

## **The Taiwan Issue and the Normalization of US-China Relations**

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### *The Taiwan Issue in US-China Normalization*

After 1949, there were many obstacles to normalization of relations between the United States and the new People's Republic of China (PRC), but Taiwan was no doubt a key obstacle. The Kuomintang-led Republic of China (ROC) government and armies had retreated there. Washington maintained diplomatic relations with the ROC government and, in 1954-55, acceded to Chiang Kai-

The normalization agreement of December 15/16, 1978 addressed the “Taiwan obstacles” to normalization in the following ways:

The United States recognized the government of the PRC as the sole legal government of China, and by implication accepted the PRC as the government representing China in international governmental organizations. That is, Washington forewent a “two-Chinas” or dual-representation approach. (In 1971, the United States had tried bu

President Carter reaffirmed the U.S.'s "abiding interest" that the differences between the two sides of the Taiwan Strait be resolved peacefully, a position that Beijing did not directly rebut.

President Carter signaled that the United States would continue to sell arms to Taiwan, a

been fuming since the passage of the TRA over its provisions obligating the United States to provide arms to Taiwan and ensure its security. One of China's top priorities was to persuade Washington to end arms sales, in the belief that once Taiwan no longer had security support from the United States, it would negotiate on Beijing's terms. It raised the issue again and again, and in August 1982, the Reagan administration agreed to joint communiqué with China that stated, in part:

“... the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution.”

This was perhaps the moment of greatest peril for Taiwan. Had the U.S. followed the letter of the communiqué, the military balance in the Taiwan Strait might have quickly shifted in Beijing's favor. But Washington did not do so and as a result, Beijing believes Washington reneged on its commitments. PRC officials argued that Taiwan would only be willing to negotiate seriously when Washington ended arms sales. Washington counter-argued (and continues to do so) that that only a militarily secure Taiwan would be willing to undertake political negotiations with Beijing and, moreover, that it was up to Beijing to convince Taiwan that its own unification proposal aligned with the interests of the island's government and those of its people. Meanwhile, American friends of Taiwan asserted that the limitations to which Washington had agreed were a retreat from the legal requirements of the TRA to transfer arms to Taiwan.

In short, the 1982 Communiqué has been a source of tension in U.S.-China relations almost since the day it was signed. Increasingly, however, the U.S. has justified continued arms sales because China has continued to acquire military capabilities that call into question the commitment it stated in the communiqué: that it would follow a “policy

## *Taiwan's Transformation*

Taiwan's democratization reoriented the island's position in U.S. foreign policy, so it is important to understand the island's journey from authoritarian anti-communist bulwark to liberal democratic beacon

and '70s. Still, seven decades later, the 228 Incident stands as the KMT government's original sin, a sin the KMT has yet to expunge.

That inauspicious beginning set a tone that persisted for decades. Those who had been in Taiwan since the Japanese era (known as Native Taiwanese, or *benshengren*) found their hopes of a constructive integration into the Republic of China dashed. Two years later, in 1949, the Nationalist regime found itself driven from the mainland to refuge in Taiwan, bringing with it more than a million soldiers, government workers, and refugees. Suddenly, Taiwan *was*, in effect, the Republic of China, yet the KMT treated the island as enemy territory in need of stern management. It suspended the constitution, declared martial law, and instituted a single-party authoritarian state under KMT command, a state dominated by newly-arrived personnel from the mainland – the so-called 49ers, or *waishengren*.

President Chiang Kai-shek and his supporters believed their sojourn on Taiwan would be short, and that their mission was to return to the mainland, displace the Chinese Communist Party state, and reestablish the ROC's authority over the entire Chinese land mass. In their view, Taiwan and its people needed to be mobilized to support that mission. Economic development was thus a high priority, since Taiwan would need to be industrialized in order to mount a successful reinvasion. Rising living standards for the Taiwanese themselves were a welcome side effect of industrialization, but not its primary thrust. Democracy, on the other hand, to which the KMT had long paid lip service, was not a high priority. On the contrary, the KMT leadership believed that only a tightly controlled state and society could be harnessed to achieve its goals.

Despite its determination to retain unchallenged political control, the KMT also recognized the necessity to incorporate Native Taiwanese into its institutions, including the ruling party. From the late 1940s on, even as the ROC's national-level representative bodies

retained the members elected in the mainland in 1947, local offices, including village and neighborhood heads, local councils, municipal councils and even a provincial assembly in which nearly all Taiwanese were represented, were filled in competitive, regular elections. These elections effectively directed grassroots political energy into non-threatening, and even regime-supporting, channels.

During the Cold War, the U.S. was willing to overlook the authoritarian aspects of KMT rule on Taiwan. Helping Chiang's government resist the expansion of communism was a higher priority for Washington than insisting on democracy,



At the time, most Taiwanese viewed the island's loss of international recognition as a setback. But losing international recognition also liberated Taiwan to pursue a new course. Losing the ability to represent China in the international community – including in the United Nations, which the ROC left in 1971 – meant that the ROC's claim to represent all of China was no longer credible. That, in turn, undermined the logic by which the KMT justified its single-party authoritarian rule. After all, if the ROC was not China, what was the point of preserving political institutions designed to represent the mainland? Why should Taiwanese be subjugated to the task of recovering the mainland if the rest of the world – even the U.S. – had accepted that the People's Republic of China was not only a legitimate government of China, but *the* legitimate government of China?

In short, the loss of international recognition that unraveled the KMT-led regime's case for its own power unleashed strong forces for change in Taiwan's society. In the 1950s and '60s, the KMT party-state had moved swiftly to suppress individuals and groups that dared to call for political change, but in the '70s, silencing dissidents became increasingly difficult and costly. Within Taiwan, there was a rising tide of opposition, expressed both in social movements and in local elections, where independent candidates began making bolder and more ideological challenges to the KMT. Pressure for democratization was mounting outside Taiwan, too, in part as a response to President Carter's human rights diplomacy. Congressional hearings called attention to human rights abuses in Taiwan and gave visibility to the pro-democracy movement.

Taiwan's oppositionists wisely defined democratization as the full implementation of the ROC's democratic 1948 constitution, which included broad protections for civil liberties as well as the institutions of representative government; they did not seek to overturn the ROC system entirely. Nonetheless, democratization was not their only goal. Part and parcel of the KMT's





Taiwan's transition to democracy accelerated quickly in the late 1980s. In 1986, the *Dangwai* activists declared the founding of the Democratic Progressive Party (DPP). Technically, founding a party was illegal move, but the government took no action. A month later, President Chiang announced his intention to lift martial law, a promise that was fulfilled in July of 1987. That same year, Chiang ended the prohibition on Taiwanese traveling to the mainland.

Although the stated rationale for allowing Taiwanese to visit the mainland was humanitarian – aimed at allowing elderly 49ers to visit the families and hometowns they had left behind in the '40s – Chiang's decision had far-reaching consequences. Taiwanese visitors immediately recognized the PRC's potential as an investment destination. This discovery was especially welcome because rising land and labor costs were eroding Taiwan's comparative advantage in manufacturing. Moving labor-intensive industry to the mainland reinvigorated Taiwanese traditional manufacturers and allowed Taiwan to shift its economy to high tech manufacturing for the burgeoning information technology industry.

Within a few years of the opening, Taiwanese manufacturers were in the mainland in force, propelled by rising costs in Taiwan and enticed by local governments eager to get a piece of the "reform and opening" action. Since the end of the Civil War, Beijing and Taipei had had minimal contact, but the arrival of Taiwanese investors, or Taishang, ended their mutual isolation. Taishang needed basic services – mail delivery, telephonic connections – and both governments saw it as in their interest to provide them. To facilitate communications and secure binding agreements on these matters, each side created a quasi-official organization to carry out negotiations.







cases, Washington either agreed with Beijing substantively or worried that a cross-Strait spiral of action and reaction would inadvertently lead to a conflict that no party desired. Taipei became increasingly isolated.

It was Taiwan voters who rendered the defining verdict on the Lee and Chen initiatives and the uncertainty and instability that they created. In March 2008, by a wide margin, they elected Ma Ying-jeou, the chairman of the KMT, to the presidency. In his campaign, Ma had been clear that he was prepared accede to Beijing's requirement that he accept the 1992 consensus, an ambiguous understanding that Beijing and Taipei reached to facilitate talks noted above between Koo Chen-fu and Wang Daohan. But Ma engaged in a bit of sleight of hand by defining the consensus to be "one China, different interpretations" and then stating his interpretation that "one China" was the Republic of China.

Beijing actually disagreed with both those points but was prepared to let Ma make them because it trusted him to take a different path from Lee and Chen. That path included explicit opposition to Taiwan independence, normalization and expansion of cross-Strait economic relations, and the possibility of moving at some point from economic exchanges to political talks. For its part, the United States welcomed Ma's policies because they aligned well with U.S. interest in peace and stability. As a result, American respect and deference to Taiwan's democracy got a new lease on life. The true significance of Ma's election, however, was that it clarified explicitly what had been implicit in the previous three presidential elections – that Taiwan voters would not support a candidate who openly advocated independence and that they preferred a leader who would credibly seek to capture the benefits for Taiwan of constructive cross-Strait relations (particularly in the economic realm), maintain good relations with the United States, and simultaneously resist any outcome with Beijing that did not enjoy broad





After the normalization of U.S.-China relations, there was an understandable expectation in China that the Taiwan issue was on its way to being resolved. The formal cord between Taiwan and Washington had been cut and the island faced further international isolation. Declining American arms sales pursuant to the August 1982 communique would increase Taiwan's military and political vulnerability. China's new economic policy of reform and opening up would create an economic basis for unification. Beijing's one country, two systems formula for unification seemed generous, at least in its own eyes. And the KMT regime was firmly in power with leaders who were dedicated Chinese nationalists. Some Americans had similar expectations.

Beijing soon experienced a series of rude awakenings. Washington enhanced its political, economic, and even military support for Taiwan, and affirmed that all its steps were within its definition of its one-China policy. It refused to sacrifice Taiwan for the sake of better U.S.-China relations. Taiwan's democratization both empowered the electorate to set limits on cross-Strait policy and denied any leader the power to impose on the public a solution to the dispute with China, whether independence or unification. A stronger Taiwanese identity, a preference for the status quo, and widespread opposition to "one country, two systems"

themselves. China will always be 90 miles from Taiwan and will only gain economic and military power in the future. Yet they will remain committed to their Taiwan identity and to some version of the status quo, which includes democracy.

Second, although Taiwan's democratic system is not perfect, it possesses significant guard-rails to prevent destabilizing initiatives by demagogic politicians. Constitutional