

**THE US AND CROSS STRAIT RIVALRY:**  
**STRATEGIC PARTNERSHIP AND STRATEGIC AMBIGUITY**

**BY**

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In terms of foreign policy, the United States has focused primarily on European affairs. For much of its history, this Euro-Centric orientation made sense. Until recently, most Americans came from Europe. Moreover, the United States traded primarily with European nations and the region was widely acknowledged as the most strategically important area on the globe. As the US approaches the new millennium, however, no region is more important to American interests than the Asia-Pacific.

The Western Pacific holds both challenges and opportunities for the US. There are great hopes for democracy, prosperity, social justice and peace. At the same time, however, the region remains inherently unstable. Unlike Europe, the end of the Cold War has not lessened tensions in East Asia. There remains the ever-present risk of economic catastrophe, social oppression and military conflict.

As Stanley Roth, Assistant Secretary of State for East Asian and Pacific Affairs has observed, "many experts consider China the greatest foreign policy challenge facing the US today."<sup>1</sup> In fact, the US Department of Defense's *1998 East Asian Strategy Reports* emphasizes that "the United States understands that lasting security in the Asia-Pacific region is *not* possible without a constructive role played by China."<sup>2</sup> However, Washington and Beijing remain divided over a plethora of important and complex issues. The most contentious of these—described by one analyst as "an irresolvable political, if not also military, flashpoint in bilateral relations"—is America's continued military support for the Republic of China on Taiwan (ROC or Taiwan).<sup>3</sup>

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<sup>1</sup>Simon Beck, "Mainland `America's Greatest Foreign Policy Challenge," *South China Morning Post*, February 12, 1999 on the world wide web at <http://www.scmp.com/news/template/ChinaT...na&template=Default.htm&maxFields+2229>.

<sup>2</sup>Office of International Security Affairs, Department of Defense, *United States Security Strategy for the East Asia-Pacific Region* (Washington, D.C.: The Pentagon, November, 1998), p.16.

<sup>3</sup>See Patrick M. Cronin, "Security and the Summit: A Primer," in *Global Beat: Rough Waters:*

This paper provides a general overview of Washington's security ties with the two Chinas—the People's Republic of China (PRC) and the ROC. It shows how these relationships, while appearing on the surface to be stable, are presently in transition. The paper also examines briefly several policy options available to American decision-makers if they wish to change or modify security ties with these states. In conclusion, the author suggests that, while Washington should not make a dramatic or radical shift in its security relationship with Beijing or Taipei, some modest changes may be warranted.

### **I. U.S-CHINA SECURITY TIES**

On October 1, 1949, Mao Zedong, Chairman of the Chinese Communist Party (CCP), officially proclaimed the founding of the PRC. Since that time, US-PRC relations have passed through several phases.

During the 1950s and 1960s, the US and China were bitter enemies. A number of factors contributed to a rise in tensions, but it was the outbreak of the Korean War that set the stage for roughly two decades of intense belligerence. Following Beijing's decision to enter the Korean conflict in November 1950, the US sought to "contain" the PRC with a series of alliances—including a defense treaty with arch-rival Taiwan. It also ruled out recognition of the Beijing regime and imposed a trade embargo on economic contacts with the PRC. Finally, for almost two decades, Washington sponsored a limited secret war against the PRC.<sup>4</sup> Throughout the 1950s and 1960s, American intelligence agencies helped Taiwan stage raids on the Chinese mainland.

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*Navigating the US-China Security Agenda, A Handbook for Journalists-June 1998* on the world wide web at <http://www.nyu.edu/globalbeat/asia/china/handbook.html>.

<sup>4</sup>See Michael Schaller, *The United States and China in the Twentieth Century*, (New York: Oxford University Press, 1979), p.140.

For its part, the PRC supported the Communist forces in North Korea and Vietnam. Beijing also proclaimed its intention to "liberate" Taiwan and attempted to seize ROC territory (the offshore islands) on two occasions during the 1950s. These crises almost led to a direct US-PRC confrontation.

During the late 1960s, global politics began to shift. Beijing came gradually to be viewed by Washington "as a desirable counterweight to the Soviet Union which was rapidly gaining strategic nuclear parity with the United States."<sup>5</sup> The PRC also had ample motivation to improve relations with the United States. Threatened with the prospect of a preemptive Soviet nuclear strike, "rapprochement between Washington and Beijing was seen as a quick fix for the Communist Chinese as much as for the Americans."<sup>6</sup>

The US and PRC established full diplomatic relations on January 1, 1979. In order to normalize relations, both parties proved willing to set aside temporarily their differences over certain volatile issues—matters which had previously rendered all prospects of a reconciliation hopeless.<sup>7</sup> As Zbigniew Brzezinski, then National Security Advisor, observed, the decision to formalize ties was "definitely influenced by the Soviet dimension."<sup>8</sup>

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<sup>5</sup>Steven L. Levine, "The Soviet Factor in Sino-American Relations," in Michel Oksenberg and Robert B. Oxnam (eds.) *Dragon and Eagle--United States-China Relations: Past and Future*. (New York: Basic Books, Inc., 1978), p.247.

<sup>6</sup>A. James Gregor, *Arming The Dragon: US Security Ties With the People's Republic of China*. (Washington, D.C.: Ethics and Public Policy Center, 1988), p.10.

<sup>7</sup>Perhaps most surprising was the delicate handling of the Taiwan question, an affair long considered as an irredentist issue in Sino-American relations. When addressing this problem, Mao said that "this issue is not an important one. . . the issue of the international situation is an important one." See Henry Kissinger, *The White House Years* (Boston: Little, Brown and Company), p.1062.

<sup>8</sup>Zbigniew Brzezinski, *Power and Principle* (New York: Farrar, Straus and Giroux, 1983), p.197.

During the 1980s, the US and the PRC established a tacit alliance directed against Soviet expansionism. In June 1981, Secretary of State Alexander Haig announced that the US would sell arms to Beijing on a case-by-case commercial basis.<sup>9</sup> Roughly three years later, President Ronald Reagan cleared the way for direct government-to-government (FMS) transfers by declaring, as required by law, that such sales would "strengthen the security of the United States and promote world peace (see Table 1)."<sup>10</sup> In fact, the Central Intelligence Agency has revealed that the two governments "went to extraordinary lengths to cooperate with one another against Moscow. . . . they regularly shared intelligence and teamed up devising anti-Soviet strategies."<sup>11</sup> In short, common opposition to Soviet expansionism brought the two governments together and for almost two decades the relationship was "sustained by this strategic assessment."<sup>12</sup>

**Table 1**  
**United States Foreign Military Sales (FMS) Agreements with the PRC and Deliveries to PRC:**  
**FY 1984-1991 (Thousands of US Dollars)**

FY	Agreements	Deliveries
1984	629	6
1985	421	424
1986	36,045	547
1987	254,279	3,881

<sup>9</sup>Commercial sales cover the delivery of arms purchased directly from US manufacturers. In order to deliver, the manufacturers must be licensed and the sale approved by the US Department of State's Office of Munitions Control and the Department of Defense. For more information, see Dennis Van Vranken Hickey, "America's Military Relations with The People's Republic of China: The Need for Reassessment," *Journal of Northeast Asian Studies* Volume VII, Number 3, Fall 1988, pp.29-41.

<sup>10</sup>Ibid.

<sup>11</sup>See Jim Mann, "US, China Coordinated Policy During Cold War," *Los Angeles Times*, June 13, 1994, p.A1.

<sup>12</sup>See The Atlantic Council of the United States and National Committee on United States-China Relations, *United States and China Relations at a Crossroads* (Washington, D.C.: Atlantic Council of the United States, February 1993), p.1

1988	12,913	39,122
1989	416	91,255

*Source:* Defense Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts As of September 30, 1991* (Washington, D.C: Data Management Division, Comptroller, DSAA, 1991).

The end of the Cold War and the collapse of the Soviet Union deprived the US and the PRC of a common enemy. Tensions between Washington and Beijing escalated quickly. Trade disputes, human rights violations and arms sales—issues once overlooked for the sake of national security—emerged as major points of contention. The Tiananmen Incident of 1989 led Washington to impose sanctions and suspend military relations with Beijing. Perhaps the most alarming confrontation, however, was the 1996 showdown over Taiwan.

In March 1996, the People's Liberation Army (PLA) initiated a series of provocative military exercises and missile tests off Taiwan's coastline. In fact, one missile passed almost directly over Taipei before splashing down 19 miles beyond the island's shore.<sup>13</sup> Responding to China's aggressive behavior, Washington dispatched two carrier battle groups to patrol the waters around Taiwan—the largest US Naval deployment in East Asia since the Vietnam War—and warned that any attack directed against the island would not be tolerated and "could" lead to an American military response.<sup>14</sup>

In private discussions, William J. Perry, then US Secretary of Defense, warned Chinese officials that

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<sup>13</sup>See Barton Gellman, "US and China Nearly Came to Blows in '96," *Washington Post*, June 21, 1998, p.A1.

<sup>14</sup>See Bill Wang, "US Will Not Tolerate Attack on Taiwan," *Central News Agency* (hereafter *CNA*), March 19, 1996 in *Lexis/Nexis*. For further information, also see testimony of Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, in *Military Stability in the Taiwan Straits*, Hearing Before the House International Relations Committee, March 14, 1996, *Federal News Service* in *Lexis/Nexis*.

there would be "grave consequences" if a PRC missile landed in Taiwan.<sup>15</sup> For its part, Beijing threatened that, if the American armada entered the Taiwan Strait, it might confront a "sea of fire."<sup>16</sup> PRC officials also implied that the US was not invulnerable to a nuclear attack. The crisis was defused only after Taiwan held its first-ever direct Presidential election.

Following the missile crisis, the Clinton administration has sought to forge a "constructive strategic partnership" with the PRC and insists that China plays an important role in American security strategy. Stanley Roth, Assistant Secretary of State for East Asian and Pacific Affairs, contends that Beijing already has played a critical role promoting peace on the Korean Peninsula:

In terms of regional security, engagement with China is paying dividends. Peace in Korea is as fundamental a strategic interest for China as it is for the US, and the Chinese have played a critical role in working to defuse tensions on the Peninsula. China worked with the US to bring North Korea to the negotiating table and now sits with us at the Four Party Talks in the common purpose of permanent peace. China chaired the most recent North-South negotiation, which we enthusiastically support and is aggressively addressing the humanitarian crisis in North Korea through significant, ongoing food and fuel donations.<sup>17</sup>

Indeed, US officials contend that Beijing's cooperation is essential if Washington wants to maintain peace and stability in the Taiwan Strait, the South China Sea and Southeast Asia. Moreover, with its seat on the Security Council, the Administration argues that the US needs PRC's support in the United Nations. Finally, US officials believe that Beijing has played a constructive role in efforts to stabilize

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<sup>15</sup>See Barton Gellman, "US and China Nearly Came to Blows in '96."

<sup>16</sup>"Bush Says There Will Be No War," *Hong Kong Standard*, March 22, 1996 in <http://www.hkstandard.com/>.

<sup>17</sup>Testimony of Stanley O. Roth, Assistant Secretary of State, East Asian and Pacific Affairs, Before the Subcommittee on East Asian and Pacific Affairs of the House Foreign Relations Committee, May 5, 1998, *Federal News Service* in *Lexis/Nexis*.

financial markets in East Asia. During his June 1998 visit to Beijing University, President Clinton told students that "China has steadfastly shouldered its responsibility to the region and the world in this latest financial crisis, helping to prevent another cycle of dangerous devaluations."<sup>18</sup>

The US and China remain divided over numerous issues. Nevertheless, the two sides have agreed to the symbolic "de-targeting" of their nuclear missiles, a direct channel of Presidential communication has been established and both governments have pledged cooperate on a wide range of issues including South Asia, nuclear proliferation and the international economy.<sup>19</sup> Moreover, military exchanges between the US and PRC defense establishments, contacts resumed during the early- 1990s, have accelerated:

The military Maritime Consultation Agreement of January 1998 is designed to establish a process for dialogue between the two militaries that will enhance understanding and trust as our maritime and air forces operate in close proximity to one another. DOD has also begun to conduct regular high-level strategic dialogue through annual Defense Consultative Talks, which were initiated in December 1997. Our militaries have exchanged port visits and begun exchanges on humanitarian assistance and disaster relief. And we have conducted reciprocal senior defense and military visits and continued defense academic exchanges through our respective National Defense Universities.<sup>20</sup>

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<sup>18</sup>Tak-ho Fong, "Build a Freer China: Clinton," *Hong Kong Standard*, June 30, 1998 on the world wide web at <http://www.hkstandard.com/online/news/001/frontpg/news001.htm>

<sup>19</sup>For more information, see Jackie Sam, "Decades of Distrust Dissolves in Days," *Hong Kong Standard*, July 2, 1998 on the world wide web at and Viven Pik-Kwan Chan and Chan Yee Hon, "Positive Tone Augurs Well, Says Professor," *South China Morning Post*, June 29, 1998 on the world wide web at

<sup>20</sup>*The United States Security Strategy for the East Asia-Pacific Region* (1998 edition), p.34.



In short, US officials contend that, in addition to Washington's close association with Japan, a balanced relationship with China "will be key to regional peace and security."<sup>21</sup>

## **II. U.S.-TAIWAN SECURITY TIES**

As described, the US established diplomatic relations with the PRC in 1979. In order to achieve normalization, the US agreed to accede to Beijing's long-standing conditions for diplomatic relations: the "derecognition" of the ROC, the termination of the US-ROC Mutual Defense Treaty, and the withdrawal of all US forces stationed on Taiwan.

With the abrogation of the US-ROC Defense Treaty in 1979, the US terminated its formal security commitment to Taiwan. However, the United States continues to play a critical role in Taiwan's defensive strategy. American military equipment, technological assistance and an informal or "tactic alliance" augment the island's defenses.<sup>22</sup>

### ***American Military Equipment***

According to the Taiwan Relations Act (TRA)—the legislation that guides official American policy toward Taiwan—the US will "make available to Taiwan such defense articles and defense

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<sup>21</sup>See Prepared Statement of Admiral Joseph W. Prueher, US Navy Commander in Chief, US Pacific Command, Before the Senate Committee on Appropriations Subcommittee on Defense, May 6, 1998, *Federal News Service in Lexis/Nexis*.

<sup>22</sup>Members of the legislative branch have argued that the Taiwan Relations Act is "tantamount to establishing an alliance with Taiwan against aggression." See statement of Representative Mark D. Siljander (Republican-Michigan), in US House of Representatives, *Implementation of the Taiwan Relations Act*, Hearing and Markup before the Committee on Foreign Affairs and Its Subcommittee on Human Rights and International Organizations and on Asian and Pacific Affairs, May 7, June 25 and August 1, 1986 (Washington, D.C.: US Government Printing Office, 1986) p.42

services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Since 1982, when Washington promised China that it would reduce arms transfers to Taiwan, the US has sold F-16 warplanes, Hawkeye E-2T early warning aircraft, MK-46 torpedoes, M60A3 tanks, Knox-class frigates, Harpoon anti-ship missiles, Stinger Missiles and a derivative of the Patriot missile air defense system to Taiwan.<sup>23</sup> In fact, following President Clinton's 1998 visit to China, the US has agreed to sell a wide variety of military hardware to Taiwan. Recent sales have included 61 dual mount Stinger missile launchers, 728 missile rounds and associated hardware for US \$180 million; 58 Harpoon anti-ship missiles (to be mounted on Taipei's American built F-16 warplanes) and eight Harpoon training missiles for US \$101 million; 131 MK-46 torpedoes (for Taiwan's S-70 helicopters) and related equipment for US \$69 million and nine CH-475 Chinook CH-475 military transport helicopters (including radar early warning receivers, spare turbo engines and other spare parts) for US \$486 million.<sup>24</sup> These deals followed on the heels of a January 1998 sale of three Knox-class frigates for US \$300 million and a US \$160 million dollar sale of flight guidance equipment for Taiwan's F-16 fighters in June 1998. Taiwan also has entered into negotiations on the purchase of several Aegis-class cruisers from the US and it has agreed to study the possibility of participating in the proposed Theater Missile Defense system (TMD).<sup>25</sup> Washington steadfastly refuses to accede to Beijing's demands that these arms sales be curbed.<sup>26</sup>

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<sup>23</sup>Washington promised to reduce sales in the 1982 US-China Joint Communiqué

<sup>24</sup>See "Defense Officials Say Arms Deal with USA Signifies No Policy Change," *Central News Agency*, August 28, 1998 in *BBC Summary of World Broadcasts*, August 31, 1998 in *Lexis/Nexis* and "US to Sell Taiwan Nine CH-475D Military Transport Helicopters," *Deutsche Presse Agentur*, October 10, 1998 in *Lexis/Nexis*.

<sup>25</sup>The highly computerized Aegis warships are designed to counter short and medium-range surface-

The US also has transferred critical technologies to Taiwan. This technological assistance has enabled Taipei to domestically manufacture a wide range of military hardware—including advanced warplanes, missiles, warships and tanks.<sup>27</sup> For example, a majority of the necessary parts for the IDF fighter—including the manufacturing technology the warplane's engine—are supplied by the US and American engineers helped Taiwan's state-owned China Shipbuilding Corporation build its first two Chengkung-class frigates.<sup>28</sup>

### *American Security Commitment*

The US security commitment to Taiwan is discussed in the TRA and three joint communiqués with the PRC. Section 2 (b) of the TRA states:

It is the policy of the United States . . . to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States; to provide Taiwan with arms of a defensive character; and to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.

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to-surface missiles and provide early warning against a missile attack. The TMD, a multi-billion dollar system that would employ sophisticated satellite technology, would purportedly enable Taiwan to detect and intercept incoming ballistic missiles.

<sup>26</sup>President Clinton defend the US position on arms transfers by stating that "our policy is that weapons sales to Taiwan are for defensive purposes only."Fong Tak-ho, "Visitor with `Friendly Smile' has the Answers," *Hong Kong Standard* June 30, 1998 on the world wide web at <http://www.hkstandard.com/>.

<sup>27</sup>For a discussion of American technology transfers to Taiwan, See Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Containment* (Westport, CT: Praeger Publishers, 1994), pp. 41-75.

<sup>28</sup> See Eric Lin, "War and Peace: Recent Military and Diplomatic Developments in the Taiwan Strait," *Sinorama*, November 1998, p.19 and Sofia Wu, "7th Locally Built Perry-Class Frigate Commissioned," *Central News Agency*, December 1, 1998 in *FBIS, China*, December 2, 1998.

Should the security or the social or economic system of Taiwan be threatened, Section 3 states that "the President is directed to inform the Congress promptly . . . . (and) the President and the Congress shall determine in accordance with constitutional processes, appropriate action by the United States in response to any such danger."

In addition to the TRA, US security policy toward Taiwan is guided by three US-PRC Joint Communiqués: (1) the 1972 Shanghai Communiqué; (2) the 1979 Normalization Communiqué and (3) the August 17, 1982 US-China Joint Communiqué. In the 1972 Shanghai Communiqué—a document that helped pave the way for eventual normalization of US-PRC relations—Washington reaffirmed "its interest in a peaceful settlement of the Taiwan question." In the American statement that accompanied the 1979 Normalization Communiqué, Washington stressed that "the United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves." Finally, in the August 17, 1982 US-China Joint Communiqué—an agreement that appeared to pledge the US to decrease its arms sales to Taiwan—the United States stressed that it "understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question."

The TRA provides the US only with an *option* to defend Taiwan, it does not necessarily commit the US to Taiwan's defense. During Congressional hearings held in March, 1996, Howard Lange, Director of the Taiwan Coordination Staff at the Department of State, was asked by Representative Lee H. Hamilton (Democrat-Indiana) whether it was correct that the Taiwan Relations Act "does not contain any positive statement about our assistance in case of an attack on Taiwan."<sup>29</sup>

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<sup>29</sup>See testimony of Howard Lange, Director of the Taiwan Coordination Staff at the State Department, in *Consideration of Miscellaneous Bills and Resolutions*, Markup Before the Committee

The Director replied, "that is correct."<sup>30</sup> Lange's candid testimony did not reflect a change in US policy. The 1979 House Committee on Foreign Affairs report that accompanied the TRA emphasizes that "what would be appropriate action, including possible use of force in Taiwan's defense, would depend on the specific circumstances."<sup>31</sup>

American officials will not promise to defend Taiwan. In July, 1998, Mike McCurry, then White House spokesman, was asked for a "simple answer" as to whether the US really would come to Taiwan's defense if attacked. McCurry replied, "I'm not going to wing an answer on something that is very precisely stated in the Taiwan Relations Act."<sup>32</sup> Officials also refuse to specify the type of PRC provocations against Taiwan that might trigger an American military response or outline those circumstances that might lead Washington to forsake Taipei. For example, when asked during Congressional hearings in 1998 whether he could "envision any conditions under which the US would *not* come to Taiwan's defense," Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, replied, "Congressman, I am not going to sit here and answer those kinds of hypothetical questions. . . we always refrain from answering those kinds of hypothetical questions."<sup>33</sup>

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on International Relations, House of Representatives, One Hundred Fourth Congress, Second Session on H.Res. 345, H.Res. 379 H. Con. Res. 102, H.J. Res. 158 and H.Con. Res. 148, March 14, 1996 (Washington, D.C.: US Government Printing Office, 1996), p.13.

<sup>30</sup>Ibid.

<sup>31</sup>See *United States-Taiwan Relations Act*, US House of Representatives, Committee on Foreign Affairs, 96th Congress, 1st Session, Report No.96-26, 1979.

<sup>32</sup>See Nelson Chung, "White House Reiterates Commitment," *China Post* (International Airmail Edition), July 13, 1998, p.1

<sup>33</sup>See Testimony of Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, in *Hearing on the Direction of US-Taiwan Relations*, Subcommittee on Asia and the Pacific of the House International Relations Committee, May 20, 1998 in *Federal Document Clearing*

In sum, the US is not committed to Taiwan's defense, As Douglas Paal, a former senior National Security aide observed, "there's no such thing as an ironclad commitment. . . the belief that the US will send [aircraft] carriers any time the People's Republic puts pressure on Taiwan depends on Taiwan's behavior."<sup>34</sup> At the same time, however, it is clear that "any US administration would come under significant pressure to defend Taiwan were conflict to occur, no matter the cause."<sup>35</sup>

### ***Other Forms of Military Support***

America's military support for Taiwan is not limited solely to arms sales, technology transfers and the ambiguous defense provisions of the TRA. For example, the two states also share intelligence. During the 1995 and 1996 Taiwan Strait crises, Taipei and Washington "exchanged strategic information and cooperated in intelligence gathering efforts."<sup>36</sup> Following the crisis, the US has used the information to advise Taiwan how it might best improve its defensive capabilities. Although details remain classified, Washington has been particularly active helping Taipei enhance its anti-submarine warfare capabilities.<sup>37</sup>

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### *House Political Transcripts in Lexis/Nexis*

<sup>34</sup>See Barbara Opall, "US, Taiwanese Opposition Chart Collision Course," *Defense News*, Volume 13, Number 12, March 23-29, 1998, p.34.

<sup>35</sup>Institute for National Strategic Studies, National Defense University, *Strategic Assessment 1998: Engaging Power for Peace* (Washington, D.C.: US Government Printing Office, 1998, p.46

<sup>36</sup>See Sofia Wu, "Military Strengthening Electronic Warfare Capabilities," *Central News Agency*, March 9, 1998 in *Foreign Broadcast Information Service, China*, March 10, 1998 at <http://wnc.fedworld.gov/cgi-bin/retrieve>.

<sup>37</sup>According to one US official, the US believes that "the anti-submarine mission for Taiwan, we gauge to be among the most important." He claims that "hardware including, and in addition to some software, some people-to-people contacts" have helped Taipei confront "this particular challenge." See Testimony of Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, in *Hearing on the Direction of US-Taiwan Relations*, Subcommittee on Asia and the Pacific of the

Despite the lack of formal diplomatic ties, US-ROC military-to-military contacts remain strong. Since 1979, Taiwan has sent hundreds of military officers to the US for training. Prospective ROC F-16 pilots have received training at Luke Air Force Base in Arizona and other military personnel have been sent to the US to study missile technology and observe live Patriot exercises.<sup>38</sup> For its part, the US has sent military personnel to Taiwan to inspect military installations and exchange views with their Taiwan counterparts on the island's defense needs. American defense officials have expressed a strong interest in increasing such ties.<sup>39</sup> In addition to these exchanges, US Defense Secretary William Cohen has met with General Tang Fei, Taiwan's Chief of General Staff, in Washington in order to discuss the proposed TMD system for East Asia and other unspecified "issues of concern to US and Taiwanese defense."<sup>40</sup>

It is also noteworthy that Taiwan enjoys widespread, bipartisan support among members of the US Congress and the American public. It has become a common practice for the Congress to pass by overwhelming majorities resolutions supporting Taiwan. Recent resolutions have ranged from a call for America's "key ally" to be allowed to participate in the proposed TMD system to a blunt demand that Beijing renounce the use of force against Taiwan. Perhaps equally significant, public opinion polls

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House International Relations Committee, May 20, 1998 in *Federal Document Clearing House Political Transcripts* in *Lexis/Nexis*

<sup>38</sup>See Jay Chen and Sofia Wu, "ROC Takes Delivery of 103 Jet Fighters," *China Post*, October 21, 1998, p.19 and Lu Te-yun, "Military to Test-Fire Patriot Missiles in '99," *Lien-Ho Pao* (Taiwan), August 24, 1998, p.1 in *Foreign Broadcast Information Service*, China, September 8, 1998 at <http://wnc.fedworld.gov/cgi-bin/retrieve>.

<sup>39</sup>See "US Offers Military Software Assistance for F-16 Fighters," *China News* May 25, 1998 in *Lexis/Nexis*.

<sup>40</sup>See "Taipei-US Defense Meeting," *Associated Press*, November 3, 1998 in *Taiwan Security Research* on the world wide web at <http://www.taiwan.security.org.AP-981103.htm>.

reveal that an overwhelming majority of Americans believe that the US should "firmly support" Taiwan's security even if that means irritating the PRC.<sup>41</sup> As Senator Slade Gorton (Republican-Washington) observed, support for Taiwan is now a "mainstream position" in the US.<sup>42</sup>

Finally, the revised US-Japan defense pact has bolstered the viability of one option available to Washington during an emergency in the Taiwan Strait—namely, the military option. Without ever mentioning China specifically, the revised guidelines nevertheless send a strong signal that the US now is better positioned to handle any conflict that might emerge in the Taiwan Strait. In that critical respect, they may serve as an additional deterrent to PRC aggression.<sup>43</sup>

### **III. OPTIONS**

Washington appears determined to pursue a "strategic dialogue" with Beijing. Indeed, American officials claim that it "is something we pursue, in a sense, daily."<sup>44</sup> They argue that a "strategic partnership" is "crucial for managing many of the regional and global challenges that confront us."<sup>45</sup> At the same time, however, Washington has a legal obligation (albeit ambiguous) to Taiwan's security and maintains robust economic and "unofficial" political relations with the island.

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<sup>41</sup>See "New Survey Finds Support for Defending Taiwan's Security," *US Newswire*, May 20, 1998 in *Lexis/Nexis*.

<sup>42</sup>Neil Lu and Flor Wang, "Washington Governor Locke Hails President Lee," *China Post* (International Airmail Edition), August 10, 1998, p.3.

<sup>43</sup>See Dennis Van Vranken Hickey, "The Revised US-Japan Security Guidelines: Implications for Beijing and Taipei," *Issues and Studies*, Volume 34, Number 4, April 1998.

<sup>44</sup>Stanley Roth, Assistant Secretary of State for East Asian and Pacific Affairs, made this statement. See "Transcript: Roth 1/12 Briefing on US Relations with Asia Pacific," *United States Information Agency*, on the world wide web at <http://www.usia.gov/regional/ea/easec/roth112.htm>.

<sup>45</sup>*Ibid.*



Not everyone agrees with the proposition that it is feasible—or even desirable—for the US to promote a strategic partnership with China and/or continue to support Taiwan. Some contend that Washington needs to make some hard decisions about its relationships with these states. The discussion below examines several alternative policy choices.

### **1. China as an Adversary**

Kenneth Lieberthal, a leading authority on Sino-American relations, has observed that for some Americans "China is the Great Satan in the international arena, so you use China as the emblem of the world's worst abuses—abortion, suppression of Christian religious practices, a whole series of issues."<sup>46</sup> In addition to the Taiwan question, economic disputes, human rights issues and China's military policies are major issues of contention.

US-PRC trade has grown from a few million dollars in the early 1970s to almost one hundred billion today. During the same period, US investment in China soared. These economic ties have linked the two nations more closely together. But they also have created frictions. By 1998, China's trade surplus was approaching \$60 billion per year and many Americans believe that it may be traced directly to Beijing's predatory trade practices.<sup>47</sup> Even former President George Bush, considered by many to be a strong supporter of engagement with China, has warned Beijing that "you should know this: there is growing concern in the United States about our huge trade deficit with China."<sup>48</sup>

**Table 2**  
**Top 10 United States Negative Trade Balances, 1996**

US Deficit Position	U.S. Dollars (Millions)
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<sup>46</sup>Deborah Lutterbeck, "China Bashing," *Far Eastern Economic Review*, June 25, 1998, p.14

<sup>47</sup>See "George Bush Warns China on Trade," *China News*, October 20, 1998, p.3

<sup>48</sup>Ibid.

1. Japan	-47,580
2. P.R. China	-39,520
3. Canada	-21,682
4. Mexico	-17,506
5. Germany	-15,450
6. Taiwan	-11,447
7. Italy	-9,528
8. Malaysia	-9,283
9. Venezuela	-8,424
10. Nigeria	-5,160

*Source:* US Department of Commerce, International Trade Administration, *US Foreign Trade Highlights 1996* (Washington, D.C.: US Government Printing Office, August 1997), p.32.

Trade disputes are not the only economic issues that undermine the US-PRC relationship. American corporations complain that, rather than easing market access, Beijing actually is tightening rules for Western investors.<sup>49</sup> Moreover, intellectual property rights are not adequately protected, service markets remain largely closed and PRC corporations regularly ship textiles destined for the US to a third country where they are fraudulently labeled as having been manufactured in that country. To many American political and corporate leaders it seems inconceivable that China could meet the requirements of World Trade Organization (WTO) membership anytime soon.

In addition to economic difficulties, the human rights issue will not go away—it lingers as a contentious issue in US-PRC relations. According to the US Department of State's annual *Country Reports on Human Rights*, China continues "to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms stemming from the authorities very limited tolerance of public dissent, fear of unrest, and the limited scope of inadequate implementation of laws

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<sup>49</sup>See Jane Perlez, "Hopes for Improved Ties with China Fade," *New York Times*, February 12, 1999 in *Lexis/Nexis*.

protecting basic freedoms."<sup>50</sup> Those who felt Clinton's 1998 visit to the PRC might have improved the prospects for a more tolerant or democratic China have been sorely disappointed. In December 1998, prison sentences ranging from 11 to 13 years were imposed on three of China's leading democracy activists. Harold Hongju Koh, Assistant Secretary of State for Democracy, Human Rights and Labor, has described these and other recent human rights abuses in China as "deeply discouraging."<sup>51</sup>

Finally, many Americans feel increasingly uneasy about China's military policies. The PRC's military build-up, arms sales and territorial claims have long fueled American suspicions that Beijing is the post-Cold War "bogeyman." Recent reports concerning Chinese espionage activities in the US, continued shipments of missile technology to Iran, the development of anti-satellite laser weapons and loud threats to develop "more advanced missiles" if Washington opts to deploy a TMD system in East Asia have served only to reinforce this view. Moreover, Taiwan military authorities contend that, following the collapse of the Soviet Union in 1991, the PRC has redeployed M-9 and M-11 ballistic missiles and troops in its southeastern regions and that these forces are aimed at Taiwan.<sup>52</sup> In fact, according to some defense experts, "the amount of missiles deployed is considered the world's heaviest concentration of strategic weapons in a given location."<sup>53</sup> Perhaps equally worrisome, Yin Tsung-wen,

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<sup>50</sup>Bureau of Democracy, Human Rights and Labor, Department of State, *Human Rights Practices for 1997* (Washington, D.C.: January 30, 1998) on the world wide web at [http://www.state.gov/www/global/human\\_rights/1997\\_hrp\\_report\\_toc.html](http://www.state.gov/www/global/human_rights/1997_hrp_report_toc.html).

<sup>51</sup>Harold Koh, *Human Rights Highest Priority*, Testimony before the US House of Representatives Committee on International Relations, January 20, 1999 in *Taiwan Security Research* on the world wide web at <http://www.taiwansecurity.org/IS/IS-Koh.htm>

<sup>52</sup>See "Mainland Missiles Target Taiwan," *China Post* (International Airmail Edition), May 18, 1998, p.4.

<sup>53</sup>See Oliver Chou, "Missile Force `Response to Threat,'" *South China Morning Post*, February 11, 1999 on the world wide web at <http://www.scmp.com/news/template/China->

Director of the ROC National Security Bureau, reports that the PRC has "Taiwan in mind either in training and drills . . . this has been repeatedly proved by information collected."<sup>54</sup> American defense experts acknowledge that "there's a pretty good consensus in the intelligence community that the Chinese military has been asked to operationalize a Taiwan invasion in a way they haven't done in the past."<sup>55</sup>

Given such developments, it is hardly surprising that some members of Congress and a significant portion of the American public believe that the policy of "strategic partnership" is a failure and should be abandoned. Public opinion polls reveal that seventy-seven percent of the American people now view China as a threat—including twenty-six percent who feel "strongly" threatened by the PRC.<sup>56</sup> A Congressional Staff member appeared to reflect the sentiment of numerous members of Congress when he exclaimed that, "*China is an adversary*. Why use namby-pamby language when China sees through it?"<sup>57</sup>

## **2. Broker a Grand Settlement**

The Taiwan Strait crisis of 1996 led numerous Americans to question US policy toward the defense of Taiwan. Some appeared surprised to learn that Washington was not formally committed to

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<sup>54</sup>"Intelligence Head Warns of Mainland Mil Threat," Agence France Presse, June 1, 1998 in *Foreign Broadcast Information Service, China*, June 2, 1998 <http://wnc.fedworld.gov/cgi-bin/retrieve>.

<sup>55</sup>Barton Gellman, "Reappraisal led to New China Policy, Skeptics Abound, but US 'Strategic Partnership' Yielding Results,": *Washington Post*, June 22, 1998, p.A1 in *Lexis/Nexis*.

<sup>56</sup>See Deborah Lutterbeck, Bruce Gilley and Andrew Sherry, "Riders on the Storm," *Far Eastern Economic Review*, June 25, 1998, p. 11.

<sup>57</sup>Nigel Holloway, "That T-Word Again," *Far Eastern Economic Review*, February 20, 1997, p.18.

protect the island. Others feared that the US might be dragged into a nuclear war with China. Such concerns have led some individuals to call on Washington to broker a grand settlement of the Taiwan issue—a dispute many consider unresolvable.

For decades, the US has not taken a position on the future of Taiwan other than to insist that the resolution of the Taiwan issue is a matter for the Chinese themselves to settle and that it should be settled peacefully. American policy does not address a host of other issues, including Taiwan's future status in the global community, its form of government, or its socio-economic system. Proposals advanced by some former US officials—most notably Joseph S. Nye, Jr., and Chas W. Freeman, Jr.—would change this.

Nye and Freeman's proposals differ substantially.<sup>58</sup> However, they do share some similarities. Both schemes would interject the US squarely into the resolution of the Taiwan issue. Arguing that the present American policy "may court disaster," Nye calls on Washington to provide Taipei with a firm security guarantee in return for its promise to "foreswear" independence.<sup>59</sup> He also believes that the US should secure a pledge from Beijing to provide Taiwan with more "international living space" if Taipei "decisively rejects" the idea of declaring independence. As for Freeman, he asserts that "the United States should state *unequivocally* that it will not support or *endorse* any unilateral change in Taiwan's status by either Beijing or Taiwan [emphasis added]."<sup>60</sup> He also argues that the US should

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<sup>58</sup>For a complete analysis of these proposals, see Dennis Van Vranken Hickey, "US-Taiwan Security Ties: Toward the Next Millennium," Paper delivered at the conference, "Taiwan on the Threshold of the 21st Century: A Paradigm Reexamined," *National Chengchi University*, Taipei, Taiwan, January 4 and 5, 1999. The paper is posted on the Taiwan Security Homepage at <http://www.taiwansecurity.org>

<sup>59</sup>See Joseph Nye, "A Taiwan Deal," *Washington Post*, March 8, 1998, p.C7.

<sup>60</sup>See Chas W. Freeman, Jr., "Preventing War in the Taiwan Strait: Restraining Taiwan—and

somehow cobble together an agreement whereby Beijing and Taipei would promise to defer "negotiations about their long-term relationship for a specific period—say 50 years."<sup>61</sup>

### **3. Abandon Strategic Ambiguity**

Although some Americans do not support calls for the US to broker a settlement of the Taiwan issue, they do agree that the US should abandon the policy of strategic ambiguity. In fact, both Democrats and Republicans have called upon the Clinton administration to scrap the policy of "strategic ambiguity" and promise to defend Taiwan. As Representative Eni Faleomavaega (Democrat-American Samoa) explained, "we want to be very unambiguous, with no ambiguity to the people of China in terms of how the Congress feels, and basically that our country will not stand idly by while China continues to commit its military forces to intimidate the people and the government of Taiwan."<sup>62</sup> Senator Paul Simon (Democrat-Illinois, ret.) was more even direct. Simon has argued that the US should "make clear to China that armed action against Taiwan would be met with air and sea resistance."<sup>63</sup> Senator Bob Dole, 1996 Republican presidential candidate, also has suggested that "our policy should be unmistakably resolute. If force is used against Taiwan, America will respond."<sup>64</sup>

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Beijing," *Foreign Affairs*, Volume 77, Number 4, Fall 1998, pp.6-11.

<sup>61</sup>Ibid.

<sup>62</sup>*Military Stability in the Taiwan Straits*, Hearing Before the House International Relations Committee, Subcommittee on Asia and the Pacific, March 14, 1996, *Federal News Service in Lexis/Nexis*.

<sup>63</sup>See Paul Simon, "A Hard-to-Believe--But Unfortunately True--Story," *Intellectual Capital.com*, February 13, 1997 on the world wide web at <http://www.intellectualcapital.com>

<sup>64</sup>"Dole's Views on U.S. Asia Policy: Lost Credibility and Weak Leadership," *New York Times*, May 10, 1996, p.A8.

It is noteworthy that others have approached this issue from an entirely different perspective. Ted Galen Carpenter, a foreign policy analyst at the Cato Institute, a Libertarian think-tank, proposes that the US should provide the island with almost "carte blanche" for procurement of American arms.<sup>65</sup> However, Carpenter also declares that the island is of no vital interest to the US and that American officials "need to make it clear to both Beijing and Taipei that under no circumstances will the United States intervene in a PRC-Taiwanese war."<sup>66</sup>

#### **4. Reduce American Support for Taiwan**

US officials acknowledge American's "unofficial" relationship with Taiwan is "closer and more productive than the official diplomatic ties we have with many countries."<sup>67</sup> Some contend that this relationship is too close.

Chinese officials have long called on the US to reduce its military support for Taiwan. They argue that "you name any weapon and Lee Teng-hui [Taiwan's President] and the Taiwan military want to buy it . . . its Lee Teng-hui's intention to continue to reinforce the foundation for Taiwan

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<sup>65</sup>See Ted Galen Carpenter, "Let Taiwan Defend Itself," *Cato Policy Analysis*, Number 313 (Washington, D.C.: Cato Institute, August 24, 1998).

<sup>66</sup>Ibid, p.3.

<sup>67</sup>See testimony of Kent Wiedemann, Deputy Assistant Secretary for East Asian and Pacific Affairs in *H. Con. Res.63, Relating to the Republic of China (Taiwan's) Participation in the United Nations*, Hearing Before the Committee on International Relations, House of Representatives, One Hundred Fourth Congress, First Session, August 3, 1995, (Washington, D.C.: US Government Printing Office, 1996), p.33

independence."<sup>68</sup> According to some reports, Taiwan spent more money on weapons than any other country in 1997 (Table 3). Without the continued American military support, Beijing believes that Taipei would be compelled to negotiate a political settlement of the Taiwan issue.<sup>69</sup> In fact, the Chinese government blames the US for the division of China.<sup>70</sup>

**Table 3**  
**World's Top Arms Importers, 1997**

Country	Amount
1. Taiwan	US \$4,049 million
2. Saudi Arabia	US \$2,370 million
3. China	US \$1,816 million
4. Malaysia	US \$1,346 million
5. Turkey	US \$1,276 million
6. India	US \$1,085 million
7. ROK	US \$1,077 million
8. Thailand	US \$1,031 million
9. Egypt	US \$867 million
10. UEA	US \$808 million
11. Greece	US \$715 million
12. USA	US \$656 million
13. Japan	US \$584 million
14. Pakistan	US \$572 million
15. Italy	US \$552 million

<sup>68</sup>See Yuen Lin, "Taiwan Antimissile Ability Viewed," *Kuang Chiao Ching* (Hong Kong), August 16, 1998 in *Foreign Broadcast Information Service, China*, September 11, 1998 at <http://wnc.fedworld.gov/cgi-bin/retrieve>.

<sup>69</sup>See John Pomfret, "China's Reminder to US: The Key Issue is Taiwan; Arms Deals and Independence are Opposed," *International Herald Tribune*, June 24, 1998, p.7 in *Lexis/Nexis*.

<sup>70</sup>When discussing the "origin of the Taiwan question," PRC authorities claim that, after the ROC government in Nanjing was "finally overthrown by the Chinese people" in 1949, the PRC became the sole, legal government of all China (including Taiwan). At that moment, however, "a group of military and political officials of the Kuomintang clique took refuge in Taiwan and, with the support of the then US administration, created the division between the two sides of the Taiwan Straits." See Taiwan Affairs Office, *The Taiwan Question and Reunification of China* (Beijing, China: Information Office State Council, August 1993), p.9.



*Source:* Stockholm International Peace Research Institute as reported in "Taiwan Tops List of World's Importers," *China News*, June 12, 1998 in Lexis/Nexis.

Some Americans, while not agreeing entirely with the Chinese perspective, do believe that Washington should reduce its military support for Taiwan. For example, Chas Freeman contends that America should comply with the August 17, 1982 US-China Joint Communiqué and trim arms sales to Taiwan.<sup>71</sup> Selig Harrison, an authority on East Asian politics, also has argued that the US "should offer to reconfirm the 1982 Communiqué and phase out arms sales over a period of ten years."<sup>72</sup> Similar proposals have called for a temporary suspension of arms sales.<sup>73</sup> Freeman, Harrison and others reason that a reduction in military assistance would assuage PRC fears that Washington is promoting Taiwanese independence. Consequently, this move would promote peace and stability across the Taiwan Strait.

### *Analysis*

The discussion above outlines several proposals calling for significant changes in US security policy toward Taiwan and/or China. These are not mutually exclusive. For example, some favor reducing America's military support for the ROC while simultaneously brokering a settlement of the Taiwan issue. Others want to provide Taiwan with a firm security guarantee while treating the PRC as an enemy. Unfortunately, the problem with most of these schemes is that they would actually jeopardize peace and stability in the Western Pacific.

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<sup>71</sup>See Chas W. Freeman, Jr., "Preventing War in the Taiwan Strait: Restraining Taiwan—and Beijing," p.11.

<sup>72</sup>Selig Harrison, speech delivered at the Cato Institute, Washington, D.C., April 9, 1996.

<sup>73</sup>See Barbara Opall, "US, Taiwanese Opposition Chart Collision Course," *Defense News* Volume 13, Number 12, March 23-29, 1998, p.1.

One should not jump to the hasty conclusion that a "strategic partnership" with China means that all irritants in this bilateral relationship will disappear. Washington and Beijing will never see eye to eye on all issues and it would be extremely naive to believe that China will begin to practice democracy or even "cuddly communism." Indeed, Jiang Zemin, China's President, has declared that "at no time must the Western-style dual-party or multi-party system be copied . . . one must not be ambiguous on this matter of political principle."<sup>74</sup>

The PRC will not stop being the PRC. There undoubtedly will be continued setbacks and disappointments in the relationship. But the fact remains that Beijing's cooperation is essential if the US hopes to address a wide range of pressing global problems including the proliferation of weapons of mass destruction, environmental degradation, health issues, the standoff on the Korean Peninsula, and the world's dwindling energy supplies to name just a few. In the final analysis, as the late President Richard M. Nixon observed, it is not in America's national interest to be at odds permanently with a hostile and increasingly powerful nuclear power.<sup>75</sup>

In recent years, the US has attempted to mediate a plethora of disputes around the world. But Washington should *not* attempt to broker a settlement of the Taiwan question. Past efforts to act as a mediator between the two sides ended in failure and it is significant that neither government has called on Washington to play this role again.

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<sup>74</sup>Wu Zhong, "Status Quo `Best for China,'" *Hong Kong Standard*, February 13, 1999 on the world wide web at <http://www.hkstandard.com/online/today/ach07.html>.

<sup>75</sup>Richard M. Nixon, *RN: The Memoirs of Richard Nixon* (New York: Warner Books, 1979), pp.461-462.

If the US opted to mediate a resolution of the Taiwan issue, it might find itself entangled in a complex and drawn-out unification process. Even worse, the US could end up playing a role as guarantor of an agreement and be placed in a very uncomfortable position should either side eventually claim that the other violated it. As Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, the problem with most of these schemes is that "there are many unintended consequences . . . things that are difficult to imagine if implemented."<sup>76</sup>

With respect to America's ambiguous policy toward Taiwan's security, it is clear that it is not a perfect policy—the US position could lead to miscalculation and error. Thus far, however, it has helped to promote peace and stability. The ambiguity associated with the US position provides American decision-makers with many options—a fact that hopefully leads both sides of the Taiwan Strait to act with restraint. On the other hand, the proposed alternatives to the present position appear dangerous. A firm security guarantee for the ROC would enrage the PRC while emboldening Taiwan's independence activists.

Finally, the US should not arbitrarily reduce its military support for Taiwan. Such a move would undermine America's credibility as a friend and ally. It also would tempt the PRC to pressure Taipei into accepting its terms for unification, undermine stability in Taiwan and generate a lot of political fallout in Washington. Rather, the US should comply with TRA and "make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable

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<sup>76</sup>See Testimony of Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, in *Hearing on the Direction of US-Taiwan Relations*.

Taiwan to maintain a sufficient self-defense capability." But this does not mean that Washington must sell Taipei every weapons system that it wants.<sup>77</sup>

#### IV. CONCLUSIONS

Major shifts in American policy toward China and Taiwan should be avoided—most would succeed only in exacerbating tensions and undermine peace and stability in the Western Pacific. However, some modest adjustments in policy might be warranted. With respect to US policy toward the PRC and Taiwan, the following points seem paramount:

- In keeping with long standing policy, Washington should resist calls that it "facilitate" or "mediate" a settlement of the Taiwan question. However, the US should continue to encourage Taipei and Beijing to pursue the bilateral negotiations that were resumed in October 1998. These talks could reduce cross-Strait tensions and promote peace and stability in the Asia-Pacific region.
- The US must be firm when negotiating with China and should continue to press for basic human rights and political reforms. However, a confrontational approach should be avoided. As one analyst observed, "preachiness and high-handedness are no substitutes for firm coherent policy implementation with clear priorities."<sup>78</sup> Moreover, the US should seek to apply its human rights standards universally—it is hypocritical to apply one standard to Saudi Arabia and another to China. Finally, US officials should not harbor naive illusions about China—the PRC will continue to pursue its own national interests in domestic and international politics.

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<sup>77</sup>Taipei has a long list of weapons it hopes to purchase or develop. At the top of that list are submarines. For more information, see Eric Lin, "War and Peace: Recent Military and Diplomatic Developments in the Taiwan Strait," *Sinorama*, November 1998, p.17

<sup>78</sup>See Prepared Statement of Douglas Paal, President, Asia Pacific Policy Center, in *Crisis in the Taiwan Strait: Implications for US Foreign Policy*, Hearing Before the Subcommittee on Asia and the Pacific, Committee on International Relations, House of Representatives, One Hundred Fourth Congress, Second Session, March 14, 1996, (Washington, D.C.: US Government Printing Office, 1996), pp.81-82.

- The US Congress should not provoke Beijing by supporting Taipei's pyrrhic effort to rejoin the UN.<sup>79</sup> It is likely that US support for Taiwan's UN campaign and other moves—particularly statements supporting "plebiscites" and "self-determination"—will succeed only in inflaming passions in mainland China and/or Taiwan. Using back channels, however, the US should remind Beijing that the political situation in Taiwan has evolved dramatically in recent years and that isolating the island from the global community increases support for *de jure* independence from China.
  
- The Asian financial crisis represents a major threat to peace and stability in East Asia. Thus, Washington should comply with the provisions of the 1994 Taiwan Policy Review and help find ways for Taiwan's voice to be heard in the IMF, World Bank and other major financial institutions where it could play a very constructive role. It is unlikely that these modest steps would provoke Beijing. Rather, they would help promote peace, stability and economic security in the Asia-Pacific region—including the PRC.
  
- Beijing's "one country, two system" approach to the unification of China is unpopular in Taiwan—public opinion polls reveal that almost no one on the island supports it. If movement toward a resolution of this issue ever is to be made, the PRC must adopt another approach. Due to historical sensitivities, the US is not in a position to pressure China on this point. However, the US could quietly encourage other states to advise China to consider more practical approaches. This would not be the first time that Washington has used surrogates to get its message across to Beijing or other members of the international community.<sup>80</sup>

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<sup>79</sup>From a practical point of view, with its seat on the UN Security Council, Beijing is in a position to block Taipei's entry to the world body. For more information, see Dennis V. Hickey, "U.S. Policy and Taiwan's Bid to Rejoin the United Nations," *Asian Survey* Volume XXXVII, Number 11, November 1997, pp.1031-1043.

<sup>80</sup>For example, during 1950-1951, the US convinced several states to introduce a UN resolution that would establish a commission to resolve the international status of Taiwan. This plan was dropped, however, after the Truman Administration came to the conclusion that the island might be turned over to the PRC and that the domestic political fallout from such a move would be unacceptable.

• The US should maintain the present policy toward Taiwan's security. The TRA provides the US with an *option* to defend Taiwan—but a US response is not guaranteed. This enables Washington to establish a linkage between US policy and the policies and actions of other states and contains an element of uncertainty that may lead elements on both sides of the Taiwan Strait to act with restraint. Even high-ranking ROC officials have acknowledged that "its best [for Washington] to retain a vague position."<sup>81</sup> Furthermore, a radical shift in policy could embolden independence activists in Taiwan while enraging hardliners in the PRC.

• Washington should resist calls that it "state plainly" that it opposes Taiwan's independence as this would represent a radical change in policy. President Clinton's utterance of the "three-no's" did not constitute such a shift. Rather, present policy states only that the US will not *support* or promote independence. The difference is important.<sup>82</sup> American policy does not address a host of other issues, including Taiwan's future status in the global community, its form of government, or its socio-economic system. The position enables the US to easily adapt and adjust to practically any eventuality which may emerge with regard to this sensitive problem—options remain open. If Taiwan declares independence (an occurrence that the US does not presently *support*, advance, champion or pursue), decision-makers may nevertheless make a reassessment of conditions in China and/or Taiwan that led to this development and then determine the US position toward the survival of such a Republic.

Forging a constructive strategic partnership with the PRC while simultaneously maintaining strong links with Taiwan will undoubtedly continue to represent a significant challenge to the US.

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<sup>81</sup>See Christopher Bodeen, "US Doing Best for ROC, Lu Says," *China Post* (International Airmail Edition), December 19, 1995, p.1.

<sup>82</sup>Simply because the United States has declared on numerous occasions that it has no intention or "pursuing" or "supporting" Taiwan independence, it cannot logically be argued that the US necessarily opposes Taiwan's independence or will prevent such a move. For example, when asked during the conference, "Building New Bridges for a New Millennium," (Public Policy Institute, Southern Illinois University, December 7, 1998) if the US policy of not supporting Taiwan's independence means the US opposes it, Winston Lord replied, "not support is not the same as oppose." For more information, also see Dennis Van Vranken Hickey, "America's Two-Point Policy and the Future of Taiwan," *Asian Survey*, Volume XXVIII, Number 8, August 1988, pp.881-896.

What many critics of American policy fail to appreciate, however, is that it is in Washington's best interest to maintain a stable, constructive relationship with *both* Taipei and Beijing. It makes no sense for the United States to remain permanently at odds with the world's most populated country—a nation that also happens to enjoy the fastest growing economy on earth. At the same time, America must somehow continue to maintain its close relationship with Taiwan—an economic powerhouse that has evolved into a lively multi-party democracy. As one US official explained, "we have to recognize that past diplomacy between the US and China has come at the expense of Taiwan in the history of our relations, so our new period of relations between the US and the PRC clearly has at its root that the improvement of our relationships will not harm Taiwan in any way."<sup>83</sup>

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<sup>83</sup>See Testimony of Kurt Campbell in *Hearing on the Direction of US-Taiwan Relations*.

A strategic partnership is a mutually beneficial arrangement between two separate companies that do not directly compete with one another. Companies have long been engaging in strategic partnerships to enhance their offers and offset costs. The general idea is that two are better than one, and by combining resources, partner companies add advantages for both companies through the alliance. For example: Some good samples of strategic partnership agreements between brands that you may have heard of include Starbucks's™ in-store coffee shops at Barnes & Nobles bookstores, HP and Disney's™ ultra The Role of Taiwan Strait in the US Strategic Pivot to Asia. Front Matter. Pages 1-1.Â US-China Economic Relations: Implications of the Trans-Pacific Partnership. Chien-Pin Li. Pages 135-156. Retrospect and Prospect of Cross-Strait Relations amid US Pivot to Asia. Front Matter. Pages 157-157. PDF. Why Taiwan? ROC Leaders Explain Taiwan's™ Strategic Value. Steven Phillips. Pages 159-177.Â Pivot to Asia economic-security nexus and geopolitics of the Taiwan Strait China dynamics stability strategy. Bibliographic information. Strategic rivalries, as interpreted by the international media, have got into an issue that otherwise deserves nothing but financial considerations. The DSE board of directors decided in favour of the proposal submitted by the consortium comprising Shenzhen Stock Exchange and Shanghai Stock Exchange against the takeover of 25 per cent stake in the country's premier bourse in the middle part of last month. But the alleged attempt to influence the capital market regulatory body, the Bangladesh Securities and Exchange Commission (BSEC), by another consortium led by the National Stock Exchang