



China and Taiwan: what role for the U.S.?

Antagonism between China and Taiwan is the greatest threat to peace in Asia. To what extent should the U.S. be involved in that relationship?

by Frank Ching



A WOMAN AT A NEWSSTAND IN BEIJING. Though Chinese authorities were unusually quiet after the inauguration of Chen Shui-bian as President of Taiwan, Chinese media continued to use photographs of military weaponry above reports about Chen.

AS THE 21ST CENTURY DAWNED, the single greatest threat to peace in Asia was the tense relationship between China and Taiwan, one that was aggravated by the election in 2000 of Chen Shui-bian, a member of the pro-independence Democratic Progressive party (DPP), as the island's president. What has stayed China's hand up to now has been the knowledge that any military action against Taiwan would in all likelihood bring the U.S. to Taiwan's rescue.

In recent years, Sino-American relations have been plagued with difficulties. China was accused of illegal campaign contributions and of aggressive spying activities to steal U.S. nuclear secrets. Matters were not helped by the American bombing of the Chinese embassy in Belgrade, Yugoslavia, in May 1999, and the subsequent rise in anti-American feelings within China, which led to serious damage of U.S. diplomatic property.

On the trade side, the problems have included protracted negotiations over China's entry into the World Trade Organization (WTO). On the security side, China has voiced grave concern over American plans to develop a national missile-defense (NMD) system. Human-rights issues also provided fertile ground for disputes, what with China's crackdown on dissidents who tried to start a democratic political party and on the practitioners of Falun Gong, which China designated as an evil cult.

To be sure, other countries, including America's allies, also had problems with Washington. Japan had trade disputes with the U.S., Russia, too, opposed a U.S. missile-defense system, and even North Atlantic Treaty Organization (NATO) members in Europe did not share America's enthusiasm for a missile-defense shield. But Japan, the NATO countries and Russia are all democratic capitalist countries. Only China is still ruled by a Communist party. And so only with China did the U.S. have differences that covered a whole spectrum of sensitive issues, including politics and trade, as well as security and domestic issues.

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“The One-China Principle and the Taiwan Issue.”

In the paper, China repeatedly emphasized its desire to resolve the Taiwan issue through peaceful means by implementing its policy of “one country, two systems,” as it had with Hong Kong in 1997 and Macau in 1999. With the return of these two territories, no part of China was under foreign control any more, for the first time in almost 500 years. Leaders in Beijing felt that with the return of Taiwan, which was taken over by Japan in 1895, the country would finally be whole again.

But China, in the white paper, also listed the conditions under which it would use force against Taiwan. The first two conditions were old. China would use force, the paper said, “if a grave turn of events occurs leading to the separation of Taiwan from China” or “if Taiwan is invaded and occupied by foreign countries.” But there was also a third, new, condition. For the first time, Beijing said that “if the Taiwan authorities refuse” indefinitely to agree to peaceful reunification through negotiations, then the Chinese government would be forced to adopt “all drastic measures possible, including the use of force” to “safeguard China’s sovereignty and territorial integrity and fulfill the great cause of reunification.” This new condition reflected a new reality: Beijing’s conviction that time was not on its side.

In the wake of Chen’s election, Washington dispatched envoys to both the mainland and Taiwan in an effort to keep the situation under control. In Taiwan, Richard C. Bush, head of the American Institute in Taiwan, emphasized that the one-China principle remained a cornerstone of U.S. policy. American envoys to the mainland also insisted that the U.S. continued to adhere to a one-China policy, which had been the case through six Administrations, from Nixon through Clinton. Beijing, for its part, while making its unhappiness clear, refrained from taking any action other than to say that, as far as the new leader of Taiwan was concerned, it would “listen to his words and observe his deeds.”

President Chen, in the weeks following his election, went to great lengths to placate Beijing, making it clear that he would not declare Taiwan an independent republic but would conduct him-

Underlying the various issues lay an often unspoken concern in Washington: A rising China would challenge the global and regional dominance of the U.S. And in Beijing, there was suspicion that the U.S. did not want to see China become strong, and that the U.S., despite professions of goodwill, was out to contain China. Each suspected the underlying motivation of the other’s foreign and national-security policies.

But by far the most sensitive issue between the U.S. and China has been the status of Taiwan. China sees Taiwan as part of Chinese territory which, sooner or later, has to be returned to the motherland. The U.S., while not disputing the Chinese position, insists that the resolution be by peaceful means instead of through the use of force. And, while the U.S. has never said that it would go to the defense of Taiwan if it came under attack, it is virtually certain that if hostilities do erupt in the Taiwan Strait, the U.S. will be drawn in, triggering a military confrontation between two of the world’s great powers.

Relations between China and Taiwan

The election of Chen in March 2000 as the president of Taiwan (formally known as the Republic of China), represented a watershed in Taiwan’s domestic politics as well as in its relations with both mainland China and the U.S. The event also held great symbolic value, since it was the first time that power had passed from one political party to another through an election in any Chinese society.

Even though Chen was elected with only 40% of the vote, the fact that a member of the pro-independence DPP had ended a half century of dominance by the Kuomintang (KMT), or Nationalist party, created a new situation on Taiwan. And, as for Taiwan’s relations with the mainland, the Chinese Communist party could no longer think in terms of trying to cut a deal with the KMT, its rival—and sometime partner—in China from the 1920s on.

Despite the fact that the KMT had changed dramatically in the half century since Chiang Kai-shek led the remnants of his defeated troops to Taiwan from the mainland in 1949, still, under President Lee Teng-hui, the KMT continued to support, ostensibly at least, the eventual reunification of Taiwan and the mainland. But the DPP is a pro-independence party, whose leaders are native Taiwanese and not the children of the mainlanders who fled to Taiwan after the Chinese civil war.

This is the nightmare scenario of the Communist leadership in Beijing. They had tried to do everything they could to prevent this from happening. Premier Zhu Rongji, wagging his finger at a press conference, had warned Taiwan’s voters weeks before the election not to act on impulse and take actions that they would later regret. But China’s leaders did not seem to realize that their threats might prove counterproductive, just as they had in 1996, when Lee Teng-hui became the island’s first elected president, despite Chinese missile tests off Taiwan.

The month before the election, China issued a white paper entitled

self as the 10th president of the Republic of China established by Sun Yat-sen in 1912. However, he also made it clear that Taiwan would not succumb to Chinese pressure. His inaugural speech, entitled “Taiwan Stands Up,” echoed the words Chairman Mao Zedong had uttered on October 1, 1949, in proclaiming the establishment of the People’s Republic of China (PRC): “The Chinese people have stood up.”

The cross-strait dialogue, disrupted by the dispute over President Lee’s visit to Cornell University in 1995 and the subsequent Chinese military exercises and missile tests in the Taiwan Strait in 1996 (which caused President Bill Clinton to dispatch two aircraft carrier groups to the vicinity) was resumed in October 1998 when Taiwan’s top negotiator, Koo Chen-fu, visited his counterpart, Wang Daohan, on the mainland. The two sides agreed that Wang would pay a return visit to Taiwan in the fall of 1999.

That visit, however, has yet to take place. It was indefinitely postponed after Lee’s famous remarks to a German interviewer in July 1999 that relations between Taiwan and the mainland should be considered “special state-to-state relations.” Beijing considered that to be a step toward proclaiming Taiwan an independent state, since it was tantamount to a declaration that Taiwan and the mainland were two separate states. The cross-strait dialogue was suspended again. It has not yet been resumed.

Though the newly elected President Chen attempted to reestablish the dialogue, Beijing asserted that it would talk only when Taiwan accepted the one-China principle. Chen, in his inaugural address, spoke of a “future one China” and declared his willingness to have one China put on the agenda for discussion, but refused to accept it as a precondition for negotiations.

Beijing is fearful that Taiwan is gradually drifting away from its orbit and that time is not on its side. Certainly, opinion surveys show that more and more people in Taiwan identify themselves now as Taiwanese rather than Chinese. In 1993, 48% of respondents called themselves Chinese first, and only 17% said they were Taiwanese first. But by 1999, just 12% said they were Chinese first and 37% described themselves as Taiwanese.

Similarly, although Lee’s remarks on state-to-state relations startled both Beijing and Washington, in Taiwan a poll conducted by the National Poll Research Center showed that 73.3% supported the idea, 17.3% disagreed, while 9.4% had no comment. Another poll conducted by *Business Weekly* showed that 78.4% agreed, while 15.3% disagreed, and 6.3% had no comment. Clearly, China’s fears that Taiwanese are moving away politically from China are not without foundation.

At the same time, China does not seem to realize that its own actions, such as threats and well-publicized military exercises, may not help its cause but rather have the effect of turning people on Taiwan against the idea of reunification with the mainland.

The one-China principle

In its white paper, China asserted that the government of the PRC had replaced the government of the Republic of China as the sole legal government of China, to “exercise China’s sovereignty including its sovereignty over Taiwan.” From Taiwan’s standpoint, therefore, acceptance of the one-China principle—and Beijing’s definition of that principle—meant it was accepting the status of little more than a local government of the PRC.

Both sides had accepted the one-China principle in 1992, which made possible a meeting between Koo Chen-fu and Wang Daohan in 1993 in Singapore. At the time, however, there was no agreement on what one China

meant. Taiwan later said each side was free to interpret the term the way it wanted. China rejected the idea, but confirmed that no definition had been agreed upon.

After Chen became president, he floated the possibility of resuming the dialogue based on one China with different interpretations or based on a nebulous “spirit of 1992.” He rejected the notion that there had been a consensus on one China in 1992. However, Beijing continued to insist that talks could resume only if Taiwan first accepted the one-China principle.

There was some movement in August when Vice Premier Qian Qichen, in meeting visitors from Taiwan, used a more flexible formula by stating that “Taiwan and the mainland are both parts of one China.” The following month, in an on-the-record interview with overseas media, Qian asserted: “There is only one China; the mainland and Taiwan both belong to one China; China’s sovereignty and territory cannot be divided.”

In private meetings with visitors from Taiwan, Chinese officials sometimes go so far as to suggest that they are willing even to drop the name PRC and to change the flag if Taiwan were to accept reunification. They have also suggested that, after reunification, the vice president of the country could be from Taiwan.

However, while Beijing adopted a more flexible formula when talking with visitors from Taiwan, to the outside world it continued to insist that one





A WOMAN ASSEMBLES sections of a bicycle at the Giant Bicycle factory in the central Taiwan city of Tachia. When the company was founded in 1972, all of its manufacturing was done in Taiwan, but in 1999 half of its bicycles were made in China.

China meant the PRC, of which Taiwan was a part. Chen pointed out that Beijing was saying different things to different parties and, moreover, that the official Chinese media had not mentioned Qian's more flexible statements.

Nonetheless, Beijing's new formulation of one China could well hold the key to an eventual compromise between the two sides, leading to the resumption of dialogue, and deserves to be explored. But the lack of trust between the two sides of the Taiwan Strait makes the early resumption of a dialogue highly unlikely.

From Beijing's standpoint, it has adopted a highly flexible position: as long as Taipei, Taiwan's capital, accepts the one-China formula, everything else is negotiable. But from Taipei's standpoint, acceptance of one China is tantamount to conceding sovereignty to Beijing. Taiwan, it is clear, is interested in negotiations only if the talks are conducted on the basis of parity. Thus, in order to prevent the talks from being seen as those between the central government of China and a local government, Beijing must first recognize the equal status of both sides, with each possessing sovereignty. Moreover, ever since Taiwan elected its own president, its leaders have preferred to wait until the mainland becomes democratic before conducting talks meant to lead to reunification. The danger, however, is that the two sides may drift into an armed con-

frontation before that day arrives.

Even if the dialogue should be resumed, it is unclear how it could result in a resolution satisfactory to both sides. Taiwan shows no interest in China's policy of "one country, two systems." At the moment, the only sort of reunification it is willing to contemplate is something along the lines of a confederation or a commonwealth, which would link the mainland and Taiwan, but would not subjugate one to the other. Beijing, on the other hand, insists that China is a unitary state and rules out either a confederation or a commonwealth. The Taiwan issue is highly emotional for Chinese leaders, who see it in the context of 150 years of Chinese humiliation by imperialist powers and the carving up of China. Now that Britain and Portugal have respectively returned Hong Kong and Macau to China, Beijing sees Taiwan's reunification as the final step to making China whole again.

Economic relations thriving

Despite the political impasse, economic exchanges between the two sides continue to develop. Two-way trade reached more than \$25 billion in 1999. And 30,000 to 40,000 Taiwan companies now have more than \$40 billion invested in the mainland where 200,000 Taiwanese work. Taiwanese companies employ roughly 3 million mainland workers, or close to 3% of China's urban workforce.

The Lee government, in an attempt to minimize economic dependence on the mainland, urged Taiwan companies to invest in Southeast Asia rather than on the mainland. But many Taiwan companies prefer to do business on the mainland, especially in Fujian Province, directly across the strait from Taiwan, because of cultural affinities and a common language.

After Chen's election, Beijing for a time threatened to boycott Taiwan companies that in its view supported Taiwan independence because it did not want such companies to profit from mainland trade. However such threats appear to have subsided.

The impending entry of both the mainland and Taiwan into the WTO (see Topic 1) is likely to result in even more substantial increases in trade between the two sides. The two economies are in many ways complementary. The mainland benefits from the injection of capital, technology and marketing skills from Taiwan while the island's companies benefit from access to the mainland as a market and production base.

The Financial Times announced on November 16 that Taiwan has told local shipping companies to prepare for limited direct links with mainland China after a 51-year ban in a move that could help ease tensions.

There is an understanding among WTO members that Taiwan will be admitted not as a country but as a "separate customs territory" immediately after China's admission, without stipulating whether Taiwan is a part of China. But, in the summer, after China had reached an agreement on WTO admission with the U.S., a senior Chinese official, Long Yongtu, told the WTO working party that Beijing wished to include in its accession protocol a statement that Taiwan would be granted admission as a separate customs territory "of China." However, this crude attempt on the part of China to assert sovereignty over Taiwan was decisively rebuffed by the U.S., and the Chinese are unlikely to insist on it as their own membership might be put in jeopardy.

The current U.S. role

Although China portrays the dispute with Taiwan as a domestic issue, a legacy of the Chinese civil war, both Taipei and Beijing see the U.S. as an

indispensable element to any resolution of the issue. Taiwan sees the U.S. as its protector and provider of sophisticated weaponry, without which it would be vulnerable to Chinese military pressure, since it knows that it cannot indefinitely defend itself against a China of over a billion people that is rapidly developing both its economy and its military. At the same time, it is fearful that it may be sacrificed by the U.S. as the price to be paid for warmer relations between Washington and Beijing.

China, for its part, sees the U.S. as a country that can push Taiwan toward the negotiating table by either suspending arms sales or taking other steps to pressure Taipei to discuss a political solution with Beijing.

But the U.S. has made it clear that, while it wants the two sides to resolve the issue by peaceful means, it will not play the role of mediator. So sensitive is Taiwan that when some American scholars suggested that the two sides negotiate an “interim agreement,” Taiwan saw this as a change in U.S. policy geared to pressure Taiwan to reach an agreement with China. And China interprets events such as the successful American effort to persuade Israel not to sell the \$250 million Phalcon Airborne Warning and Control System (Awacs) to Beijing as evidence that the U.S. wants to keep China weak and perpetuate the division of the country.

Similarly, each time Taiwan seeks to purchase a new military item, such as Aegis-equipped destroyers capable of intercepting ballistic missiles, the U.S. response is read by people on both sides of the Taiwan Strait as either seeking to push Taiwan toward talks or seeking to keep China divided.

The human-rights issue

While President Richard Nixon and adviser Henry Kissinger initially made overtures to Beijing in the early 1970s in the hope that China would help extricate America from the quagmire of Vietnam, the subsequent development of Sino-American relations was largely driven by the common desire to curb the ambitions of the Soviet Union.

The disintegration of the Soviet Union and the overthrow of Communist party rule in Russia and Eastern Europe removed the rationale that underlay the Chinese-American relationship. Moreover, the bloody crushing of the

pro-democracy movement in Tiananmen Square by tanks and troops in June 1989, broadcast live into American living rooms, underlined the fact that, while communism was dead in Europe, it was still alive and well in China. Human rights in China, which had been played down by the U.S. even during the presidency of Jimmy Carter (1977–81), the human-rights President, overnight became a major focus of American attention and has continued so to this day.

Ironically, the human-rights situation in China, while still undeniably far from ideal, is much better today than it was in the 1970s under Chairman Mao, when China was torn by the Cultural Revolution. In fact, the Chinese government is undoubtedly right when it says that human rights in China today are better than they have ever been in several thousand years of recorded Chinese history.

Certainly, many Chinese people live much better today, after two decades of rapid economic growth. Moreover, the state has withdrawn from many areas of life, and people are now largely free to decide for themselves what career to pursue, whom to marry, what to study and whether to travel abroad. But the rise in the standard of living has not kept pace with the rise in people’s expectations. Thus, even in relatively wealthy areas, there has been a steady flow of illegal migrants willing to risk their lives in the hope that they will be able to start a new, and better, life in the West.

As far as political freedoms are concerned, the Chinese people fare miserably when gauged by the U.S. State Department in its annual reports on human rights. The latest report says people in China “lack the means to change their government legally and cannot freely choose or change the laws and officials that govern them.” Moreover, while the Chinese Constitution guarantees such things as freedom of expression, freedom of assembly and freedom of the press, these rights are not enjoyed in practice, and arbitrary arrest and detention remain serious problems. As for religious freedom, the secretary of state designated China in October 1999 as a country of particular concern under the International Religious Freedom Act for particularly severe violations of religious freedom.

In other areas, however, there has been noticeable improvement. For example, much has changed in the legal realm. Hundreds of laws have been passed. Improvements have been made in civil and commercial legislation as well as in administrative law and government regulation. In the early years, the need to attract foreign capital provided the rationale for such legal changes. Then, as China’s own economy started to take off, there was a need to provide legal protections for China’s own business community. Much still remains to be done, however, particularly in terms of the improvement of the judicial system. The quality of judges and lawyers has been up-



Everyone who thinks human rights have improved raise your hands...

graded, and cases that are not politically sensitive are dealt with less arbitrarily than before. But, in the final analysis, the Communist party is still above the law. Even in the current crackdown on corruption by high-level officials, suspects are detained by the party's Disciplinary Inspection Commission and investigations are conducted by party officials. Only after the party has decided on the fate of the corrupt official concerned is he or she then passed on to the state for prosecution.

Trade and WTO

Ever since Tiananmen Square, the U.S. Congress had attempted to link human-rights conditions to the annual renewal of China's most-favored-nation (MFN) trade status (now normal trade relations, or NTR). Each year, the executive branch, whether in Republi-

can or Democratic hands, was able to defeat such efforts. To a large extent, the issue became entangled in U.S. domestic politics, with the annual review providing a platform for heated debate on U.S.-China policy, usually with the party controlling the White House having to defend its position from critics in the opposing party.

After Clinton was sworn in as President in 1993, having campaigned against his predecessor, President George H. W. Bush, for having "coddled" the "butchers of Beijing," he announced that unless China made overall, significant progress in human rights, he would not renew China's MFN status in 1994. But, in 1994, when China clearly had not made overall, significant progress, Clinton recognized the futility of the policy and announced that he would de-link trade from human

rights, saying, "we have reached the end of the usefulness of that policy." This was a recognition of reality. There was a limit to how much the U.S. could do to change China. And, moreover, trade sanctions would not just hurt the Chinese; the U.S., too, would be badly hurt if it stopped trading with China.

Beijing made clear its interest in joining GATT (the General Agreement on Tariffs and Trade), precursor of the WTO, as far back as 1986. Progress was slow but, in April 1999, when Premier Zhu paid an official visit to Washington, he announced major concessions that China was prepared to make in return for an agreement with the U.S. on Beijing's admission to the WTO. The offer included sweeping concessions on industrial tariffs and increased market access for U.S. agricultural products. It included opening China's telecommunications and service industries—including insurance, banking, accounting and entertainment—to foreign competition. Zhu also made it clear that he was vulnerable to criticism by Chinese conservatives back home. But, he said, China had decided that WTO membership would help the country in the implementation of economic reforms.

Surprisingly, this Zhu offer was rebuffed by Clinton, who apparently miscalculated the degree of congressional support for such a deal. In the end, despite the efforts of the American business community, Zhu went home empty-handed. Clinton quickly realized his mistake and sought to iron out a quick deal after Zhu's return to China. However, the American bombing of China's embassy in Belgrade the following month caused Sino-American relations to plummet to their lowest level since the establishment of diplomatic relations in 1979 and led among other things to the suspension of WTO negotiations by China.

In September 1999, when Clinton met his Chinese counterpart, President Jiang Zemin, in New Zealand during the Asia-Pacific Economic Cooperation forum's leadership meeting, the two men agreed to resume negotiations. A WTO agreement was finally reached in November 1999. The bill to accord China NTR was passed by the House of Representatives in May 2000 after months of heated debate. It was passed by the Senate by a much wider margin in September. Attempts to attach condi-



MIXED MESSAGES: In Shanghai, passengers ride a bus that sports an advertisement featuring a U.S. aircraft carrier to promote a local product.

tions to the trade deal in the areas of human rights and nuclear proliferation were defeated. But, as a compromise, the White House and Congress agreed—to China’s chagrin—to the creation of a commission to monitor China’s observance of human and labor rights. The NTR bill was signed into law by Clinton on October 10, 2000, at a gathering on the South Lawn of the White House. The speeches delivered on that occasion reflected the perceived benefits to the U.S. of Chinese membership in the WTO. They also reflected

American hopes that the impact of WTO membership on China would go well beyond reform of the Chinese economy. Thus, House Speaker Dennis Hastert, after citing farmers of the American Midwest as beneficiaries who would see “\$2 billion increase a year for the next 10 years as a result of the NTR agreement,” went on to voice the hope that

the more than one billion Chinese “are potential customers for not only U.S. products, but U.S. ideas as well.”

Clinton himself said: “Opening trade with China will not, in and of itself, lead China to make all the choices we believe it should. But clearly, the more China opens its markets, the more it unleashes the power of economic freedom, the more likely it will be to more fully liberate the human potential of its people. As tariffs fall, competition will rise, speeding the demise of huge state enterprises. Private firms will take their place and reduce the role of government in people’s daily lives. Open markets will accelerate the information revolution in China, giving more people access to more sources of knowledge. That will strengthen those in China who fight for decent labor standards, a cleaner environment, human rights and the rule of law.”

Although WTO membership will not instantly bring an end to trade disputes, such as those over intellectual property rights, trade imbalances, market access and protectionism, it does mean that the resolution of such disputes in future will be under rules rec-

ognized by the WTO and applied to all members on an equitable basis. Moreover, future trade disagreements will be addressed in a multilateral context and so will be less likely to cause friction in the bilateral relationship.

The strategic perspective

With the U.S.-China agreement on WTO membership, trade differences may be less likely in future to trouble the relationship. Similarly, with the annual debate on MFN (or NTR) having ended, human rights, too, may become

a less potent issue. In the future, security issues may well come to the forefront as a source of tension.

When Kissinger first journeyed to China in 1971, the driving force behind a U.S.-China relationship was strategic. With the collapse of the Soviet Union, however, much of the rationale for a Sino-American

alliance of sorts vanished. Since then, efforts have been made to reestablish a strategic rationale. Advocates of a friendly, cooperative relationship between the two countries argued that China was in a position to play a key role on issues of vital concern to the U.S., such as nonproliferation, the environment and peace on the Korean peninsula. Hence, the two countries agreed in 1997 during Jiang’s state visit to work toward a “constructive, strategic partnership.” But, from the beginning, many in the U.S. scoffed at the idea of Beijing being a strategic partner of Washington.

Such disparate views of China were reflected in the U.S. presidential campaign, even though foreign policy was not a major issue, with Al Gore supporting Clinton’s policy of turning China into a strategic partner, and George W. Bush maintaining that China should be viewed and treated more as a strategic competitor of the U.S. But, regardless of whether the U.S. views China as a partner or competitor, it must still find a way to manage the relationship because China is a country that cannot be ignored.

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And, at the heart of that relationship is Taiwan. On the face of it, the situation is odd, to say the least. The U.S. terminated its security treaty with Taiwan and withdrew diplomatic recognition from its government more than 20 years ago, while formally recognizing the government of the PRC as the sole legal government of China. And yet, paradoxically, the U.S. appears poised to support a government with which it does not have diplomatic relations against one that it does recognize. And the U.S. is keeping China from exercising sovereignty over Taiwan while at the same time maintaining that it does not challenge China’s position that Taiwan is a part of China.

This unusual situation stems from events that took place more than half a century ago. The Nationalist government of Chiang Kai-shek had been a World War II ally and, when the Chinese civil war erupted in 1946, Washington had tried, without success, to mediate. After Communist forces in 1949 swept the Nationalists off the mainland onto Taiwan, which China had regained from Japan at the end of World War II, Chiang set up his capital in Taipei, still claiming to be the legitimate government of all China.

The U.S., briefly, was prepared to see the Nationalist government over-



whelmed by Communist forces, but when the Korean War erupted it reversed its position and, from then on, became the protector of a non-Communist Taiwan. Until 1979, it accepted the fiction that the KMT government in Taipei represented all the people of China. Even after the U.S. severed relations with Taiwan, it continued to sell arms of a defensive nature to the government there, in accordance with the Taiwan Relations Act, passed by the U.S. Congress in April 1979, shortly after the normalization of relations with China.

In August 1982, when it signed another joint communiqué with China, the U.S. promised to reduce gradually its sales of arms to Taiwan, but linked such a commitment to China's stated "fundamental" policy of striving for reunification with Taiwan through peaceful means. The democratization of Taiwan in recent years has made it even more difficult for the U.S. to abandon this former ally.

From China's standpoint, the American emphasis on a peaceful resolution of the Taiwan issue sits oddly with the increasing U.S. penchant to resolve issues through the use of force. Since the cold war, the U.S. has used force dozens of times, including the U.S.-led campaign against Iraq and the air war against the regime of former Yugoslav president Slobodan Milosevic. In the former action, which was sanctioned by the United Nations, China had in the U.S. view played a nonobstructionist role by not exercising its veto in the Security Council. But China was a vocal critic of the latter action, which saw the bombing of the Chinese embassy in Belgrade by American planes.

Humanitarian intervention

The air war over Yugoslavia, carried out to stop the suppression of ethnic Albanians in Kosovo, was particularly disturbing to China because the U.S. justified it in the name of humanitarian intervention. As Clinton told NATO



troops in June 1999: "If somebody comes after innocent civilians and tries to kill them en masse because of their race, their ethnic background or their religion, and it's within our power to stop it, we will stop it."

Beijing is well aware that this concept of humanitarian intervention could easily be applied to China's treatment of minority areas such as Tibet, or to ethnic and religious minorities in Xinjiang, or even to Taiwan. That is no doubt the major reason for China's vigorous opposition to the concept.

China's fear of being the victim of a NATO-like operation in Asia (presumably involving the U.S. and Japan) was made explicit in a commentary in the authoritative military newspaper, the *Liberation Army Daily*, last spring after the U.S. Congress voted to strengthen military ties with Taiwan. "On major principles such as defending national sovereignty and territorial integrity, the Chinese government has never compromised," it warned. "Its words have always counted. China is not Yugoslavia and Taiwan is not Kosovo." ■

Future U.S. policy toward China

IN THE MONTHS LEADING UP TO THE U.S. presidential election, both Beijing and Taipei were apprehensive as to the attitude of the new Administration. Premier Zhu, asked which candidate he preferred, responded that he had studied both the Democratic and Republican party platforms and didn't like either of them. On Taiwan, there was fear that the election of Al Gore would mean greater U.S. support for the one-China policy, to Taiwan's detriment.

One potentially explosive issue that the new Administration will be faced with is the decision whether to set up an NMD system within the U.S. and the related creation of a theater missile defense (TMD) system in East Asia. President Clinton, who was expected to decide whether to proceed with the deployment of an NMD, announced in September that because of test failures and diplomatic concerns the decision would have to be made by the next President.

The Clinton Administration had devised an initial plan to base 100 interceptor missiles in Alaska to shoot down weapons fired from "rogue" nations such as North Korea. If the new Administration decides to proceed with this plan or, indeed, to go beyond it and create an expanded defense shield, extremely robust Chinese opposition can be expected.

Days before the election, Chinese foreign ministry spokesman Zhu Bangzao urged the winner of the U.S. election to drop plans for either an NMD system to protect the U.S. proper or a TMD system to protect American troops based in East Asia and American allies there.

"The U.S. is a country with the largest and most sophisticated arsenals of both nuclear and conventional weapons in the world and now it is engaging itself to develop an NMD and TMD," Zhu said. "Such an act is contrary to the

trend of the times because it is not conducive to the international effort for disarmament and arms control. It will also exert a lasting negative impact on world peace.”

China’s opposition to what appears to some Americans to be no more than a purely defensive move is based on several facts. One is legal. The argument points out that development of a missile shield will violate the ABM (Antiballistic Missile) Treaty signed by the U.S. and the Soviet Union in 1972, which forbids all but a tiny antimissile capability. It further states that a decision to proceed with a missile shield would spur an arms race, making the world less, not more, secure.

China holds that the creation of a nuclear shield will change the international balance of power. While Russia with its vast nuclear arsenal may still be able to overwhelm a U.S. missile shield, China, with a nuclear arsenal estimated at only 18–20 single-warhead intercontinental ballistic missiles, will find its nuclear deterrent rendered meaningless. Even more important, China fears that the U.S. may include Taiwan in a TMD shield, enabling Taiwan to thumb its nose at China’s threats to take back the island through the use of force.

Certainly, as far as China itself is concerned, it has up to now adhered to a doctrine of minimal deterrence, refraining from putting multiple warheads on its missiles even though it has the technology to do so. No doubt, China will upgrade its military, just as it is modernizing on other fronts. But a U.S. decision to deploy a missile defense will certainly spur China to take countermeasures that it might not take otherwise.

Chinese security experts have argued that the U.S. is already the only superpower, possessing the most powerful military in the world, with overwhelming superiority in both conventional and strategic arsenals. Yet, they say, the U.S. continues its quest for absolute security, oblivious to the fact that such security for the U.S. can only be obtained at the expense of other nations, who will feel less secure. They point out that the U.S. is already the most secure country in the world, and that any country that launches an attack on the U.S. would risk national annihilation.

Until recently, the U.S. had cited a missile threat from North Korea as a

major reason why an NMD and/or TMD system is needed. But tensions on the Korean Peninsula have subsided, and the new Administration is expected



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to continue to coax North Korea into coming out of its shell and joining the international community. In this way, the threat from North Korea will appear much less serious than before. In those circumstances, a decision by the new U.S. Administration to proceed with a missile shield is likely to be interpreted in Beijing as a move directed not against North Korea but against China, to prevent China from challenging the U.S.

China isn’t the only country that opposes a missile shield. Russia, too, is strongly opposed, and the two countries’ common opposition have driven them closer to each other. Russia and China have forged a strategic partnership and seek to promote a multipolar world and end the dominance by the U.S. as the only superpower. Even some NATO countries are not in favor of a missile shield, seeing it as more likely to result in greater international instability.

A rising China

Many Chinese leaders, as well as rank-and-file citizens, see U.S. plans and actions, ranging from Washington’s alli-

ances with South Korea and Japan to arms sales to Taiwan to the erection of a missile shield, as all calculated to prevent China from taking its rightful place in the world as a modern, powerful country. China sees itself as the victim of Western imperialist powers in the 19th century who, even now, is being told to observe international norms and practices that it played no part in formulating. Still, China has shown that it is not pushing for radical change but is willing to accept the world as it is by seeking membership in the WTO and by signing the 1996 Comprehensive Test Ban Treaty.

But China, which was little more than a passive observer of events in the last century, is determined to be an active participant in the coming one. And, as a rising power, it feels it has the right to play a much larger role than it has done in the past.

While the country went through the first quarter century of Communist rule in virtual self-imposed isolation, it has reentered the world scene with a vengeance. In the last 20 years, the Chinese economy has been the fastest growing in the world and, while the growth rate is slowing, it still reached 8.2% in the first three quarters of 2000. While in conventional terms, measured by gross domestic product, China lags behind Japan, in purchasing-power-parity terms, China is already the world’s second-largest economy, after the U.S.

Back in 1999, German Chancellor Gerhard Schroeder said during an Asian tour that China should be invited to join the Group of Eight (G-8) industrialized nations (U.S., Canada, Germany, Britain, France, Italy, Japan and Russia). “If the G-8 wants to coordinate the development of the global economy, it is already difficult without China, and will become even more difficult,” he said.

According to the World Bank, even if China’s growth rates drop substantially over the next 20 years, in purchasing-power terms China will surpass the U.S. as the world’s largest economy before the year 2020. Of course, on a per capita basis, China will still be a poor country, with the average Chinese person having only about a fifth of the income of the average American. ■



OPINION BALLOTS
are on pages 19–20

DISCUSSION QUESTIONS

1. Should the U.S. make an explicit commitment to defend Taiwan? How would that affect U.S.-China relations?
2. Is the U.S. interfering in China's internal affairs by preventing Beijing from taking over Taiwan by force?
3. What does a "one-China" policy mean? Should the U.S. adhere to this?
4. Should the U.S. attempt to mediate the dispute between China and Taiwan, just as it has attempted to mediate the dispute in the Middle East?
5. Should the U.S. use its good offices to bring about an interim agreement, such as one under which Taiwan will agree not to declare independence unless China attacks, and China will agree not to attack unless Taiwan declares independence?
6. How should the U.S. react if China announces a timetable for reunification or sets a deadline for talks to begin?
7. How should the U.S. balance Chinese concerns about sovereignty and its own concerns over basic human rights?
8. Now that Taiwan is a democracy, should the U.S. support an effort by Taiwan to be able to decide for itself whether it wants to be independent or to be reunified with China?
9. Should the U.S. go ahead and develop a missile-defense shield despite objections from China and Russia?
10. Should the U.S. include Taiwan if a missile shield were to be set up in East Asia to protect Japan and/or South Korea?

READINGS AND RESOURCES

America's National Interests: A Report from The Commission on America's National Interests, 2000. Cambridge, MA, Belfer Center for Science and International Affairs, 2000. 55 pp. \$1.75. Discussion includes a description of the challenges and opportunities in the decade ahead in East Asia.

Chao, Linda and Myers, Ramon H., **The Divided China Problem: Conflict Avoidance and Resolution.** Stanford, CA, Hoover Institution Press, 2000. 59 pp. \$5.00 (paper). Describes the origins of the divided-China problem and how it has become the most troublesome factor in Sino-U.S. relations.

Current History, Sept. 2000. Entire issue. Includes articles on China's fear of missile defense; China and WTO; and Taiwan.

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Gong, Gerrit W., ed., "Taiwan Strait Dilemmas: China-Taiwan-U.S. Policies in the New Century." **Significant Issues Series.** Washington D.C., The CSIS Press, 2000. 192 pp. \$21.95 (paper). Presents four enduring policy issues key to peace, stability and prosperity in the Taiwan Strait in the new century.

Mann, James, H., **About Face: A History of America's Curious Relationship with China from Nixon to Clinton.** New York City, Vintage Books, 2000. 464 pp. \$16.00 (paper). Describes American policy toward China over the last

quarter century by a former Beijing correspondent of the *Los Angeles Times*.

Tyler, Patrick, **A Great Wall: Six Presidents and China: An Investigative History.** New York, PublicAffairs, 2000. 512 pp. \$16.00. A reconstruction of how six presidents, from Richard Nixon to Bill Clinton, wrestled with issues relating to China.

THE ASIA FOUNDATION, 465 California St., 14th fl., San Francisco, CA 94104; (415) 982-4640; Fax (415) 392-8863 www.asiafoundation.org ■ The website of this private non-profit organization provides current news articles and analysis of events with the purpose of advancing mutual interests of the U.S. and Asia.

ASIASOURCE, 725 Park Ave., New York, NY 10021; (212) 288-6400; Fax (212) 744-8825 www.asiasource.org ■ A resource of the Asia Society, this site contains current information on events in Asia, including the China-Taiwan conflict, with links to news and opinion pieces.

NATIONAL BUREAU OF ASIAN RESEARCH (NBR), 4518 University Way, NE, Suite 300, Seattle, WA 98105; (206) 632-7370; Fax (206) 632-7487 www.nbr.org ■ Contains extensive research on relevant issues in Asia. Also contains links to over 300 research sites dealing with Asia.

THE NATIONAL COMMITTEE ON U.S.-CHINA RELATIONS, 71 West 23rd St., Suite 1901, New York, NY 10010; (212) 645-9677; Fax (212) 645-1695 www.ncuscr.org ■ A public, nonprofit organization that encourages understanding of China and the U.S. among the citizens of both countries. Involved in exchange, educational and policy activities dealing with a wide range of issues concerning the People's Republic of China, Hong Kong and Taiwan.

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