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# Policy Forum 06-40A: The U.S.-China-Taiwan Triangle: Towards Equilibrium



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# The U.S.-China-Taiwan Triangle: Towards Equilibrium

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## "The U.S.-China-Taiwan Triangle: Towards Equilibrium"

Essay by Donald S. Zagoria

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### I. Introduction

Donald S. Zagoria, a trustee of the NCAFP, a private American think tank dedicated to resolving conflicts that threaten U.S. national interests, writes, "In sum, the conditions for equilibrium in the Taiwan Strait are now at least visible. It is possible but unlikely that President Chen, in his

remaining two years in office, can or will challenge this equilibrium... China, for its part, is unlikely in the short run to abandon its 'hearts and minds' strategy and will probably resume an official dialog with whichever party wins the Taiwan presidency in 2008."

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## **II. Essay by Donald S. Zagoria**

- The U.S.-China-Taiwan Triangle: Towards Equilibrium  
by Donald S. Zagoria

Although the Taiwan Strait remains a potential flashpoint in U.S.-China relations, the findings of a National Committee on American Foreign Policy (NCAFP) study group on a recent trip to China and Taiwan suggest that a tentative equilibrium among the three key players — the U.S., China and Taiwan — may now be within sight.

The first step toward such equilibrium would be for China and Taiwan to reach an Interim Agreement on preserving the status quo. The basic idea behind such an agreement, long discussed in American think tanks, is that China and Taiwan should each agree to abandon their bottom lines — for China, the use of force; for Taiwan, a formal declaration of independence. For a variety of reasons, largely having to do with domestic politics, it is unlikely that Beijing and Taipei will formally agree on this subject. But both sides now seem to be moving towards a de-facto interim agreement.

China (the PRC) will not formally renounce the option of using force against Taiwan because it wants to maintain the threat of military action against Taiwan in case it declares independence. But the Chinese increasingly emphasize their desire for "peaceful" reunification, and they increasingly rely on the economic and cultural card — "soft" power — to win the "hearts and minds" of the Taiwanese people. In the past year or two, Beijing has developed a very sophisticated strategy of targeting separate constituencies in Taiwan — businessmen, doctors, farmers, students and the opposition Kuomintang — by reducing tariffs for Taiwan farmers, announcing scholarships for Taiwan students, and encouraging direct party to party contacts between the Chinese Communist Party and the Nationalist Kuomintang Party in Taiwan. In sum, Beijing has not abandoned "sticks" but feels time is on its side and is increasingly using "carrots" in its Taiwan policy. The doctrinal basis for this policy was laid down by Hu Jintao himself with his "Four Nevers," the most important of which is "never abandon faith in the Taiwan people." And on our recent trip, PRC officials insisted that Beijing is mainly concerned with preventing Taiwan's de jure independence, not with pushing for immediate reunification.

In Taiwan, neither the ruling Democratic Progressive Party (DPP) nor the main opposition party, the Kuomintang (KMT), will formally renounce the independence option. This would be political suicide for any Taiwanese political party. But the DPP and the KMT are closer on the sovereignty issue than is generally recognized. The common denominator is the belief that the 23 million people of Taiwan should decide Taiwan's future status. Also, both major parties in Taiwan agree on the "Four No's," a pledge first made by President Chen in 2000 not to seek to change Taiwan's name or flag or to declare independence. Although Taiwan's President Chen Hsui-bian has in the past flirted with changing the Taiwan Constitution and moving towards de jure independence, the defeat of the DPP in the legislative elections of December 2004, the weakening of Chen's position as a result of corruption scandals, and American pressure have moved Chen back closer to the center on the sovereignty issue. The centrist position is to support neither independence nor reunification but to accept the status quo — a position supported by the vast majority of the Taiwan people. In our

meetings in Taiwan, Chen's advisers kept assuring us that he stands by the "four No's."

The United States, for its part, is now adeptly combining a policy of deterrence and reassurance for both China and Taiwan. *Vis-à-vis* China, the United States has convinced Beijing by a variety of actions and policies that it will not allow it to take Taiwan by force. Thus, the deterrence side of U.S. policy is working. At the same time, the Bush Administration — the most pro-Taiwan administration in recent decades — has reassured the PRC that it does not support Taiwan independence. Indeed, this has now become part of the official American mantra and was reiterated by President Bush in his recent meeting with President Hu Jintao in Washington.

*Vis-à-vis* Taiwan, the Bush Administration, after a recent spat over President Chen's abolition of the largely symbolic National Unification Council, got Chen to agree to the position that the Council was not being abolished but was simply ceasing to function. Moreover, the United States has now gone a long way towards convincing President Chen that it is not in U.S.'s or Taiwan's interests for Chen to gratuitously provoke the PRC by making statements or adopting policies that would unilaterally alter the status quo. So, here, too, deterrence is working. At the same time, the Bush Administration is successfully reassuring President Chen and the Taiwan people that it will not sacrifice Taiwan's interests in its dealings with the mainland and that its commitments to Taiwan's security remain intact. A new U.S. representative in Taiwan has already played an important role in this effort.

In sum, the conditions for equilibrium in the Taiwan Strait are now at least visible. It is possible but unlikely that President Chen, in his remaining two years in office, can or will challenge this equilibrium. He cannot revise the Constitution without a three-quarters vote in the legislature; and the legislature is now controlled by the KMT, which opposes any more constitutional changes. Also, Chen has assured the U.S. government that in the remaining two years of his presidency, there will be no more "surprises." Indeed, in his most recent speeches, he has played the "democracy" rather than the "secessionist" card against Beijing. Meanwhile, the DPP itself is moving towards the center so as to accommodate growing public pressure on the government to forge closer economic links with the mainland in order to accelerate economic growth. Taiwan's premier, Su Tseng-chang, one of the most likely DPP candidates for president in 2008, has recently said that he may go along with some of the decisions for economic exchange with the PRC that the Kuomintang reached with the Chinese Communist Party. Frank Hsieh, the former premier and another important DPP leader, has said recently that he may decide to visit Beijing at an appropriate time.

If, as present polls suggest, the Kuomintang returns to power in 2008, this should also promote stability in the Taiwan Strait. For, the KMT leader, Taipei Mayor Ma Ying-jeou, has already indicated that the party will work towards improving relations with the PRC while remaining firm on the sovereignty issue.

China, for its part, is unlikely in the short run to abandon its "hearts and minds" strategy and will probably resume an official dialog with whichever party wins the Taiwan presidency in 2008. The United States will, most certainly, continue its policy of opposing any unilateral move by either the PRC or Taiwan to change the status quo, as this has been the policy of seven U.S. Presidents.

This optimistic scenario does not mean that we can be complacent. Two things could go wrong, one in the short term and a second over the longer term. In the remaining two years of President Chen's term, he might, out of frustration with Beijing's continuing efforts to isolate him and China's continuing missile buildup, go back on the "Four No's" and seek to revise the Taiwan Constitution. Such a move could produce a crisis in his relations with both the PRC and the United States. To head off such a development, Beijing — in its own interests — needs to enter into a dialogue with President Chen and the DPP and start reducing the number of its missiles facing Taiwan. The United States needs to play a more active role in bringing about such a dialogue.

Over the longer run, Beijing could become impatient with progress on reunification and return to a policy of threat and intimidation. In this respect, much will depend on the political evolution of the mainland.

Still, the prospect for greater equilibrium is there. If this potential is translated into practice, it will go a long way towards helping to develop a framework for a stable and cooperative U.S.-China relationship.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

Produced by The Nautilus Institute for Security and Sustainable Development  
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