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SPECIAL COMMENTARY:
AMERICA'S RELATIONSHIP WITH TAIWAN SLIPS FURTHER INTO MALAISE
September 13, 2007

The U.S.-China-Taiwan relationship remains one of the United States' most challenging foreign policy issues, despite our current focus on the Middle East. The stakes are enormous; it isn't simply the real prospect of U.S. forces involved in a potential conflict in the Taiwan Strait, but that such a conflict would have a devastating effect on America's economy. Although media coverage of the blazing Asian economic engine is extremely Sino-centric – something that isn't necessarily unwarranted – so much of that story is actually about Taiwan. Taiwan is the lubricant in America's commercial relationship with China, because it is Taiwan companies in China that build our cell phones, laptops, and next-generation iPods. If that supply chain is ever severed, as it would be during an armed conflict, the effects would ripple over our economy in a manner more remnant of the 1970s oil crisis than the present sub-prime adjustment.

China's political influence and prominence in the U.S. is growing as well. We see it on Capitol Hill, within the Executive Branch, and in the love/hate relationship many American companies have with China. As the PRC becomes increasingly able to press its interests within our political system, U.S. relations with Taiwan are left in an increasingly precarious position. These days, Taiwan policy issues are always subject to timing and atmospherics – of the next China delegation to D.C. or the next U.S. cabinet officer traveling to Beijing – and the timing rarely seems right for positive long-term steps forward.

Taiwan finds itself in an unenviable political situation. In a recent interview with Hong Kong's Phoenix TV, U.S. Deputy Secretary of State John Negroponte made some critical comments in response to an effort on the part of Taiwan's ruling government to implement a referendum on membership in the United Nations under the name Taiwan – as opposed to Taiwan's official name, the Republic of China. The proposed referendum would take place on March 22, 2008 to coincide with the island's next presidential election. Further commenting on the proposed referendum in a speech at the US-Taiwan Business Council's Defense Industry Conference earlier this week, U.S. Deputy Assistant Secretary of State Tom Christensen stated, "we do not recognize Taiwan as an independent state and we do not accept the argument that provocative assertions of Taiwan independence are in any way conducive to maintenance of the status quo or peace and stability across the Taiwan Strait." He went on to say, "The problem here is not misunderstanding or lack of communications," "It is that we believe this (referendum) initiative is not good for Taiwan or us and we have found ourselves with no alternative but to express our views directly to the Taiwan people."

While some argue that exchanges between Taiwan and the U.S. are myriad, it is the quality and level of those exchanges that matter. Messages must pass through many offices as they travel back and forth between Taipei and Washington – affording all those in the chain of command, both in the US and in Taiwan, an opportunity to offer their own nuanced views as the message itself evolves in transit. This highlights the downside of Taiwan's isolation and America's unwillingness to maintain regular senior dialogue with Taiwan. Why does the U.S. fear establishing senior and regular dialogue? Why, for example, have we moved away from sending economic cabinet officers to Taiwan on a regular basis as was the policy of the Clinton Administration?

Communication – or the lack thereof – is very much at the heart of the inability of the U.S., Taiwan, and China to deal with the recent changes in the Taiwan Strait. At present there is excellent communication between the United States and China, partial communication between the United States and Taiwan, and no communication between China and Taiwan. It is very difficult to comprehend how the triangular relationship between the three will improve when the quality and level of dialogue over shared concerns is so erratic and unbalanced.



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As a practical matter, America is in an increasingly untenable position vis-à-vis the maintenance of the status quo as it sees it, particularly as the facts on the ground have changed so dramatically. China's emergence as a global economic power and an emerging regional military power has placed an increasing U.S. emphasis on managing our myriad interests with China. This ensures that every decision regarding Taiwan is weighed on balance with our other equities in the relationship with China. As China's influence and power grows daily, addressing Taiwan issues becomes increasingly complex and difficult.

Taiwan President Chen Shui-bian's unpredictability when it comes to cross-Strait issues has often been to the detriment of U.S. interests in the Asia Pacific, and he bears some of the burden for the poor communication between Washington and Taipei. It has left the U.S. government frustrated and incensed by what it views as Chen's unwillingness to consider American economic and security interests in the region. The U.S. finds the relationship in perpetual crisis mode, with little room for long-term considerations or commitment.

These tensions are increasingly permeating into America's defense commitment to Taiwan, undertaken as part of America's legal obligations to provide Taiwan with diplomatic and military support under the Taiwan Relations Act.

This past June, Taiwan passed a long-delayed defense budget that included funds for procuring additional F-16s, contingent upon the U.S. providing purchasing data by October 31, 2007. Although this would seem a straightforward deal, since F-16s are a part of Taiwan's existing arsenal and do not constitute a new capability, the U.S. has informed Taiwan that it should not submit a Letter of Request - the critical first step in the arms sale process - until further notice, thereby leaving this pressing matter in limbo. This is an unprecedented action in any bilateral U.S. security relationship.

A short-term need to censure Taiwan, or more specifically its president, should never impact America's long-term commitment to maintaining the balance of power in the Taiwan Strait. China's massive force modernization and transformation is possibly the most disruptive dynamic in the status quo at this time. Taiwan presidents will come and go, but the U.S. will continue to need a strong and stable underlying relationship with Taiwan, a relationship founded on a number of essential and consistent commitments. If Chen's statements and actions regarding UN membership are viewed as destabilizing, how does delaying consideration of the F-16s, itself a destabilizing act, constitute an appropriate response? It's tantamount to cutting off our nose to spite our face.

The Bush Administration's decision to focus its criticism on President Chen and to personalize their criticism is surely an attempt to balance displeasure - over the UN application issue and the accompanying referendum - with the need to continue the relationship with Chen's Democratic Progressive Party (DPP). That relationship will be crucial in the event that the DPP candidate Frank Hsieh wins the presidential elections next March. However, there is no guarantee that a President Hsieh - or indeed a President Ma Ying-jeou, the opposition KMT's candidate - will represent a better custodian of "the status quo as America wants to see it".

Without a commitment to a number of basic principles - such as maintaining the balance of power by fulfilling American defense commitments to Taiwan, improved high-level dialogue between America and Taiwan, and improved communications between Taiwan and China - the triangular relationship between China, Taiwan and America will continue to deteriorate well past the end of Chen Shui-bian's presidency.

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