

# Taiwan's Partisan Politics and Its Impact on U.S.-Taiwanese Relations

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## abstract

This paper examines the impact of partisan politics in Taiwan on Taipei's relationship with the United States during the Chen Shui-bian and the Ma Ying-jeou administrations. The policy decision Chen Shui-bian made, such as "One Country on Each Side" or the "national referendum," required to enhance the likelihood of reelection was a critically misjudged one in that it eroded the strategic interest of the United States. The following Ma Ying-jeou administration has faced a conundrum over improving its relations with the United States. Ma reoriented the way in which Taiwan achieves economic growth to focus on improved relations with China. On one hand, he has skillfully improved relations both with China and with the United States; on the other hand, his policies have unintentionally undermined Taiwan's national security in terms of its military capability.

**Key words:** Taiwan, The United States, US-Taiwanese relations, Cross-Strait Relations, partisan politics

## Introduction

This paper examines the impact of partisan politics in Taiwan on Taipei's relationship with the United States. It covers the two administrations of the twenty-first century, the first by Chen Shui-bian (2000-2008) and the second by Ma Ying-jeou (2008-2011). The rationale is that the political turn from the Chen era to the current one under Ma is so radical that it would make a useful case for comparison even though Ma is still in office as of 2011.

Taiwanese politics have been long characterized by a single dominant ideological cleavage. The Kuomintang Party (KMT), on one hand, sought to achieve unification with mainland China. It was traditionally composed of the Mainlanders (*waishengren*) under the Three Principles of the People as enunciated by Sun Yat-sen. On the other hand, native Taiwanese (*benshengren*) and most of their descendants, who had little historical contact with mainland China and were under Japanese colonial rule for nearly 50 years, did not necessarily subscribe to the KMT's ideological goal. Rather, most were opposed to the KMT's dictatorship.

Given this longstanding cleavage, it was intriguing to see Lee Teng-hui, a native Taiwanese,

take the helm of the KMT during the democratization period while not completely abandoning the party's ideological goal. In tandem with democratization, the KMT grew insistent on autonomy and achieving sovereignty as the "Republic of China on Taiwan." Although there is a simmering fear that Taiwan's "independence" would automatically be followed by an armed intervention by the People's Republic of China, it is believed that such a contingency would be averted so long as Taiwan diplomatically retains the banner of "the Republic of China." Lee adopted this strategy and it turned out to be a quite successful presidency based on strong support from the electorate whose demands revolved around stability and autonomy. Meanwhile, the opposition party, the Democratic Progressive Party (DPP), leaned toward a more radical position on the political status of Taiwan. For instance, it proclaimed, in its party platform, that the party would "establish an independent, sovereign, self-determined Republic of Taiwan." The DPP became increasingly known as the pro-independence party.

It was during the 2000s that the political division depicted above came to the surface and got solidified. It all began with the 2000 presidential election during which former Taiwan Province Governor James Soong left the KMT to declare candidacy. Although Soong was very popular, he was not the party's official nominee. So his move, in effect, divided the KMT supporters. As a result, Chen Shui-bian, the former mayor of Taipei, won the three-candidate election—albeit with a mere 39 percent of the vote. In addition, Taiwanese politics grew polarized because of the departure of Lee, who symbolized a middle-of-the-road-position. The opposing political symbols, based on color, have emerged in Lee's wake: the "blue camp" represents the parties like the KMT, the People's First Party (PFP, a splinter of the KMT under James Soong), and the New Party, whose constituents are mainly pro-mainland China and possess a "Chinese" identity; and the "green camp" is basically constituted of the DPP and members of the Taiwan Solidarity Union, or TSU, who continue to regard Lee as a guiding politician. The green camp articulates a pro-independent Taiwanese identity. The puzzle that emerges from this partisan political landscape is, "How does Taiwan's domestic political cleavage affect its external relations, specifically those with mainland China and the United States?" This paper attempts to answer this puzzle using empirical data.

## **I. U.S.-Taiwanese Relations following Chen Shui-bian's First Election**

### **1. Chen Blames CCP for Beijing's Purchase of Diplomatic Relations**

Chen Shui-bian's approach to China, in the immediate wake of his election, was characterized by the "policy of conciliation," which aimed to ameliorate the overall Cross-Strait relationship. It was, in part, based on the notion that the tension had arisen toward the end of Lee Teng-hui's presidency. For instance, the DPP announced, on May 9, 1999, that it would adopt the Republic of China as Taiwan's official name of the state under the "Resolution on Taiwan's

Future.” Moreover, in September, Chen declared the “New Centrist Path” in national security policy as a pillar of his electoral manifesto for the purpose of brushing aside the label of being a pro-independent candidate.<sup>1)</sup> This newly-declared principle, in essence, was employed to win the confidence of the electorate who were predominantly in favor of political stability.

Chen began his presidency without a strong base. As mentioned in the introduction, Chen was elected only with the 39 percent of the votes. The ruling DPP enjoyed less than a third of the seats in the Legislative Yuan. In an attempt to break the situation, he appointed Tang Fei, a KMT member and former Minister of National Defense, premier of the Executive Yuan. Furthermore, Chen made the famous pledge of the “Four Nos and One Without” (*sibu yimeiyou*) in his inauguration speech. It meant that his administration would *not* declare independence, *not* alter the title of the state, *not* put the two-state theory into the constitution, *not* seek to conduct a referendum on independence or it would not go *without* the National Unification Council or the National Unification Guidelines. In other words, Chen made externally official his centrist path and his conciliatory attitude toward the mainland.<sup>2)</sup>

Yet the ensuing problems of domestic politics made it difficult for Chen to remain centrist. A prominent example occurred in October 2000, when the administration unexpectedly announced that Taiwan would immediately halt the construction of the fourth nuclear power plant. Though the announcement was, in fact, in line with one of the DPP’s original pledges, it ignited a partisan fight against the KMT and the PFP, leaving the two opposition parties closer, and ended with the resignation of premiership by Tang Fei. As a result, the event pushed the Chen administration toward an increasingly isolated position. Domestic problems such as this later proved to be a stumbling block for an improved relationship with the PRC and the United States.

Despite these difficulties, Chen sought to bounce back. In his New Year’s Eve speech in 2000, he said that, “We believe that we can address the ‘One China’ problem jointly with China. According to our constitution, it is not an essential problem.” He added that, “We are capable of pursuing a new framework of perpetual peace and political integration for both sides of the Strait, beginning with trade and cultural integration and then building trust across the Strait.”<sup>3)</sup> The speech sent a signal to the mainland that Chen was being “soft” on unification. The former part of the speech has been generally referred to as “one China according to constitution,” and the latter, “integration theory.” The ruling DPP followed suit. At the Second Party Congress of the Ninth Central Committee held on October 20, 2001, it virtually revised the party platform,

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1) Masahiro Wakabayashi, *Taiwan no Seiji: Chuukaminkoku Taiwanka no Sengoshi*, (*Politics in Taiwan: Post-War History of Taiwanization of the Republic of China*) Tokyo: University of Tokyo Press, 2008, p. 244.

2) Xingzhengyuan Xinwenju (Government Information Office, Executive Yuan) ed., *Chen Zongtong Shuibian (Shui-bian) Xiansheng Bashijiu Nian Yanlun Xuanji*, (*Selected Works of President Chen Shui-bian, 2000*) Taipei: Government Information Office, Executive Yuan, 2001, p. 12.

3) *Ibid.*, pp. 181-182.

which is called the “Party Platform for Taiwanese Independence.”<sup>4)</sup>

Subsequently, Chen began to strengthen his centrist position. In 2001, former president Lee Teng-hui founded the TSU, an organizational boost to the DPP in the legislative elections in December. The DPP emerged from the elections as the leading party. It wasn't until this victory that Chen gained a concrete political hold during his tenure. With this new background support and a strengthened domestic base, Chen expected a favorable response from the mainland.

Beijing, however, did not deal with Taipei's “conciliatory” approach squarely. Initially, it remained tightly guarded against it while “observing Chen's words and deeds” (*tingqiyan, guanqixing*). Chen, for his part, persevered and kept showing a positive image, no matter how antagonistic China's diplomatic messages were, aiming at vaulting Taiwan's isolation into the international arena. This diplomatic approach was precisely the one that won strong support from the United States which yearned for a détente across the Strait. It was also a useful approach in terms of domestic politics, due to its strong standing in the legislature.

China occasionally showed some signs of returning favor. Yet, on the whole, it closely adhered to the status quo vis-à-vis Taiwan. For example, China established in July 2002 a diplomatic relationship with Nauru, the same date that Chen became chairman of the DPP. Since this move took place just as Chen became chair of the DPP, he strongly criticized China's move as an intentional humiliation.<sup>5)</sup> Following this tit-for-tat, Chen announced at the annual conference of the strongly pro-independent World Federation of Taiwanese Associations held in Tokyo that August that, “with Taiwan and China on each side of the Taiwan Strait, each side is a country.”<sup>6)</sup> Beijing held tightly to its antagonistic attitude toward Taipei, and it won recognition from states like Senegal and Chad—away from Taiwan.<sup>7)</sup> These circumstances pushed Chen to the hardliner position in regard to the mainland.

## 2. U.S.-Taiwanese Relationship: “Unprecedentedly Good”

In contrast to his interactions with China, Chen Shui-bian greatly improved relations with the United States. Once in office, the George W. Bush administration took an evidently pro-Taiwan approach. President Bush himself went so far as to say that, “Whatever it takes to help

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4) “Minjindang: Taiwanqiantujueyiwen Shitong Danggang,” (DPP: ‘Resolution on Taiwan's Future’ Can Be Seen as Party Platform) *United Daily*, October 21, 2001.

5) “Jieren Dangzhuxi Tongri Nuolu yu Zhonggong Jianjiao Bian Sandu Tuogao Pi Beijing Mai bangjiao,” (Chen Blames CCP that Beijing Buys Diplomatic Relations for Three Times on the Same Day of the Establishment of CCP-Nauru Diplomatic Relations) *United Daily*, July 22, 2002.

6) “Chen Zongtong: Liangan Shi YibianYiguo,” (President Chen: Situation of the Cross-Strait is One Country on Each Side) *United Daily*, August 4, 2002.

7) Chang Kau and Cheng-Hsu Wang, “Liangan Guanxi de Huigu, Xin Qingshi yu Qianzhan,” (Review, New Situation and Prospect of the Cross-Strait Relations) *Prospect Quarterly*, Vol. 9, No. 3, July, 2008, p. 181.

Taiwan defend itself.” The resolve of the United States can be discerned most clearly in arms sales policy to Taiwan—one of the most sensitive policy issues for China. The Bush administration saw the strengthening of the Taiwanese Navy as imperative, thereby deciding in April 2001 to sell diesel-electric submarines (up to eight) as well as P-3 anti-submarine and maritime surveillance aircraft (up to twelve). Although this sale did not involve Aegis fleet, which would be closely connected to Theater Missile Defense, the sale of diesel submarines was a remarkable departure from the past, since they can be fielded for offensive purposes.

The deepening of the U.S.-Taiwanese relations went beyond arms sales. In the aftermath of the 1996 Taiwan Strait crisis, a strategic dialogue on defense had begun. It developed into regular interactions, such as the “Monterey Talks” during which high-level officials from both National Security Councils and the Departments of Defense/the Ministry of Defense met with each other.<sup>8)</sup> In addition, it is important to note that Taiwan's high-ranking officials from the Defense Ministry, both military and civilian, made frequent visits to the United States, where “unofficial” meetings with their U.S. counterparts took place. In return, an arrangement was made such that U.S. military personnel in commission would station in Taipei on a permanent basis.<sup>9)</sup> Selling arms implies regular, close defense cooperation between countries concerned because it requires training, maintenance, upgrades, and strategic/tactical uses.

The outcome seems a little paradoxical. The United States' relationship with China improved following the terrorist attacks of September 11, 2001, and the subsequent global “war on terror.” It had little repercussions on U.S.-Taiwan ties. Colin L. Powell, then Secretary of State, publicly said that, “There was no suggestion of a quid pro quo.”<sup>10)</sup> The statement had strategic implications which are of importance. The close connection between the United States and China would not require the corresponding deterioration in the U.S.-Taiwan relationship because winning China's cooperation in the U.S. war on terror did not involve the United States' “selling” of Taiwan. The two offers were not part of a zero-sum condition.<sup>11)</sup>

U.S.-Taiwan defense cooperation continued to deepen. Tang Yao-ming, then Defense Minister, met Deputy Secretary of Defense Paul D. Wolfowitz in Miami, Florida, in March 2002.<sup>12)</sup> This was the first visit to the United States by a Defense Minister since the severance

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8) Michael S. Chase, “U.S.-Taiwan Security Cooperation: Enhancing an Unofficial Relationship,” in Nancy Bernkopf Tucker, ed., *Dangerous Strait: The U.S.-Taiwan-China Crisis* (New York: Columbia University Press, 2005), pp. 174-175. Cheng-Yi Lin, “Meiguo yu Taiwan Junshi Hezuo: Weixie de Pinggu yu Yinying,” (US-Taiwan Military Cooperation: Assessment and Measures of the Threat from China) Bih-Jaw Lin and Cheng-Yi Lin eds., *Mei-Zhong-Tai Guanxi ZongTijian: Taiwan Guanxifa Sanshi Nian, (Thirty Years after Taiwan Relations Act)* Taipei: Chu Liu Publishing Co. Ltd., 2009, pp. 203-209.

9) Chase, “U.S.-Taiwan Security Cooperation,” pp. 175-177. Cheng-Yi Lin, “Meiguo yu Taiwan Junshi Hezuo: Weixie de Pinggu yu Yinying,” pp. 203-209.

10) “Powell Assures Taipei There's No Deal with China,” *Taipei Times*, September 23, 2001, available at <http://www.taipetimes.com/News/front/archives/2001/09/23/104133>, accessed on February 10, 2009.

11) Shirley A. Kan, “U.S.-China Counterterrorism Cooperation: Issues for U.S. Policy,” *CRS Report for Congress*, Congressional Research Service, Order Code RL33001, October 29, 2008.

of the formal diplomatic ties. In the meeting, Wolfowitz promised support for Taiwan's military training to improve joint operations (i.e., cooperation between the navy, army, and air force), as part of U.S. defense support "whatever it takes."<sup>13</sup>

Furthermore, senior personnel from the U.S. Joint Chiefs of Staff visited Taiwan in April, 2002.<sup>14</sup> Deputy Minister of Defense Kang Ning-hsiang paid a return visit to Hawaii and Washington in September, where he met his U.S. counterpart in the Pacific Command and at the Pentagon. Chen Chao-min, the deputy minister of defense, went to the United States the following February to attend a defense strategic dialogue.<sup>15</sup> To be sure, Beijing reacted against such moves, but bilateral military cooperation went along without much regard to Chinese demands.

However, the United States stepped back a little. The Pentagon informed Taipei that bilateral meetings on arms sales would not take place on a regular basis after 2002 even though they had happened every April before then. This decision contained a twofold purpose. The first was to prevent China from exerting diplomatic pressure regularly by holding such meetings. Second, the United States wanted an arms sales process to be rather ad hoc so that it could respond to Taiwan's requests *when* they were tabled.<sup>16</sup> The countries with arms sales dealing with the United States have a similar procedure, and the United States decided that it was the time for Taiwan to follow suit.<sup>17</sup>

## II. The Reelection Strategy of Chen Shui-bian and U.S. Mixed Signals

### 1. A Political Impact of "One Country on Each Side" Discourse and National Referendum

Following Chen Shui-bian's August 2002 remark of "One Country on Each Side"—which undeniably implies Taiwan as a separate state from China—Beijing grew increasingly anxious of his mainland policy. Similarly, Washington was equally astounded by Chen's message.<sup>18</sup> The United States feared that he might resuscitate Lee Teng-hui's "Two-State theory" at a time at

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12) "Mei Guofangbuzhang Wufoweici: Mei Pan Liangan Heping Jiaowang," (US Deputy Secretary Wolfowitz: US Hopes Cross-Strait Peaceful Exchanges) *United Daily*, March 13, 2002.

13) David Lague, "This Is What It Takes," *Far Eastern Economic Review*, Vol. 165, No.16, April 25, 2002.

14) "Mei-Tai Junshi Hezuo Meifang Riqian Laitai Jianbao," (US Officials Visit to Taiwan to Brief US-Taiwan Military Cooperation) *United Daily*, April 18, 2002.

15) "Chen Zhaomin (Chen Chao-min) Xiazhou Fang Mei Chuxi Fangyu Huiyi," (Chen Chao-min Will Visit US for Attending Defense Talks) *United Daily*, February 8, 2003.

16) Shirley A. Kan, "Taiwan: Major U.S. Arms Sales since 1990," *CRS Report for Congress*, Order Code RL30957, October 8, 2008, p. 5.

17) Chase, "U.S.-Taiwan Security Cooperation," pp. 173-174.

18) Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait*, Washington, DC: the Brookings Institution Press, 2005, p. 222.

which it still needed China's cooperation in counterterrorism.

Chen, for his part, felt disappointed by the unforthcoming support from Washington when Taipei needed it to increase diplomatic tension with Beijing and while, as shown as in the case of Nauru, Beijing's international effort to isolate Taipei was on the rise. In addition, Chen confronted another set of difficulties. Just as Sino-U.S. trade ties grew deeper, so Taiwan's economic relations with the mainland became increasingly enmeshed toward the end of the 1990s.

For the United States, Taiwan's position in its strategic thinking declined after 2003. In contrast, that of China carried more weight. For instance, China was the most influential country to North Korea. Upon the announcement that it would leave the Nonproliferation Treaty in January 2003, Pyongyang began actively to engage in brinkmanship diplomacy again. The Six-Party Talks, which China in practice played the leadership role, constituted the only remaining multilateral framework through which to dissuade the North from pursuing further nuclear development. At the same time, because of its preoccupation with the war in Iraq, the United States could not afford to expend remaining political influence over East Asia. Iran's nuclear problem accelerated the process. Taiwan's action which defied the status quo came to be seen from the standpoint of the U.S. as a dangerous "provocation" to China and as a brash step into a troublesome arena.

Against the backdrop of Taipei's external isolation, the conservatives coalesced into a viable opposition force. In the spring of 2003, for instance, Lien Chan and James Soong agreed that the KMT and PFP would put forth a single presidential candidate in opposition to the ruling DPP. In return, Chen Shui-bian sought to set an agenda for the upcoming election that would win votes by stressing his party's pro-independence stance through the promise of a referendum to invoke Taiwanese national identity.<sup>19)</sup> What Chen had in mind was clearly beyond "One Country on Each Side"; his strategy aimed to start an all-party and government political campaign that called for the people's participation in the proposed referendum.<sup>20)</sup> The DPP never consulted the United States on this decision. Nor did Chen pay enough attention to concerns arising from Washington.<sup>21)</sup> The United States clearly showed disappointment with the Chen's decision and bilateral trust appeared to be significantly eroded. The referendum incident marked the beginning of the deterioration in U.S.-Taiwanese relations.

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19) See, Yasuhiro Matsuda, "Kaizen no 'Kikai' wa Sonzai Shitaka?: Chuutaikankei no Kouzouhenka," (Were There Any Chances for Amelioration?: Structural Change of the Cross-Strait Relations) Masahiro Wakabayashi ed., *Posuto Minshuka ki no Taiwan Seiji: Chin Suihen Seiken no Hachinen*, (*Taiwan's Politics during the Post Democratization Period: Eight Years of Chen Shui-bian Administration*) Tokyo: JETRO Institute for Developing Economies, 2010.

20) Ibid.

21) Bush, *Untying the Knot*, pp. 221-224.

## 2. Washington's Mixed Signals to Taipei

For fear that the proposed referendum would unnecessarily destabilize the Cross-Strait relationship, Washington demanded that Chen recoil from it. Yet such a request was effectively lost in mixed messages. Three examples illustrate this point. The first is the tone of the previous message. Bush's remark that "Whatever it takes to help Taiwan defend itself" generated an extraordinarily high expectations among administration officials in Taipei, such that Washington would offer assistance without prior conditions or quid pro quos. These expectations coincided with the oft-provoked pronouncement of the "promotion of democracy" by the United States in order to justify the use of force against Iraq because the alleged weapons of mass destruction were not found. Taiwan got the impression that the United States would not hesitate to use force for democracy.

A second example is the beefing up of U.S. military assistance to Taiwan. Close defense cooperation was undeniable. Yet for Pentagon officials, the provision of such assistance was among their bureaucratic tasks regardless of "One Country on Each Side" or any other political repercussions the proposed referendum might provoke. The prevailing view among their Taiwanese counterparts was that it would be very hard to imagine a situation where the United States would not come to defend Taiwan *despite* the significant provisions of defense materiel.

The final illustration is the fact that the Bush administration continued to have senior officials said to be, on balance, sympathetic to Taiwan's interests and that the administration, overall, took a position in favor of Taiwan's interests. Officials gave this impression in spite of President Bush's growing concern about Taiwan's stress on pro-independence.<sup>22)</sup> To elaborate, the Bush administration offered to give "dignity" in addition to "safe, convenient, and comfortable," when Taiwanese senior officials, including President Chen himself, made a transit stop in the United States.<sup>23)</sup>

Chen was able to take advantage of this arrangement so that on October 31, 2003, he was allowed to make a brief stop in New York en route to Panama. He even gave a speech for the reception of an International Human Rights Award by the International League for Human Rights in New York. At the speech, Chen met with a group of congressional members and received a telegram from then Deputy Secretary of State Richard Armitage. Moreover, Therese Shaheen, head of the American Institute in Taiwan (AIT), referred to President Bush as a "guardian angel" guarding Chen.<sup>24)</sup> In Panama, Chen was able to speak briefly to Powell,

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22) Nancy Bernkopf Tucker, *Strait Talk: United States-Taiwan Relations and the Crisis with China*, Cambridge, MA: Harvard University Press, 2009, pp. 267-268.

23) Editorial Board of the Foreign Relations Yearbook of the R.O.C. ed., *Zhonghuaminguo Jiushiyanian Waijiao Nianjian*, (*The Foreign Relations Yearbook of the R.O.C.*) Taipei: Ministry of Foreign Affairs, 2003, pp. 222-223, available at [http://multilingual.mofa.gov.tw/web/web\\_UTF-8/almanac/almanac2002/03/03\\_01\\_05.htm](http://multilingual.mofa.gov.tw/web/web_UTF-8/almanac/almanac2002/03/03_01_05.htm), accessed on September 10, 2011.



the secretary of state, at the centennial of Panamanian independence.<sup>25)</sup> These events gave a strong impression to Taiwan that Taiwan's tie with the United States was better than ever—although the bilateral relationship was apparently on the decline.

Meanwhile, Beijing tried to take advantage of the U.S.-Taiwanese fissure. Hu Jintao found every opportunity to criticize Chen's proposed referendum and new constitution, while being fully aware that those comprised a key pillar of Chen's electoral strategy. Hu, therefore, sought to advance relations with the United States, which remained in favor of stability across the Strait, as well as engage Taiwan's opposition groups, including those close to the KMT. This two-pronged action turned out in China's favor. In a meeting with Chinese Premier Wen Jiabao in December 2003 at the White House, President Bush criticized Taiwan's move to disturb the existing conditions, saying "We oppose any unilateral decision by either China or Taiwan to change the status quo."<sup>26)</sup> The remark clearly suggested that the United States revert to the stance of "strategic ambiguity," a traditionally-held strategic position on the issue.<sup>27)</sup>

In the end, Chen was reelected by a small margin. In addition to gunshot incident which was considered to garner some sympathy, it turned out that his campaign based on the national referendum and the heightening of Taiwanese national identity was proven to be successful.<sup>28)</sup> However, Chen had to pay the price for the lost trust from the United States, who remained concerned about the referendum and new constitution. The United States found Chen's refusal to consult with it on these strategically critical matters problematic because they contained hints of autocracy.<sup>29)</sup> Although Chen kept a low profile following reelection for a while, he took initiative through new political movements, including "Name Change Campaign" (*zhengming yundong*) and "New Constitution Movement," for the Legislative Yuan elections in December 2004.<sup>30)</sup> Chen Shui-bian was now deemed a revisionist politician in the view of the United States.

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24) "Chen Zongtong Ling Renquanjiang, Mei Fuqing Dianhe," (President Chen Recieves Human Rights Award and US Deputy Secretary of State Sends a Congratulatory Telegram) *Liberty Times*, November 2, 2003. "Chen in Talkative Mood on Boat Trip down the Hudson," *Taipei Times*, November 3, 2003, available at <http://www.taipetimes.com/News/taiwan/archives/2003/11/03/2003074424>, accessed on February 10, 2009.

25) "Chen Presses the Flesh with Powell," *Taipei Times*, November 5, 2003, available at <http://www.taipetimes.com/News/front/archives/2003/11/05/2003074617>, accessed on February 10, 2009.

26) "President Bush and Premier Wen Jiabao Remarks to the Press," December 9, 2003, available at <http://www.whitehouse.gov/news/releases/2003/12/20031209-2.html>, accessed on January 6, 2009.

27) Seiichiro Takagi, "Bitei' eno Anbibarensu," (Ambivalence toward 'Beautiful Empire') *ASTEION*, No. 63, 2005, p. 30.

28) Yoshiyuki Ogasawara, "2004 Nen Taiwan Soutou Senkyo Bunseki: Chin Suihen no Saisen to Taiwan Aidenteti," (An Analysis of the Year 2004 Presidential Election in Taiwan: The Reelection of Chen Shui-bian and Taiwanese Identity) *Nihon Taiwan Gakkaihou*, No. 7, May 2005, pp. 64-65, available at [http://wwwsoc.nii.ac.jp/jats/journal/pdf/gakkaiho007\\_04.PDF](http://wwwsoc.nii.ac.jp/jats/journal/pdf/gakkaiho007_04.PDF), accessed on September 10, 2011.

29) Bush, *Untying the Knot*, pp. 217-224.

30) See, Yasuhiro Matsuda, "Kaizen no 'Kikai' wa Sonzai Shitaka?: Chuutaikankei no Kouzouhenka."

### 3. Critique of the Anti-Secession Law in China

According to Go Ito, “democracy” means quite different things depending on which side of the Strait we are examining. He argues, “‘Democracy’ is a politically attractive term on the international stage when China acts like a ‘militaristic’ state. On the other hand, once China stops flexing its military might, ‘democracy’ merely refers to Taiwan’s domestic politics. [omission] Using the term without regard to context may have a disturbing impact on what we know as the ‘status quo.’”<sup>31)</sup> Put differently, Taiwan’s quest for democracy is not of value in and of itself; it requires an “adequate” context to be meaningful. For instance, as Ito says, if China again becomes willing to use military power to coerce Taiwan, the United States has only one default choice—that of backing Taiwan.

The United States’ reaction to the passing of the Anti-Secession Law in China represented this pattern. Stipulated in March 2005, the legislation aimed to prevent the independence of Taiwan through military threats as well as to induce acquiescence by Taiwanese through economic cooperation.<sup>32)</sup> It was characteristic of the requirement that China is legally committed to preserve the status quo.

The enactment of the Anti-Secession Law created much anxiety and criticism around the globe, including the United States, the EU, and Japan, lending a poor reputation to Chinese diplomacy. Chen Shui-bian, of course, criticized the law severely, and the DPP helped organize an estimated million-people demonstration to protest it. But China struck back, and it did so more or less successfully. The main impetus was Beijing’s invitation of senior politicians of Taiwan’s conservative parties to the mainland. Between April and May of 2005, KMT Chair Lien Chan and PFP Chair James Soong accepted their invitations. The event sent a signal, implicitly to the Chen administration and the DPP, that the Chinese Communist Party would not even deal with those whom continuously refused to accept the “One China” principle. The United States “welcomed” the event that happened, while at the same time calling for China to initiate a dialogue with the “duly elected leaders in Taiwan.”<sup>33)</sup>

Chen Shui-bian became dissatisfied with the situation as Beijing regained initiative over the Cross-Strait relations. Yet he had to accept the reality that China’s interest in turning to the status quo was congruent with that of the United States. As Premier Wen Jiabao stressed

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31) Go Ito, “‘Doshouimu’ Denaku ‘Domuishou’ ka?: ‘Minshushugi’ no Kaishaku ga Kuichigau Bei-Tai Kankei,” (Not ‘Same Bed, Different Dreams,’ but ‘Same Dream, Different Beds?’: Different Interpretations on Democracy in the Relations between US and Taiwan) *Toa, (East Asia)* No. 488, February 2008, pp. 24-25.

32) Yasuhiro Matsuda, “Taiwan Mondai,” (Taiwan Issue) Ryosei Kokubun ed., *Chuugoku no Touchi Nouryoku: Seiji, Keizai, Gaikou no Sougo Renkan Bunseki, (China’s Governance: Co-relations among Politics, Economy and Diplomacy)* Tokyo: Keio University Press, 2006, pp. 302-305.

33) “Press Briefing by Scott McClellan,” April 29, 2005, available at <http://www.whitehouse.gov/news/releases/2005/04/20050429-6.html>, accessed on February 20, 2006.

in his press remarks on March 14, 2005, the Anti-Secession Law was “not intended to change the status quo, which meant that both sides of the Strait would belong to one China.”<sup>34)</sup> In short, Beijing was successfully able to cultivate a closer tie with Washington in the short-term, where preventing Taiwanese independence amounted to the status quo, without revising the medium- to long-term goal of unification.

### **III. Escalating Mutual Distrust between the U.S. and Taiwan**

#### **1. Abolishing-Attempt of the National Unification Guidelines and the National Unification Council**

The DPP suffered an historic defeat in the local elections held in December 2005. Thereafter, President Chen Shui-bian said in a speech at a Luna New Year event on January 29, 2006, that he was considering whether to abolish the National Unification Guidelines and the National Unification Council. On February 27, he announced that the National Unification Council would “cease to operate” and that the National Unification Guidelines would “cease to function.” Although “abolish” was the original term to be used in the announcement, the Taiwanese government stepped back a little after consulting with the United States.<sup>35)</sup>

China's negative response was within the bounds of expectations. Beijing asked Washington to put more pressure on this matter. The trust lost between Chen and the United States had adversarial diplomatic consequences with Taipei. For instance, Chen was denied a transit stop on U.S. homeland en route to Paraguay in May 2006. He was offered Anchorage, Alaska, as an alternative, but he rejected it and returned to Taipei via a third country. Needless to say, tensions rose in the U.S.-Taiwanese relationship. The unaccomplished travel was characterized in the Taiwanese media as “a wandering travel,” a sign of Taiwan's declining tie with the United States. Immediately thereafter, Robert Zoellick, Deputy Secretary of State, made a statement that Taiwan's move to end the National Unification Guidelines would be “dangerous,” because it might involve a de facto declaration of independence which could result in a war.<sup>36)</sup>

The U.S. government thus far had not entertained the idea that the precarious Chen administration might be an unpredictably dangerous factor on the Strait affairs. Does Chen's move suggest that Washington and Beijing proactively “manage” Taiwan? The United States

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34) “Zai Shijie Quanguo Renda Sanci Huiyi Jizhe Zhaodaihui shang Wen Jiabao Zongli Da Zhongwai Jizhe Wen,” (Premier Wen Jiabao Answers Questions from Both Domestic and Overseas Reporters at the Press Conference during the Third Conference of the Tenth National People's Congress) *People's Daily*, March 15, 2005.

35) See, Yasuhiro Matsuda, “Kaizen no ‘Kikai’ wa Sonzai Shitaka?: Chuutaikankei no Kouzouhenka.”

36) “Mei Tiaoming: Taibei Mei Mohu Kongjian,” (US Discloses: Taipei Does Not Have Ambiguous Room) *United Daily*, May 20, 2006.

had denied it; it merely asserted that both Washington and Beijing influenced each other concerning their overlapping interests in Taiwan.<sup>37)</sup> The ultimate strategic goal of the United States had not changed: the stability of the Taiwan Strait.

## 2. Delay over U.S. Arms Sales

The cooling off of the overall relations between Taiwan and the United States had practical consequences for specific policy areas. As discussed above, the Bush administration announced in 2001 major arms sales to Taiwan. Yet it took nearly two years for the Taiwanese government to table a budget about the matter. Washington understood the “delay” to be the intention on Chen and the Defense Ministry’s parts to avoid a political problem by debating an enormous defense budget. The presidential election and the attendant political football in 2003-2004 further delayed the legislative debate.

The bottleneck was actually due to the fact that opposition groups continued to refuse to discuss a defense budget involving arms sales in Chen’s second term. This refusal to talk was related to the mainland’s military buildup. China had already fielded massive short-range ballistic missiles (SRBMs) against Taiwan intended to discourage the installation of a U.S.-assisted missile defense (MD) system. Taiwan decided to introduce an MD system in response during the Lee Teng-hui era since Lee believed that such a system would be the strategically surest way *institutionally* to make the United States commit to the defense of Taiwan. In the meantime, an estimated 200 Chinese SRBMs aimed at Taiwan increased by roughly a hundred per year beginning with the inauguration of the Chen administration. The opposition groups in Taiwan began to believe that the Chinese missile threat would be practically insurmountable even with a U.S.-assisted countermeasure.<sup>38)</sup> Washington was deeply disappointed with Taiwan’s lack of progress.

Some arms deals announced to Congress prior to 2002 were actually sold and introduced in Taiwan by 2006. Yet the discussion of a special defense budget in the Legislative Yuan, which would include purchases of Patriot 3 missiles, P-3 maritime patrol aircraft, and diesel-based submarines among others, remained stalled. The delay led Washington to view Taipei as free-riding its defense on the United States and as making unnecessary frictions with Beijing. In fact, no one in Taiwan—neither Chen, nor the DPP, nor conservative opposition parties—benefited from the legislative deadlock.<sup>39)</sup>

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37) Cheng-Yi Lin, “Taiwan Fangyuxing Gongtong yu Meiguo Dui Tai Zhengce Tiaozheng,” (The Taiwan Defensive Referenda and US on Taiwan Policy Adjustments) *EurAmerica*, Vol. 39, No., June, 2009, pp. 363-364.

38) See, Yasuhiro Matsuda, “Kaizen no ‘Kikai’ wa Sonzai Shitaka?: Chuutaikankei no Kouzouhenka.”

39) Not only legislatures of the pro-China People’s Party, but also those of the KMT, that include ex-chairman of the Mainland Affairs Council Su Chi, who was supposed to be a national security specialist, opposed the arms purchase package. Cheng-Yi Lin, “Meiguo yu Taiwan Junshi Hezuo: Weixie de Pinggu yu Yinying,” pp. 223-224.

### 3. Taiwan's Referendum on UN Membership: Another Blow to its Relations with the United States

The decline of the U.S.-Taiwanese relationship spread virtually everywhere, even into seemingly inconsequential domestic affairs. In January 2007, for instance, the DPP administration began to put the "Name change campaign" policy in place, asking government-owned firms that had "China" or "Chinese" (*zhongguo/zhonghua*) in their name to adopt "Taiwan." The United States saw this move and expressed a "nay."<sup>40</sup> In response, the DPP also began to accumulate dissatisfaction with what it saw as an American intolerance.

Following the appointment of his close colleague Joseph Wu Chao-hsieh, chief representative to the United States, Chen appeared in a televised conference on May 29, 2007, between the presidential office and the National Press Club in Washington. In the conference, he made a stunning announcement that the Taipei government would seek United Nations membership by changing the name from "the Republic of China" to "Taiwan." Also, he expressed an intention to conduct a national referendum on this matter along with the presidential election, which marked the beginning of a government-led movement for the UN membership under the name of Taiwan.<sup>41</sup>

The announcement had sharp repercussions in mainland China. Beijing felt that the proposed referendum might, in effect, violate the Anti-Secession Law. Yet its response was rather indirect—recourse to pressure from the United States. On August 27, Deputy Secretary of State John D. Negroponte pointed out that the proposed referendum would clearly deviate from the status quo and digress Taiwan toward independence.<sup>42</sup> Three days later, Dennis Wilder, the senior director for Asian affairs at the National Security Council, remarked that "Taiwan, or the Republic of China, is not at this point a state in the international community. The position of the United States government is that the ROC, Republic of China, is an issue undecided."<sup>43</sup> It was unclear who, if at all, benefited from the statement, but it seems that, given the political context of the time, it was more disadvantageous to Taiwan than to China. The upcoming meeting at the Asia-Pacific Economic Cooperation (APEC) in Sydney played this out quite well. On September 6, in a summit meeting between the United States and China, President Bush chimed with President Hu, saying "the United States is opposed to either side of the Strait altering the status quo."<sup>44</sup> In addition, Secretary of State Condoleezza Rice strongly

40) Cheng-Yi Lin, "Taiwan Fangyuxing Gongtou yu Meiguo Dui Tai Zhengce Tiaozheng," pp. 359-360.

41) See, Yasuhiro Matsuda, "Kaizen no 'Kikai' wa Sonzai Shitaka?: Chuutaikankei no Kouzouhenka."

42) "Referendum A Mistake, US Official Says," *Taipei Times*, August 29, 2007, available at <http://www.taipetimes.com/News/front/archives/2007/08/29/2003376266>, accessed on November 16, 2009.

43) "ROC statehood undecided: US official," *Taipei Times*, September 1, 2007, available at <http://www.taipetimes.com/News/front/archives/2007/09/01/2003376690>, accessed on November 16, 2009.

44) "Hu Jintao Huijian Meiguo Zongtong Bushi," (Hu Jintao Meets US President Bush) *People's Daily*, September 7, 2007.

checked Taiwan's referendum by characterizing it as a "provocative policy."<sup>45</sup> In short, the 2008 referendum did not pass because it did not receive the minimum number of votes—just as it happened in 2004. The difference this time, however, was that the DPP candidate, Frank Hsieh, lost the presidential election in a landslide.

#### 4. The Freezing of U.S. Arms Sales to Taiwan

The impasse in Taiwanese domestic politics began to erode in 2007. It was mainly due to the KMT's Ma Ying-jeou, who was projected to win the 2008 presidential election. On account of this projection, the stiff attitude of the opposition groups against even debating in the Legislative Yuan began to soften a little. The conservatives perceived that were the special budget to be approved, it was the KMT that would be in office to put it in place. Thus, even the KMT began to accept the DPP-proposed referendum on UN membership under the name of Taiwan and agreed to debate the arms sales budget in the legislature.

The budget legislation on three issues finally passed the legislature on the final date of debate on June 15, 2007.<sup>46</sup> It approved the purchase of twelve P-3 anti-submarine and maritime surveillance aircraft for 6.1 billion NT dollars out of the proposed 46 billion (1 NT dollars is equivalent of .03 U.S. dollars). It also approved the budget for the updating of three sets of Patriot PAC-2 missiles for 3.5 billion NT dollars but not for the purchase of 11.3 billion- NT dollars' worth of Patriot PAC-3 missiles. As for the eight diesel-based submarines, 200 million NT dollars were approved for further research.

Moreover, a conventional weapons purchase was allowed within the annual defense budget.<sup>47</sup> It approved, among others, four sets of Patriot 3 missiles, 60 UH-60M "Blackhawk" helicopters, and 30 AH-64 antitank "Apache" helicopters. The passing of these legislations was evidence that the opposition parties' refusal was primarily aimed at discrediting the DPP's administration in an effort to win domestic political currency.

However, the Bush administration had grown quite cynical about arms sales to Taiwan in general. It declined, for instance, to consider the selling of 66 F-16C/D fighters requested toward the end of the Chen administration.<sup>48</sup> Taiwan had owned an estimated 150 F-16A/B fighters, but F-16C/D fighters would be a substantial addition to the Taiwanese air force

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45) Secretary of State Condoleezza Rice, "Press Conference by Secretary of State Condoleezza Rice," Washington, DC, December 21, 2007, available at <http://www.state.gov/secretary/rm/2007/12/97945.htm>, accessed on December 18, 2008.

46) "Sanda Jungou Jin Fanqianji Quanshu Zhaolie," (Only Budget of Anti-Submarine Aircrafts out of Three Major Purchases Passes) *China Times*, June 16, 2007.

47) "Yichendaishan, Qixiang Jungouan Fangxing," (Old Plan Revives: Seven Items of Arms Purchase Passes) *Liberty Times*, August 2, 2008.

48) "Taiwan Shengou F-16, Sandu Zao Mei Tuijian," (Taiwan Applies F-16, US Rejects Three Times) *China Times*, August 2, 2008.

capabilities by replacing outdated F-5E fighters. Although the Legislative Yuan estimated 16 billion NT dollars for defense expenditures upon legislative approval, they were all “frozen.” It was reported that part of the reason was because the UN referendum eclipsed President Bush’s refusal to entertain the idea of F-16C/D fighters.<sup>49)</sup> Since October 2007 was the deadline for the legislative approval following formal Letter of Request and a budget estimate from the United States, the matter was passed to the new presidency.<sup>50)</sup>

## **IV. Improving U.S.-Taiwanese Relations under Ma Ying-jeou**

### **1. A Détente and Development in the Cross-Strait Relationship**

One of the reasons for the DPP’s defeat in the 2008 presidential election was the DPP’s inability to present an agreed-upon candidate, due to the persistent public criticism of scandal-ridden Chen Shui-bian himself and the DPP in general. In sharp contrast, the KMT supporters managed to make a united front under Ma Ying-jeou in order to win the election. The former mayor of Taipei, Ma won a landslide election, with 58.45 percent of the vote and gaining 2.2 million more votes than Frank Hsieh. In his repeated appeal to the electorate, Ma stressed the imperative to ameliorate the relationship with the mainland, which, he asserted, came from the DPP administration’s failed vision and policy. With Ma in office, the Cross-Strait relations took a turn for the better.

Looking at the macro trend, Taiwan’s domestic politics has little to do with the strengthening of the Cross-Strait economic ties. Indeed, such ties have deepened rapidly since the end of the Lee Teng-hui administration. Historically, Taiwan feared political intractability due to economic cooperation more than benefits reaped from it. In recent years, however, cooperation was inevitable as China joined the World Trade Organization (WTO) and achieved stunning economic growth. Today, mainland China has become Taiwan’s largest trade partner as well as the country holding the largest amount of its investment. Yet the relative dependence of China on Taiwan for import has been on the wane simply because trade and investment from other countries have surpassed the levels from Taiwan alone. Nevertheless, an estimated million Taiwanese nationals are staying within China for an extended period of time, which implies that the long-term economic dependence of Taiwan on China is undeniable.

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49) “Buxi Kouzhu F-16 C/D, Pa Bian Weihai Heping.” (Bush Stops F-16C/D Sales for Fearing Chen Shui-bian Harms Peace) *China Times*, October 2, 2007. “Hirogaru ‘Kei Bi Sei Tai’: Bei-Chuu Sekkin, Taiwan ni Atsuryoku,” (Controlling Taiwan through US: Approaching US-China Giving Taiwan Pressure, Saying ‘No’ to UN Referendum and Fighter Sales) *Asahi Shimbun*, October 8, 2007.

50) “Bei Sentouki Yosan wo Touketsu e: Taiwan Rippouin Soutou Tainin go ni Koushou,” (Taiwanese Legislative Yuan Freezes Budget for Purchase of US Jet Fighters: Negotiation Will Never Start until Chen Shui-bian Steps down) *Asahi Shimbun*, October 27, 2007.

The Ma Ying-jeou administration, while in opposition until 2008, had believed that the way in which “one China” was played out in politics was the most important underlying factor for the tension with the mainland over the Lee and Chen era. Ma, then, sought to rebuild a stable relationship by resuscitating the so-called “1992 consensus.” It was an oral agreement between China and Taiwan in regard to what it meant by “one China.” It was believed that a summit meeting between Association for Relations Across the Taiwan Straits (ARATS) and Straits Exchange Foundation (SEF) was spurred by this consensus. Although the interpretation of the consensus actually differs, there was nonetheless a certain degree of agreement over the consensus on “one China.”<sup>51)</sup>

Ma Ying-jeou’s attempt was to revert to the status quo ante. It jettisoned the policy instigating the Taiwanese national identity—a favorite option for Lee and Chen but an overly a touchy issue for China. With the 1992 consensus in mind, the KMT administration won an agreement with the mainland about regular interactions, indirect dialogue, regular flights (a change from chartered ones), and the opening of tourism to Chinese nationals. At the same time, Ma Ying-jeou called for a “diplomatic truce,” which involved a struggle over diplomatic recognition for countries to choose either China or Taiwan or a fight over which side should be officially belonged to in an international organization.<sup>52)</sup> A clear message for stability from Taipei was welcomed not only in Beijing but in Washington as well.

Taiwan’s strategic turn yielded a substantive result. At the fifth summit meeting between Chen Yunlin, chairman of the ARATS and Chiang Pin-kung, chairman of the SEF held on June 29, 2010, both sides signed an ECFA (Economic Cooperation Framework Agreement). Each side had high expectations on this long-negotiated agreement. China aimed at the long-term political and economic integration of Taiwan due in part to the preferential treatment over the tariffs. Taiwan, on the other hand, would want the ECFA to be an impetus for economic growth, especially achieving enhanced competitiveness for trade toward China, favorable conditions for investment in China, or landing an agreement with other states such as a free trade agreement (FTA) or an economic partnership agreement (EPA). The agreement of the ECFA, ironically, showed the extent to which China and Taiwan were, figuratively speaking, in the “same bed with different dreams.” To sum up, however, it greatly helped steer both China and Taiwan to a path of stability across the Strait.

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51) Tzong-Ho Bau, “Yige Chaoyue Lishi Juxian de Liangan Guan: Yingxiang ‘Gezhi Zhengyi, Zhuiqiu Shuangying’ de Xin Luxian,” (A New View on the Cross-Strait Relations which Rises above Historical Restrictions: New Policy Line of ‘Shelving Frictions and Pursuing Win-Win’) Tsao-Min Tsai ed., *Ma Zongtong Zhizheng Hou de Liangan Xinju: Lun Liangan Guanxi Xin Luxiang*, (New Dimensions of the Cross-Strati Relations after President Ma Took Office: On the New Directions of the Cross-Strait Relations) Taipei: Prospect Foundation, 2009, pp. 190-194.

52) Ming Lee, “Xin Zhengfu Liangan Waijiao Xiubing Zhengce zhi Linian yu Zuowei,” (Ideas and Actions of Diplomatic Truce Policy in the Cross-Strait Relations of the New Government in Taiwan) Bih-Jaw Lin ed., *Liangan Waijiao Xiubing Xin Siwei*, (New Thinking of the Cross-Strait Diplomatic Truce) Taipei: Prospect Foundation, 2009, pp. 26-29.



## 2. Winding Roads over U.S. Arms Sales

While attempting to improve relations with China, Ma Ying-jeou strongly believed in doing the same with the United States. He used every opportunity to stress his intent not to stir up anxiety on the part of China; he did not seek unnecessary media attention when he stopped by on U.S. soil en route to Latin America for diplomatic trips. Yet it proved to be not so easy for Taiwan to improve its relationship with the United States, especially when it came to arms deals.

The Bush administration took a different position on arms sales to Taiwan than it had previously. In fact, it became more adversarial toward Taiwan. For instance, it postponed the notification of a sales deal which had already been passed in the Legislative Yuan in Taiwan. Note the change: as indicated above, in the past Washington kept encouraging the Taiwanese government to discuss within the legislature the passing of defense budgets although it refused to consider the sale of F-16 C/D fighters. In the 110th Congress, a notice was not made by September 26, the last day of the period. Congress received the notice only on October 3, just a month before the end of the period for the extended congress due to the Lehman crisis. Among the eight sets included in the sale, the White House notified Congress of only six—excluding particularly the ones on Blackhawks and research expenditures on diesel submarines.<sup>53)</sup>

Why the change? One view, which seems quite feasible, is that the Bush administration had concluded that not only the Chen administration, which put priority on reelection at the expense of its relationship with the United States, but the KMT administration, too, engaged in the same “political football” to check the Chen administration while not seriously paying attention to national security or the bilateral relationship. It can thus be argued that there was a lack of trust with both the ruling (the DPP) and opposition (the KMT) parties by the end of Chen’s term.

Can we identify any change in the United States’ policy under Barack Obama toward Taiwan? Reading the U.S. government’s official reports might be of help. For instance, according to the 2009 annual report to the Congress, released on November 19, 2009, the USCC pointed out that the military balance over the Taiwan Strait had increasingly tilted toward China, and suggested that U.S. Congress ask Beijing to reduce military preparations against Taiwan, and that it cooperate with the White House in the modernization of the Taiwanese military capacity.<sup>54)</sup> Attention was focused on whether the new Democratic administration, like the Republican one before it, would make any decision regarding arms sales to Taiwan.

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53) Kan, “Taiwan: Major U.S. Arms Sales since 1990,” pp. 41-43.

54) *2009 Report to Congress of the U.S.-China Economic and Security Review Commission*, One Hundred Eleventh Congress, First session, November 2009, pp. 239-244, 328-329, available at [http://www.uscc.gov/annual\\_report/2009/annual\\_report\\_full\\_09.pdf](http://www.uscc.gov/annual_report/2009/annual_report_full_09.pdf), accessed on September 10, 2011.

The Obama administration did take some action. On January 7, 2010, the Department of Defense announced that it had made an order to Lockheed Martin for Patriot missiles.<sup>55)</sup> Unexpectedly, Beijing expressed its dissatisfaction. The spokesperson at the Foreign Ministry stated that the Chinese government was deeply disappointed as well as opposed to the arms deal, and that it strongly asked the U.S. government to reconsider.<sup>56)</sup> It is important to note that the order was arranged due to the notification made during the Bush term to the Congress in October 2008.

The Obama White House, however, did make a new decision to sell arms immediately after the Pentagon announcement.<sup>57)</sup> On January 29, 2010, the Defense Department notified Congress that the administration had decided to sell arms, which, all things combined, amounted to more than 204.5 billion NT dollars (6.4 billion U.S. dollars). The deal included the selling of 114 Patriot 3 missiles and related systems, 60 Blackhawk helicopters, C4I-related equipment, 12 Harpoon missiles, and 2 Osprey-class coastal minehunters.

China's response was swift. On January 30, the following day of the notification, the Ministry of Foreign Affairs made an announcement that Beijing unilaterally decided to halt Sino-U.S. military exchanges and suggested that it might even give some sanction to U.S. defense companies which engaged in the deal. Moreover, China's Taiwan Affairs Office of the State Council expressed a deep concern, saying that the White House's decision would eventually disturb the peace and stability over the Taiwan Strait, because, as China perceived the matter, it would send the wrong message to pro-independence forces in Taiwan.<sup>58)</sup>

However, there remain some practical defense concerns for Taiwan. The deal, for instance, did not include the sale of F-16C/D fighters or weapons related to the diesel submarine systems. Also, the Taiwanese Air Force continuously had serious concerns about the new generation fighters that would replace F-5E fighters, which were to be retired shortly, about the limitation of F-CK-1 fighters (IDFs), and about the mechanical problems of Mirage 2000-5 fighters. Whether the United States approved the sale of F-16C/Ds would be a critical question for the next such deal to Taiwan.

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55) "Washington Clears Patriot Missile Sale," *Taipei Times*, Jan 08, 2010, available at <http://www.taipeitimes.com/News/front/archives/2010/01/08/2003462963>, accessed on September 10, 2011.

56) "Washington Clears Patriot Missile Sale," *Taipei Times*, Jan 08, 2010, available at <http://www.taipeitimes.com/News/front/archives/2010/01/08/2003462963>, accessed on September 10, 2011.

57) "Mei Dui Tai 5 Junshou Mei F-16 Qianjian: Oubama Rennei Shouzong," (US Arms Sale Package to Taiwan Does Not Include F-16 Fighters and Subs: Obama's First Arms Sale to Taiwan) "Aisan Buqi: Wo Zhengjingjun Sheshi Bushou Daodan Weixie," (Patriot PAC-III Redeems: Taiwan's Political-Economic-Military Center Will Not Be Threatened) *United Daily*, January 31, 2010.

58) "Zhonggong Xiang Mei Kangyi Zanting Junshi Hufang," (CCP Protests US and Suspends Mutual Military Visits) *United Daily*, January 31, 2010.

### 3. On the Issue of Updating Major Fighters

As the foregoing suggests, it is of importance to discuss how Taiwan updates its air power. Some key developments have taken place so far. In April 2010, chief of staff of Taiwanese airforce, Ko Hsi-Siung testified at the Legislative Yuan on the operability of the fighters. According to the statement, 80 percent of F-CK-1s, 79 percent of Mirages, 70 percent of F-16A/Bs, 78 percent of single-personnel F-5Es, and 26 percent of multiple-personnel F-5Es were currently in operation. The reason for such a low operability was because of the shortage of some critical pieces of equipment. And the low operability of the old-generation F-5Es was seen as a problem.<sup>59)</sup>

The U.S. made some remarks on this matter. A good example is *Balance of Air Power in the Taiwan Strait*, written by the U.S.-Taiwan Business Council and published in May 2010.<sup>60)</sup> According to the report, Taiwan's air power was at a crossroads, and it would be critical that it introduce F-16C/Ds from the United States to beef up its air capabilities. Otherwise, it was indicated that only 80 out of the current 145 F-16A/Bs would be operable by 2025.<sup>61)</sup>

Another example was the 9th U.S.-Taiwan Defense Industry Conference held in Maryland in October 2010. One of the prominent participants from the Taiwanese government was Deputy Minister of Defense Andrew Yang.<sup>62)</sup> Acutely aware that adding F-16C/Ds and diesel submarines was one of the highest priorities and one of the strategically most critical matters for Taiwan's arms buildup, Yang sought hard to obtain a sales agreement from the U.S. government. It was also reported that at the conference both sides discussed a plan to enhance the capabilities of F-16A/Bs.<sup>63)</sup> Also, according to the newspaper report, the U.S. government preferred the upgrading of F-16A/Bs currently in use to the introduction of F-16C/Ds, which would inevitably spur China's opposition.<sup>64)</sup>

Taipei persistently followed up with the United States on defense buildup, especially in regard to F-16C/Ds. In August 2010, Ma insisted that he consider the sale of F-16C/Ds for the purpose of self-defense.<sup>65)</sup> Similarly, Ma made the same plea when he met with Congressman

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59) "F-5 Zhanji Yu 7 Cheng Buneng Fei," (More than 70% of F-5 Fighters Cannot Fly) *United Daily*, April 29, 2010.

60) "Mei-Tai Shanghui Jinggao Tai Jixu F16C/D Zhanji," (U.S.-Taiwan Business Council Warns Taiwan Urgently Needs F-16 C/D Fighters) *United Daily*, May 13, 2010.

61) US-Taiwan Business Council, *The Balance of Air Power in the Taiwan Strait*, Arlington, VA: US-Taiwan Business Council, May 2010, available at [http://www.us-taiwan.org/reports/2010\\_may11\\_balance\\_of\\_air\\_power\\_taiwan\\_strait.pdf](http://www.us-taiwan.org/reports/2010_may11_balance_of_air_power_taiwan_strait.pdf), accessed on September 10, 2011.

62) "Lai Xingyuan, (Lai Hsing-yuan) Yang Nianzu (Andrew Yang) Hua Bei Wudu," (Words of Lai Hsing-yuan and Andrew Yang Are Misunderstood) *China Times*, October 7, 2010.

63) "Yang Nianzu (Yang Nien-tsu): Jiefangjun Dui Tai Weixie You Xiangshang Qushi," (Andrew Yang: PLA's Threat over Taiwan Is Likely to Be Strengthened) *World Journal*, October 5, 2010.

64) "Huashi: Mei Xin Yibo Dui Tai Junshou Chengxing," (Washington Times: US Formulates New Wave of Arms Sales to Taiwan) Central News Agency, January 14, 2011.

65) "Ma Zai Yu Mei Shouwo Zhanji," (President Ma Repeatedly Calls for US Fighter Sales to Taiwan) *United Daily*, August 20, 2010.

Elton Gallegly (R-Ca.), who was vice chair of the Foreign Affairs Committee.<sup>66)</sup> Moreover, he underscored the importance of F-16C/Ds in keeping the military balance vis-à-vis China, when he spoke to Douglas H. Paal, the vice president of the Carnegie Endowment for International Peace, and Alan D. Romberg, the director of the East Asia program at the Henry L. Stimson Center, in Taipei in February 2011.<sup>67)</sup> Finally, President Ma brought this issue up in his discussion with the *Washington Post* in the same month.<sup>68)</sup>

As for the U.S. government, basically it stood by its intention to continue to sell arms to Taiwan. But, in response to Taiwan's assertion, China stepped up its diplomatic pressure on the United States, which was deemed increasingly influential. In fact, Washington, it seems, felt compelled to be mindful of China's potential response when and what type of materiel should be sold to Taiwan.<sup>69)</sup> Some U.S. experts even began to make a principled argument *against* the arms sale. Charles Glaser of George Washington University, for example, wrote in an article for *Foreign Affairs* that the United States should cease to back Taiwan, simply because it finds no vital interest involved.<sup>70)</sup> Likewise, Adm. Joseph W. Prueher (ret.), the former commander of the U.S. Pacific Command, made a remark that the U.S. government might want to rethink all the options before selling arms to Taiwan, including the option of ceasing to sell, for the purpose of the peaceful resolution of the Taiwan issue.<sup>71)</sup>

In September 2011, the U.S. government approved to upgrade Taiwan's existing F-16 A/B fleet, which costs nearly US\$ 5.85 billion, but Taiwan's request for next-generation F-16 C/D fighter jets was declined.<sup>72)</sup> Although this decision does not necessarily mean that there was no longer any opportunity to sell Taiwan the more advanced F-16 C/D fighters it wants in the future, it will be an extremely difficult decision for the Obama administration, considering the PRC's strong reaction and its negative impact on the Sino-U.S. relations as a whole.

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66) "Junshi Pingheng Youzhao Ma: Kao Chuangxin Buduicheng," (President Ma Says Military Balance Should Be Maintained by Innovation and Asymmetrical Capability) *United Daily*, November 9, 2010.

67) "Ma Zongtong: Tai-Mei Xiaowenti, Douyou Chengyi Jiejue," (President Ma: Minor Problems between Taiwan and US Should Be Solved with Sincerity) *China Times*, February 12, 2011.

68) "Amid Warming Relations with China, Taiwan's President Seeks More U.S. Arms," *Washington Post*, February 17, 2011, available at <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/17/AR2011021702176.html>, accessed on September 24, 2011.

69) "Mei-Zhong Guanxi Shouzu Yeyao Junshou Taiwan," (US Should Keep on Arms Sales to Taiwan Even If US-China Relations Are Damaged) *United Daily*, Jun 6, 2010.

70) Charles Glaser, "Will China's Rise Lead to War? Why Realism Does Not Mean Pessimism," *Foreign Affairs*, Vol. 90, No. 2 (March/April, 2011).

71) Miller Center for Public Affairs, Virginia University, *A Way Ahead with China: Steering the Right Course with the Middle Kingdom*, Charlottesville, VA: Miller Center for Public Affairs, Virginia University, March 29, 2011, available at <http://millercenter.org/policy/chinaroundtable>, accessed on September 10, 2011. "A Way Ahead with China," Center for Strategic & International Studies, available at <http://csis.org/event/way-ahead-china>, accessed on September 10, 2011.

72) "F-16 C/Ds Left out of Arms Deal: AIT," *The China Post*, September 22, 2011, available at <http://www.chinapost.com.tw/taiwan/national/national-news/2011/09/22/317458/F-16C-Ds-left.htm>, accessed on September 30, 2011.

## Conclusion

Three general points have emerged from the foregoing discussion. First, the policy decision Chen Shui-bian made required to enhance the likelihood of reelection was a critically misjudged one in that it eroded the strategic interest of the United States. Following the September 11, 2001, terrorist attacks, the Bush administration was considerate both of building a stable tie with China and of assisting Taiwan. Chen's handling of domestic politics, in essence, made this policy unmanageable. He sought to mobilize the traditional DPP supporters when he confronted the political upheaval with the KMT-led opposition groups or the domestic impasse over the ceased construction of the fourth nuclear power plant. Controversial policy innovations like "One Country on Each Side" or the "national referendum" were, though ideologically crucial in and of themselves to Chen and the DPP, essentially used for the purpose of staying in office. They disappointed the United States as Taiwan, however inadvertently, increased the risk of the United States going to war with nuclear China in a period when the United States was preoccupied with Afghanistan and Iraq. These policy ideas left the United States with a negative impression.

Second, the Ma Ying-jeou administration has faced a conundrum over improving its relations with the United States. Ma reoriented the way in which Taiwan achieves economic growth to focus on improved relations with China. A conspicuous example, as elaborated in detail above, was the reintroduction of the "1992 consensus" for expanded interactions. It is important to note, however, that Beijing never made a promise to stop using force, or the threat of force, against Taiwan. Nor did both sides of the Strait make a political commitment/agreement to peace. To the contrary, China increased the number of ballistic missiles aimed at Taiwan and its military power continues to grow substantially. Because of apparent stability in Cross-Strait relations, the United States has had difficulty "finding" a good rationale to help beef up Taiwan's military capacity. Washington's basic position has been to accept a renewed Cross-Strait relationship while avoiding friction with China. As a consequence, the Ma administration is in a position where its expectations of the United States have been half-filled or half-empty. The resultant situation is rather paradoxical to Ma. On the one hand, he has skillfully improved relations both with China and with the United States. On the other hand, his policies have unintentionally and indirectly *undermined* Taiwan's national security in terms of its military capability.

Finally, it is of value to mention that three variables—(1) Taiwan's domestic politics, (2) Taiwan's relations with mainland China, and (3) Taiwan's relations with the United States—are historically mutually influential. Influence can be identified often in this order. Expectations for Taiwan's détente or entente with China have, since the 2000s, been contingent on whether the incumbent administration accepts the notion of "one China." A case of tensions practically requires U.S. commitment to ensuring Taiwan's national security; a case of reconciliation

allows the United States to be more relaxed. The former likely generates tensions not only between China and Taiwan but also between China and the United States. The latter may lead to improved relations for Taiwan with China and the United States, although it might ironically undercut Taiwan's national security.

It is clear from the foregoing analysis that partisan politics in Taiwan have strong implications for external affairs. It is, however, too early to so *conclude*. What we are observing can be unrepresentative examples in the initial phase of democratic consolidation. As Taiwanese grow more accustomed to the turnover of incumbents to the opposition party, they lower expectations for the new incumbents. China and the United States would regard turnover as normal. Moreover, China's economic rise will effectively narrow options for Taipei on its economic policy toward the mainland—regardless of which party is in office. But alternative scenarios are indeed open and likely, especially in a case where, like in 1996, China shows an unwaveringly aggressive attitude toward Taiwan. In such a situation, the United States would back Taiwan irrespective of domestic context. The impact of Taiwan's partisan politics on its relationship with the United States will be minimal when China is committed to the status quo on Cross-Strait affairs and remains open to dialogue as it has been in the economic realm.