Taiwan's Presidential election. However, as was discussed above, before the White House could release its official statement on the election, Therese Shaheen jumped the gun by offering her own congratulatory message to Chen without all the nuances and subtleties that her colleagues and superiors were preparing to deliver.

Shortly after the election, the U.S. Defense Security Cooperation Agency (DSCA) announced the sale of two sets of long range detection radar to Taiwan just days after the Japanese Diet had officially passed the budget to deploy a missile defense system. At the same time, the U.S. also announced that it would deploy warships based on the Aegis combat system with potential anti-ballistic missile capability to the Sea of Japan in late 2004. It seemed that the U.S. defense establishment was determined to create a missile defense shield against the DPRK and the PRC, and Taiwan was going to be an important part of that plan. Less than a month later, before the House International Relations Committee, Assistant Secretary of State Kelly delivered his warning to President Chen against pursuing independence. In light of the contradictory signals continuously being sent by the Bush Administration, it is not surprising that anyone with a particular agenda, especially in Taiwan, would choose to interpret the messages from Washington one way or another.

No Push for Cross-Strait Dialogue

Following General George C. Marshall's failed mission to reconcile the Nationalists and Communists in China in the late 1940s, the United States made it a policy to avoid playing the role of mediator in an internal Chinese conflict. However, in order to maintain peace and stability, Washington in recent years has encouraged both Taipei and Beijing to talk to each other. In the meantime, the U.S. provides defensive weapons to Taipei, believing that Taiwan will then feel more secure and confident enough to hold dialogues with Beijing on more or less equal terms.

²⁰ Conversations between the author and several officials.

²¹ "Taiwan Referenda: America Proposes Three-No's," *China Times*, December 21, 2003.

Unfortunately, during its first three years in office, the Bush Administration failed to promote dialogue, or to set the conditions for Taipei and Beijing to restart earlier discussions. Even if the efforts had been half-hearted and unsuccessful, as they probably would have been, at least the U.S. would have created the impression that it had a stake and was interested in promoting dialogue. Outside observers would be less likely to draw the conclusion that the U.S. was not interested in peaceful rapprochement. As it turned out, the Bush Administration, especially the State Department's East Asian bureau, was absolutely mute on the issue of dialogue. At the same time, the EAP engaged in an intense and coordinated effort with the Defense Department to get Taiwan to buy more of the weapons that Washington had agreed to sell in the spring of 2001. It was difficult for the Chen Administration and outside observers to reach a conclusion other than that the Bush team was determined in its policy, belief, and practice that the preferred course of dealing with the worsening stalemate between the PRC and Taiwan was one of military deterrent, not political dialogue.

Recommendations - Taipei

It's the Message, Not the Messenger

There has been a tendency in the Chen Administration to shift blame whenever Taipei runs into certain problems with Washington. Sometimes the excuse is the ineffectiveness of existing bilateral communications. Sometimes the decision-making process in Taipei is blamed. Sometimes it is claimed that the Bush Administration does not understand the true meaning of President Chen's words. Sometimes Taipei claims that Chen could better represent himself and his views if Taipei's top diplomat in Washington was close to the president and knew his views well. Basically, in the Administration's view, the source of bilateral friction stems from the "messenger," not from the "message" itself.

But U.S. officials feel they fully understand what President Chen's policy may mean to the United States, and what the broader implications will be. Many initiatives coming out of Taipei, such as "one country on each side," "defensive referendum," "new constitution," campaign rhetoric, and "de-Sinification," taken collectively, show a track record and a policy direction that may ultimately lead to de jure independence. This is precisely the reason the Bush Administration gradually began tightening up its Taiwan policy and increasingly shortened the Chen Administration's leash.

Taken individually, each of the aforementioned initiatives can be explained as innocent, without ulterior motive, straightforward, and simply reflecting the domestic political changes resulting from Taiwan's democratization. This may be the reason the Chen Administration has often claimed that Washington did not fully understand President Chen's "real thinking" behind the initiatives. However, these policies and initiatives do not exist in a vacuum. Policies have longer-term effects, people have memories, and things happen in context, against certain backgrounds. It is not a single, isolated event that worries the Bush Administration, but the combined effect of events. Therefore, the problem does not lie in the "messenger." Rather, the "message" is the problem.

This may be the reason behind the Bush Administration's recent emphasis on the word "context" when responding to President Chen's initiatives such as the defensive referendum and the new constitution. American officials are suspicious that if Washington supports individual "innocent" policies in Taiwan, they may be locked into a position that may have unpleasant consequences for regional peace and stability.

No matter what President Chen's real motive or ultimate goal may be, Taiwan needs the United States much more than the United States needs Taiwan. The loss of Taiwan to the PRC would be extremely painful to the United States, given the current circumstances. But without Washington's support, the future of Taiwan is almost certainly doomed. Therefore, while Chen's policies may upset U.S. strategic calculations in the region, the key issue for both sides is not whether the U.S. will object to his policies after they "fully understand" his thoughts. Rather, the issue is how Chen should modify or even abandon certain policy objectives in order to accommodate Washington. At a time when the United States is trapped in Iraq, when the need for Washington to work with Beijing is greater than ever, and when his credibility in the eyes of the Bush Administration is at an all-time low, President Chen may find himself with little wiggle room and be forced to accommodate Washington's wishes, at least in the near future.

For President Chen, there is still a glimmer of hope that his credibility can be restored. After a number of disappointing incidents between Taipei and Washington, certain Bush Administration officials are still giving Chen the benefit of the doubt. They believe Chen pursued certain policies that Washington found disturbing because Washington's messages to him somehow did not get through, or that he did not fully understand the U.S. position on a number of issues. But again, if restoring credibility is the objective, then President Chen needs to work on his various messages, not the messenger. Sending someone who knows Chen's thoughts without fundamentally clarifying the incompatibilities between his policies against the "context" simply won't work. However, President Chen's seemingly conciliatory inaugural speech on May 20, 2004 certainly appeared to be a step toward fixing the strained relationship between Taipei and Washington.

Have More Faith in MOFA and TECRO

A policy will not work if it defies reality. Certain policies proposed by President Chen during his first term ran into difficulty in Washington because they failed to respond to Washington's concerns. American concerns are very important, as Taiwan's existence as a viable political entity ultimately lies in the security guarantee that the United States provides. Unfortunately, even after four years in office, the Chen Administration still lacks in-house experts who really understand Washington. Granted, the DPP government's suspicion toward career foreign service officers in Taiwan is not unfounded. Therefore the Administration tends to discount opinions offered by career diplomats when views between the two differ. But the record shows that the career diplomats can competently handle issues related to the United Nations, the World Health Organization, the World Trade Organization, and the European Community. The Ministry of Foreign Affairs in Taipei and TECRO in Washington can provide the Chen Administration with professional insights and analysis of what is going on inside the Beltway. They can also inform Chen and his close advisors of what they can reasonably expect out of certain initiatives, given their read of the situation in Washington.

Deal with Paal

As noted above, the Chen Administration was not pleased when Douglas Paal was named the new director of AIT/Taipei, but failed to raise objections. The result is that Paal and Chen have been stuck with each other, with Paal trying to assert his influence and the Chen Administration trying to undermine him whenever it can.

The truth is that Paal, like U.S. Ambassador to Beijing Clark “Sandy” Randt, has been chosen by President Bush to remain at his post through a second Bush term.²² The Chen Administration’s strategy to isolate and bypass the AIT director may be sustainable for that length of time, but may also be counterproductive, as the recent tension between Taipei and Washington clearly indicates. If President Chen and his close advisors believe that Paal consistently tries to undermine their position in Washington, they should understand that treating him as an enemy most definitely will not improve their position vis-à-vis the Bush Administration, and is likely to make it worse. It should be recalled that, when President Lee’s announcement of the so-called “special state to state” theory created tension in the Taipei-Washington relationship in 1999, the poor relationship between the Lee and Ambassador Darryl Johnson, then director of AIT/Taipei, did little to improve Taipei’s standing in Washington. Particularly at a time when the relationship between Taipei and Washington is as fragile as it is now, the chance of President Bush replacing Paal with someone considered more pro-Taipei is virtually non-existent, as it would signal that the problem between the two sides actually lies with the United States, not Taiwan.

Create a Foreign Policy / National Security Community

For decades, the practice in Taiwan has been that the officials dealing with foreign policy and national security do not necessarily communicate with each other, resulting in a somewhat haphazard, uncoordinated policy-making environment. This tradition is exacerbated by the Chen Administration’s unique decision-making style, where very few people make critical diplomatic and security decisions. This style has the advantages of ensuring secrecy, and minimizing outside influence or sabotage. But the problem facing Taiwan is that its geographic location and relative lack of power compared to the major regional players require it to make policy adjustments to capitalize on developing opportunities rather than simply imposing Taiwan’s will upon other regional players. Involving more qualified practitioners and experts in a more clearly defined policy-making community would result in a more open process, more vigorous debate, and would make it easier to reach national consensus. The Chen Administration should, as a first step, implement more measures to bring different government agencies closer together during the policy formulation process and maintain closer cooperation during implementation than the current practice allows. In addition, the government should encourage and welcome more participation from a variety of non-governmental research institutes island-wide, to form a loosely defined foreign policy/national security community that will serve as both a source of opinions and a reservoir of future key players in the field. The current system and practice do not serve Taiwan well in the long term.

²² Conversations between the author and officials.

Recommendations - Washington

Figure Out What Messages to Send

Since President Bush took office in early 2001, his Administration has sent many conflicting messages to the Chen Administration. Initially, Bush was very supportive of Chen, but this support has eroded gradually by irritation with what he saw as Chen's irresponsible actions, with Bush ultimately making his displeasure clear to the public. On the other hand, the State Department has been consistently supportive of the Chen Administration, even attempting to "fix the damage" after President Bush delivered his strong rebuke to Chen in December 2003.²³ However, until recently, it showed no interest in attempting to create better conditions for Taipei and Beijing to talk to each other. Then there is the Department of Defense, relentlessly pushing Taiwan to step up its self-defense capability according to its point of view. The Pentagon is working with Taiwan more closely than ever before to lay the groundwork for possible joint operations sometime in the distant future. It is difficult for observers to draw the conclusion that the Pentagon's vision for Taiwan does not stop at merely helping Taiwan defend itself, but extends to incorporating Taiwan into its global security structure, as part of a front line in containing and countering potential PRC expansion, which may jeopardize the perceived American interest in the region.

In sum, the Bush Administration constantly sends different messages from different levels through different channels to Taiwan. Washington's policy toward Taiwan is neither consistent nor coordinated from top to bottom. Thus, the State Department watered down President Bush's dismay toward President Chen and the Defense Department did not reflect Bush's displeasure at all. It's a classic example, as the Chinese language suggests, of "一人一把號，各吹各的調", and "上有政策，下有對策" ("each person plays his own tunes" and "the top has policy, the bottom has counter-policy").

This practice confuses the intended audience, and at worst it provides opportunities for the Chen Administration to exploit the differences to its perceived advantage, to the detriment of the United States. Furthermore, it may lead to miscalculation and dire consequences for the entire Asia-Pacific region. In order to minimize that risk, given the prospect that tensions increase across the Taiwan Strait as a result of Taiwan's upcoming constitutional reform effort, the Bush Administration must develop a single message and a consistent policy toward Taipei to serve as a baseline for all the parties involved. The sooner it can be done, the better.

Single Message, Single Channel, and Make Sure Messages Are Being Communicated Clearly and Consistently

At present, there are too many channels of communication between the Taiwan and American governments. Taipei receives diplomatic messages from the NSC, the Vice President's Office, the State Department's East Asia bureau, the Deputy Secretary of State, the AIT Chair in Washington, and the AIT Director in Taipei. Messages from each vary to a certain extent. Somehow the Chen Administration feels that Director Paal's messages delivered in Taipei do not necessarily reflect Washington's real thinking, and always attempts to get around him in search of a "softer" message.

²³ Conversations between the author and officials.

This needs to change. After developing a message it wishes to communicate to Taiwan, the Bush Administration needs to entrust someone who works often with Taipei to deliver it in clear-cut fashion and to make sure that different arms of the Administration adhere strictly to the message. When other officials speak, they should do so with one voice. This can drastically reduce the potential for “misunderstanding,” intentional or not, by the authorities in Taipei. It will also make it easier for Washington to read the bilateral relationship more accurately since the information officials there receive will be less “contaminated,” relative to what they receive now.

Clearly Prioritize the Components of the Message

Policy toward Taiwan consists of different components: diplomatic, economic, and military. Washington needs to assign relative importance to each component and indicate it clearly. These elements should complement rather than work against each other. If there is a shift in priority, it should be made clear to Taiwan. In the past and even now, the Bush Administration has delivered messages in a way that offers the few decision-makers in Taipei to choose the messages they like and perceive others as less important when in reality, the opposite may be true. It is important, to the interests of both Taiwan and the United States, that Washington be clear about which messages are the more important ones. Misunderstanding is less likely to occur if the Bush Administration can deliver its messages more effectively.

Conclusion

Friction is common in any bilateral relationship. If the overall stakes are low, then the fall-out may be of little importance. However, the stakes are high in U.S.-Taiwan relations. They directly affect the ability of Taiwan to remain a functioning and prosperous democracy, however unsatisfactory the “status quo” imposed on Taiwan may seem to be. The United States’ commitment to Taiwan highlights its support of democracy, helps maintain its credibility in the region, and helps maintain the geopolitical balance of power. Any development that may fundamentally shake or alter American’s definition of “status quo” therefore implies great risk to Washington.

This is essentially what is happening between Taipei and Washington at the moment. Chen Shui-bian, after winning a second Presidential term in 2004, is bound to use the next four years to continue pushing for and leading Taiwan toward a goal he pursued in his first term. The Bush Administration has not been very happy with many aspects of Chen’s initiatives, resulting in problems and frictions between the two governments. The problem that faces Chen is not that his messengers could not accurately and faithfully deliver his views to Washington, but rather the underlying foundation of his message that calls for an independent Taiwan. Unpleasantly surprised by numerous public statements by Chen designed to energize pro-independence voters during the 2003-04 presidential campaign, Washington needed more than the assurances delivered by Chen’s interlocutors that he did not seek Taiwan independence. After his election, Washington exerted intense pressure on Chen and achieved a tactical victory. During his inaugural speech in May 2004, President Chen toned down his rhetoric and pledged that the upcoming reengineering of the constitution will not proceed by extra-constitutional means. Washington can now at least hold Chen’s words against him to ensure that he delivers on not only the letter, but also the spirit of his pledge. It also served to avoid an immediate showdown with the People’s Republic, however dissatisfied Beijing was with the speech, because Chen made few remarks to provoke Beijing.

Although it was important that President Chen struck the best compromise possible in his inaugural speech, a more crucial task lies ahead. The Chen Administration needs to face reality and start adjusting its mentality and policies accordingly. Chen's decision to appoint Dr. David Lee as Taiwan's next top diplomat to Washington at least partially shows that President Chen himself knows that his problem with the Bush Administration is not one of the messenger, but the message. Dr. Lee and his predecessor in Washington C.J. Chen are both career diplomats with strong past ties to the pan-Blue camp and have so far shown little evidence that they strongly support President Chen's ideology. Given Taiwan's precarious strategic situation, it is even more important for the leaders in Taiwan to objectively assess its environment. A few people making important diplomatic decisions behind closed doors just won't do. President Chen needs to know that for his ultimate vision for Taiwan to succeed, nothing short of a drastic change of the current international power structure will do. Unfortunately for him, and perhaps for Taiwan, Taiwan is not, and never will be, equipped to effect this change.

The current Administration in Washington should feel lucky that of all the trouble spots in the world, cross-Strait relations are a relatively less arduous undertaking thanks to the decades-long "one China" policy. It provides the executive branch with both a reference point with which to assess the current situation and a direction to follow. Washington can always use the policy as a basis to manage tension. It buys Washington valuable time when the country's resources and attention are focused elsewhere. But this policy should not be substituted for leadership, initiative, and foresight. The U.S. needs to determine whether the recent tension between Taipei and Washington are isolated events or part of a pattern that signals more troubles to come. Should the Administration determine the latter to be the more likely scenario, then it is imperative for Washington to anticipate what the end game might be, and its implications for the United States. Waiting for the situation to develop and worsen and then using the "one China" policy to deal with it should be a thing of the past. The Bush Administration also needs to clean up its act, and make sure that the rank and file fall in line when dealing with Taiwan, and speak with one voice, laying out the ground rules clearly without confusion, so as to leave policy-makers in Taipei no doubt about Washington's messages and bottom line. The testimony delivered to Congress by Assistant Secretary of State Kelly in April 2004 and Dr. Condoleezza Rice's call for the resumption of cross-Strait dialogue in July was a start that at least showed that the Bush Administration was growing aware of the coming challenges that it faces on cross-Strait issues.