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in Sino-American
Relations

By Martin L. Lasater



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THE TAIWAN ISSUE IN SINO-AMERICAN RELATIONS

by

Martin L. Lasater

The island of Taiwan is located approximately 100 miles off the Fujian coast of China. It is roughly the size of West Virginia (some 14,000 square miles) and it is extremely mountainous. Sixty peaks are over 10,000 feet in elevation. Most of Taiwan's 19 million people live in a narrow coastal plain along the western shore of the island.

Taiwan's GNP in 1985 was \$57 billion, and its total volume of trade was \$51 billion, one of the highest trade/GNP ratios in the world. Per capita GNP was over \$3,100.

Since the Nationalists first arrived in strength in 1949, the armed forces of the Republic of China (ROC) have heavily fortified Taiwan. The ROC Army and Marine Corps total some 325,000 troops; and these services can draw quickly upon more than one million trained reservists. Taiwan's 38,000-man Navy emphasizes antisubmarine warfare, while its 77,000-man Air Force focuses on maintaining air superiority over the Taiwan Strait and the ability to attack nearby mainland airfields and ports. Taiwan's armed forces are relatively well equipped, well trained, and possess high morale. Block obsolescence of certain weapons systems such as destroyers and fighters is a problem, however.

The distance between the mainland and Taiwan, the difficult terrain of the island, the well-prepared defensive positions, and the high quality of Taiwan's armed forces mean that Taiwan is relatively immune to a military occupation by the People's Republic of China (PRC). Estimates of the number of divisions required to invade Taiwan successfully range upward of 40 or more--roughly 1/3 of the People's Liberation Army (PLA). This sounds extraordinarily large, but keep in mind that during World War II it was estimated that 300,000 American troops would be required to defeat the 32,000 Japanese soldiers on Taiwan.

Chinese military historians note two interesting characteristics of traditional and modern Chinese uses of force against fellow Chinese. Traditionally, most conflicts have been entered into with

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clear political objectives in mind and the conflicts have been terminated, not by military victory, but by a negotiated settlement. Under Mao Tse-tung, when a military victory was deemed to be the only way to achieve some political objective, the conflict was initiated only when the communists felt confident of success.

If these characteristics are descriptive of Chinese uses of force, an interesting framework emerges for analysis of the threat to Taiwan. The questions that need to be answered are:

- 1) Does Beijing have the political will to use force against Taiwan to achieve unification?
- 2) Does Beijing feel it can use a limited amount of force to convince Taipei to negotiate? And,
- 3) Under what conditions might Beijing conclude that a total military victory over Taiwan would be possible?

With these questions in mind, it is intriguing to review the controversial statements of PRC General Secretary Hu Yaobang to the editor of Pai Hsing last June. Mr. Hu is known for speaking his mind and his remarks, while not necessarily reflecting official policy, nonetheless represent at least one important side of the debate in Beijing over how to achieve reunification.

Mr. Hu was very clear that the mainland and Taiwan are part of the same country and that Taiwan is "in essence a local government," although also "a special zone" which would receive "even more favored treatment than we give Hong Kong." He went on to explain that "by favored treatment, I mean that Taiwan can keep its local Armed Forces, without any change for several decades."

As Hu warmed up to the interview, he said that it would be "impossible" for Beijing to renounce the use of force against Taiwan because that would "free [Taiwan's authorities] from anxiety."

He then went on to say that China does not now "have the strength" to use force against Taiwan, but that "if we are economically powerful in 7, 8, or 10 years, we shall be in a position to modernize our national defense." At that point, "If the broad masses of the Taiwan people wish to return, it will be necessary to use some force."

The type of force mentioned by Hu Yaobang was a blockade. He said, "If we have the strength to enforce a blockade and if Taiwan vehemently opposes reunification, we shall have to consider enforcing a blockade." A moment later he added that "only when we are sure of complete victory shall we take this step."

Hu explained that the PRC did not underestimate Taiwan's strength. Three strengths were considered. First, "Taiwan's armed forces," "their military installations," and the fact that "it is not at all easy to cross the sea and fight." Second, "their economic strength" as a "processing [or trading] island." And third, the "powerful political support" of the United States. Hu said, "This is a most important point."

The PRC General Secretary concluded with the observation that "with the passage of time, many things may change. Taiwan may become weak politically, economically, or militarily. The CPC [Communist Party of China] has always been extremely cautious regarding this question, especially in military affairs. The first of Chairman Mao's 16 military principles is 'Do not fight a battle without preparation, and do not fight one in which the outcome is uncertain. If you fight, you must be sure of victory.'"

Hu's timetable for the reunification was fairly flexible. He said, "if the problem could not be solved in the 1980's, then it could be solved in the 1990's."

Assuming Hu Yaobang's remarks to be a valid point of view in the PRC, our three questions can be answered with some degree of accuracy:

- 1) Does Beijing have the political will to use force against Taiwan to achieve unification? Hu's remarks would indicate that the PRC does have the will, although it would prefer to achieve reunification by peaceful means if at all possible.
- 2) Can Beijing use a limited amount of force to convince Taipei to negotiate? Based upon remarks by Hu Yaobang, Deng Xiaoping, and personal conversations with Chinese military officials, the PRC views a declared or submarine enforced blockade as just such a tool.
- 3) Under what conditions might Beijing conclude that a total military victory over Taiwan would be possible?

In my judgment, the current PRC leadership does not believe a "total military victory over Taiwan" is either advisable or feasible. One major reason for this is that Beijing cannot be sure of victory at an acceptable cost. It is possible that Taiwan's fighters can be swept out of the sky, but only if the PRC loses a minimum of 400-500 planes. The ROC Navy can eventually be sunk, but only at the cost of several submarines, many surface craft, and many airplanes. And with enough effort, a million or so PLA soldiers could be landed on Taiwan, but only at a horrendous cost in PRC manpower and military equipment. Moreover, Beijing cannot be certain that the United States would not intervene in some meaningful way to help Taiwan.

What we see, then, is a definite threat to Taiwan's security, but a limited threat and one aimed primarily at the political will of the Taiwan government and its people.

It is the limited nature of the PRC threat to Taiwan which enables the United States to walk the delicate tightrope between the 1979 Taiwan Relations Act (TRA) and the August 17, 1982, U.S.-PRC Joint Communique. The Taiwan Relations Act, which as the law of the land takes precedence over any communique signed with a foreign government, states that it is the policy of the United States

"to make clear that the United States' decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means;

"to consider any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States;

"to provide Taiwan with arms of a defensive character; and

"to maintain the capacity of the United States to resist any resort to force or other means of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan."

The Act goes on to state that in furtherance of this policy, "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Further,

"The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law."

The August 17 Communique, which was a product of the heady days of expectations of Sino-American strategic cooperation, links Beijing's "fundamental policy of striving for peaceful reunification of the Motherland," with a commitment from the United 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 to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution."

The trick for U.S. policymakers has been to provide Taiwan with sufficient defense equipment to counter the limited PRC military threat, but to keep that assistance arguably within the limits set by

the August 17 Communique. This has required some creative diplomacy and flexible interpretation of both the TRA and the Communique.

Beijing's sensitivity over arms sales to Taiwan has led the Administration to shy away from public discussion of the issue whenever possible. This has resulted in a highly personalized policy environment in which the attitudes of a handful of key U.S. players seem to be the crucial variables. This arrangement, which has been tacitly agreed to by Beijing and Taipei, has certain advantages and disadvantages.

One major advantage is that the Administration can generally manage the arms sales issue in such a way as to avoid offending the PRC. A major disadvantage is that Taiwan, by keeping a low profile in the U.S., is losing its American constituency.

This type of quiet diplomacy tends to give advantage to the side which threatens to complain the loudest. In this case, it is the PRC which has both Washington and Taipei walking on egg shells to avoid a major flare-up over arms sales such as that which occurred in the 1981-1982 period.

To its credit, the Reagan Administration has stretched the meaning of the August 17 Communique to the limit. First, it defined quantitative limitations on arms sales to mean dollar values. Then it applied an inflationary index to the dollar value. This meant that in 1979, the base year according to the Communique, the \$598 million in Foreign Military and Commercial Sales to Taiwan was worth \$830 million in 1982 dollars. And the Administration is adhering to the Communique by reducing its sales of arms to Taiwan, but only at a rate of \$20 million a year. FY 1986 and FY 1987 arms sales to Taiwan will total about \$760 million and \$740 million respectively.

The Administration has also stretched the qualitative limitations contained in the Communique to include items not previously in Taiwan's inventory. The best example to date was the sale of 12 C-130s to Taiwan in June 1984. The C-130s were justified on the grounds that Taiwan's older C-119s could not be replaced with similar transports.

Finally, and most important, the Administration has excluded technology transfers and sales from the August 17 Communique. This has enabled the United States to help Taiwan develop its own weapons production program without selling high profile items such as the F-20 or Harpoon missile which would probably cause strong adverse reaction by the PRC.

If one were to take a snap shot picture of the Taiwan security issue in Sino-American relations today, one would have to conclude that the issue is being well managed by the Administration. Taiwan has a strong deterrent capability against a limited PRC attack, especially

when one factors in the U.S. security commitment contained in the TRA and Beijing's self interest in maintaining an open-door policy toward the West. Will this situation change dramatically over the next two or three years? Probably not.

But there are some troubling clouds on the horizon which--despite everyone's good intentions--could destabilize the situation.

First, there are conditions on Taiwan itself. In the past, a strong economy has tended to soothe political difficulties on the island, particularly between the minority mainlanders who dominated the island's power structure and the majority Taiwanese who commanded the economic heights. But Taiwan may be entering a period of economic woes. Perhaps the most serious problem is Taiwan's need to restructure its economy from labor-intensive industries to high-technology industries. This is essential if Taiwan's trade-driven economy is to continue to prosper. Unfortunately, although foreign investments continue to come to Taiwan, domestic capital formation in the areas of industry and commerce have decreased steadily since 1982.

The people of Taiwan are also becoming increasingly restive about reunification. Essentially, three groups of public opinion can be found: those who want to maintain at all costs the de facto "two China's" which now exist; those who want gradually to evolve a mutually beneficial relationship with the mainland over a period of many years; and those who advocate an independent Taiwan nation.

It appears to me that the more pressure the PRC exerts on Taiwan, the less influence the moderates have in Taipei's ruling circles, the more hardline Taiwan's policy becomes, and the more public support is found for those advocating Taiwan's independence.

Greatly complicating Taiwan's political environment is the pending retirement of President Chiang Ching-kuo, the democratization and Taiwanization of the ruling Kuomintang Party, the need for major structural changes in the ROC's legislative bodies, an increasingly active opposition in the form of the so-called dangwai or non-party activists, and the strong representation in the government of Western trained technocrats who often are at odds with their traditionally trained elders in way of statecraft.

When all of these forces for institutional change are set in the pressure cooker environment in which Taiwan finds itself today, one has a highly volatile situation in which moderation and predictability become the optimum scenario, not the norm.

A second destabilizing factor is the uncertainty of Beijing's continued patience on reunification. Some influential Chinese on the mainland believe that reunification can await the next generation; others feel that the matter should be pushed hard in the immediate

The second potentially disruptive element of U.S. policy is the growing arms sales relationship between the United States and China.

A final source of possible destabilization comes from the United States itself. Obviously, a new Administration could weaken the U.S. commitment to Taiwan. But my current concern is with two developments emerging in U.S. China policy. The first is the temptation to become involved prematurely in China's reunification. If a reconciliation is to occur in the future, both sides will turn to the United States to play some sort of role as mediator or guarantor. But that role should come after joint invitation, not by intervention on the part of Washington or in response to a request solely from the PRC. If the United States starts nudging Taiwan toward reunification this time, it would cause severe political, social, and economic disruption on the island.

A third source of possible destabilization is the Soviet Union. Moscow is very interested in the Taiwan issue for at least two reasons. First, if the United States does not live up to its commitments to Taiwan, Moscow can undermine the credibility of the U.S. security commitments to Japan, South Korea, and ASEAN. And second, if the Taiwan issue gets out of hand, it can undermine Sino-American relations. Taiwan's strategic location and the threat to the U.S. bases in the Philippines ensure that Moscow will pay close attention to this issue.

Perhaps by design, perhaps because of misconceptions, the two sides are talking different negotiation languages. The PRC believes it has to maneuver Taiwan into a corner where it will have no choice but to negotiate. But the more Beijing pressures Taipei, the more the people of Taiwan distrust the intentions of the PRC and the more willing they are to risk extreme solutions to their security problems.

But the opposite may be the case. One of the principal reasons Taipei adheres to its policy of "no contact, no negotiation, and no compromise" is that Taiwan feels it cannot afford to negotiate from a position of weakness.

All of us understand that a change in the PRC leadership may result in a different policy on Taiwan. But I feel the greater danger is that the PRC may be miscalculating the situation on Taiwan. Beijing's leaders seem to have concluded that Taipei will negotiate only when it is forced to do so.

Future because the best hope for reconciliation rests with Deng Xiaoping and Chiang Ching-kuo; still others say that reunification must occur by the end of this decade or the next. Officially, the PRC stresses "the need for China to reunify peacefully at an earlier date." A great deal seems to hinge on the viability of the Hong Kong Model--a verdict which is still in question.

The problem is not military cooperation per se, because even a token relationship complicates Soviet planning, but rather the sale to Beijing of weapons which could have an adverse psychological impact on the people of Taiwan or tip the qualitative edge in the Taiwan Straits to the mainland's favor.

A case in point is the pending sale of advanced avionics to the PRC for their F-8 interceptor. The purpose of the sale is to give the PRC an all-weather fighter to intercept Soviet bombers. But these enhanced fighters might also be used to shoot down Taiwan's ground attack fighters as well. To me, such high technology sales to the PRC Air Force crosses a dangerous threshold. Such sales also generate political pressure from Congress to sell the F-20 to Taiwan.

Washington exercises tremendous influence on the Taiwan issue. How we exercise that influence could well determine the future of Taiwan. As long as we follow a policy similar to the one now in effect, our role will be constructive. Briefly stated, that policy is (1) To recognize the government of the PRC as the sole legal government of China; (2) To acknowledge the Chinese position that Taiwan is part of China; (3) To interpret the August 17 Communique in a way consistent with the Taiwan Relations Act; (4) To regard the Taiwan issue as a matter for the Chinese people, on both sides of the Taiwan Strait, to resolve themselves; and (5) To make clear to both Chinese governments that we have an abiding interest and concern that the resolution be peaceful.

The greatest proof of the wisdom of this policy is that it is supported by both Republicans and Democrats, conservatives and liberals. If this policy is pursued with a sense of equity and responsibility, then the Taiwan security issue will continue to be managed in a way consistent with U.S., PRC, and Taiwan interests.

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