

# WebMemo



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## Taiwan's Elections: Sea Change in the Strait

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The landslide election on Saturday, March 22, of Ma Ying-jeou, a handsome, intelligent, and articulate Harvard-educated lawyer with rock-star popularity, as Taiwan's new president will have dramatic and immediate implications for U.S. leadership in the Asia-Pacific Region. Since 2003, the United States has pressured Taiwan's pro-independence leaders to cease "provoking" China with protestations of Taiwan's separate identity, but the "provocations" have continued, to Washington's chagrin and Beijing's rage.

Taiwan's voters have now elected a presidential ticket committed to better relations with China, in part because they fear losing America's patronage. For more than six decades, Taiwan has been seen in Asia both as one of America's most loyal allies and as a client state covered by special legislation. Now that Taipei promises to make peace with Beijing, Washington's treatment of Taiwan will signal to Asia's democracies how Washington sees Asia in the shadow of China's rise as a peer competitor in the region.

The Bush Administration and Congress must therefore move quickly to rebuild U.S. trade and security ties with Taiwan—by offering to discuss trade and investment agreements, visa waiver privileges, defense equipment approvals, senior-level security consultations, and other matters—before democratic Taiwan begins to feel that it has no alternative but to move closer to China. Inviting Taiwan's president-elect and vice president-elect to Washington before their May 20th inauguration would reassure democratic Taiwan that it still has alternatives to a closer relationship with authoritarian China.

**Bush: Taiwan's Elections "A Beacon of Democracy to Asia."** On March 22, Taiwan's Chinese Nationalist Party, or Kuomintang (KMT), presidential ticket—Ma Ying-jeou and running mate Vincent Siew, a former premier and foreign trade expert—won more than 58 percent of the vote in a stinging defeat of the Democratic Progressive Party (DPP), which had occupied the presidency since 2000. This followed the KMT's stunning legislative victory in January, when the party boosted its majority in the legislature well into the veto-proof realm.

Ma Ying-jeou, a former mayor of Taiwan's capital, Taipei, campaigned for the presidency on a platform of economic revitalization that centered on improving economic ties across the Taiwan Strait. Not that those ties were particularly strained to begin with: China is Taiwan's top export customer; Taiwan's outbound direct investment in China totaled more than \$10 billion in 2007; Taiwan's unemployment rates had fallen steadily below the 4 percent level since last November; and Taiwan's export growth is in double digits. Thus, it is hard to see how Taiwan could be more tightly entwined in China's economy. Still, Taiwan's voters have been seized with a prevailing sense of economic stagnation and are persuaded, as is the rest of Asia, that the key to

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prosperity is even more trade with China. A “cross-Strait common market” with China was the centerpiece of the Ma–Siew platform.

The Ma–Siew ticket was also helped by a pervasive sense that DPP rule in the executive and KMT domination in the legislature had yielded nothing but eight years of policy gridlock. Also, a string of petty graft scandals since 2005 had irretrievably tarnished the DPP’s reputation for honesty. While the KMT may have had its own reputation for corruption, Ma and Siew themselves are paragons of integrity and, better still, competence.

Taiwan has a well-deserved reputation as one of Asia’s most dynamic and vibrant democracies. Its presidential campaign was hard-fought, marked by mass rallies and substantial differences in policy prescriptions. The large (72 percent) voter turnout inspired President George W. Bush to call Taiwan “a beacon of democracy to Asia and the world.”

**The Ma–Siew Agenda for Cross-Strait Dialogue.** The new government will have an unassailable electoral mandate to implement its China-trade plank. When former Mayor Ma and former Premier Siew are inaugurated on May 20, both Taiwan’s executive and legislature will be controlled by a single party that campaigned on improved relations with China as the key to reviving the island’s flagging prosperity.

President-elect Ma’s first priority, he told the foreign press corps on March 23, will be to increase Taiwan’s trade and financial interdependence with China and foster direct tourism and business travel across the Taiwan Strait. Taiwan had long resisted

establishing direct aviation links with China because Beijing demanded that they be handled as “domestic” air routes, arranged by commercial entities and not reported to the International Civil Aviation Organization (ICAO) as “international” corridors. That is likely to change. The new administration in Taipei will also lift caps on Taiwan’s investments in China and authorize new interbank arrangements on cross-Strait financial transactions and currency flows. Most important, President-elect Ma is committed to moving on a cross-Strait “Peace Agreement” provided that China first “withdraw” the more than 1,000 missiles aimed at Taiwan.<sup>1</sup>

This all seems reasonable to most Taiwan voters. Nearly 60 percent of them are fatigued by years of relentless diplomatic and military pressure from Beijing to accept Chinese claims of sovereignty (at least in principle) or face the “non-peaceful” consequences.<sup>2</sup>

For nearly two decades, Taiwan has rejected Beijing’s territorial claims to the island. Taiwan’s current and former presidents have repeatedly insisted that Taiwan and China are “two sovereign and non-subordinate (*hubulishu*) nations”—a position that Beijing’s communist leadership has declared “tantamount to independence” and a main rationale for China’s massive military and naval buildup. In 1992, Taipei and Beijing had fleetingly reached a quasi-official understanding that there was “one China, and each side could have its own definition,” now known as the “1992 Consensus.”<sup>3</sup>

Within months, Beijing reiterated that the “People’s Republic of China is the sole legal government

1. Chen Luowei, “Ma yu Beijing: Tai fei Gang Zang, hetan qian xian che dan” [Ma urges Beijing to understand that Taiwan is not Hong Kong or Tibet; prior to peace talks, withdraw the missiles], *Zhongguo Shibao*, Taipei, March 24, 2008, p. A1.
2. Article 8 of China’s 2005 “Anti Secession Law” states that “In the event that...that major incidents entailing Taiwan’s secession from China should occur...the state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity.” See “Fan Fenlie Guojia Fa’ Quanwen” [‘Anti Secession Law’ complete text], Xinhua News Agency, March 14, 2005, at [http://news.xinhuanet.com/newscenter/2005-03/14/content\\_2694168.htm](http://news.xinhuanet.com/newscenter/2005-03/14/content_2694168.htm).
3. There is considerable debate about who said what to whom. On November 16, 1992, China’s quasi-official Taiwan instrumentation proposed that “Both sides of the Strait uphold the one-China principle and strive to seek the country’s unification; however, political implications of ‘one-China’ should not be involved in working-level talks between the two sides of the Strait.” There was no response from the Taiwan side. However, according to a report several years later, Taiwan’s Central News Agency said on March 1, 2001, that in meetings in Hong Kong with its Chinese counterpart on October 28–30, 1992, Taiwan’s instrumentality “proposed that the two sides ‘declare orally that they will put aside the issue’ until the natural political integration between the two sides can be brought about through exchanges in economy and culture.”

of China and Taiwan is a part of China.”<sup>4</sup> In November 1993, Chinese President Jiang Zemin declared that “Taiwan is a province of the People’s Republic of China.”<sup>5</sup> (In 2000, he declared firmly that “the KMT ruling clique...has always remained only a local authority in Chinese territory”).<sup>6</sup>

Yet when Taipei rebutted the Chinese position with its own definition that “China is a historical, geographic and cultural” term “within which are two sovereign and non-subordinate nations,”<sup>7</sup> China threatened to halt all dialogue with Taiwan, and the “consensus” broke down. Apparently, Beijing’s view is that under this “consensus,” only China may define “one China,” while Taiwan must keep its ideas to itself.

President-elect Ma hopes to return to the “1992 Consensus,” not on the basis that there are “two sovereign and mutually non-subordinate countries” within “one China,” but rather that “one China” is Taiwan’s “Republic of China.”<sup>8</sup> Ironically, Beijing can live with this position. Beijing sees it as recognition that Taiwan’s international status is dependent upon “China.” Indeed, the president-elect pointed out to foreign journalists on March 23 that “as regards the question of Taiwan’s international status...Taiwan has no choice, it must be discussed with the mainland.”<sup>9</sup> Still, he “hoped that the Beijing leadership

would remember in its heart” that Taiwan’s people “elect their own president and parliament, and are not to be seen as Tibet or Hong Kong.”<sup>10</sup>

For almost 60 years, Beijing has regarded Taipei not as a “government,” but rather as a rival political party in an ancient and unfinished civil war, refusing any contact with the “Republic of China” government in Taipei. At his press conference, Ma explained that his Chinese Nationalist Party will continue the “work focus” of their cross-strait dialogue within “party-to-party” channels set up with the Chinese Communist Party over the past three years. Ma said he also hopes to resuscitate the quasi-official Taipei–Beijing dialogue between Taipei’s Strait Exchange Foundation (SEF) and Beijing’s Association for Relations Across the Taiwan Strait (ARATS), which was severed in 1999 after former Taiwan President Lee Teng-hui declared a “special nation-to-nation relationship” between Taipei and Beijing.<sup>11</sup>

**America’s Dilemma.** Therein lies the problem for U.S. policymakers. For more than six decades, the United States has explicitly declined to recognize “Chinese” sovereignty over Taiwan, even under the “Republic of China.”<sup>12</sup> It has been a position that has preserved U.S. flexibility on treating Taiwan as a separate nation for the purposes of U.S. domes-

4. On August 30, 1993, the Taiwan Affairs Office and the Information Office under the State Council of the People’s Republic of China issued a White Paper on *The Taiwan Question and the Reunification of China*.
5. Wang Jinghong, “Taibei Burong Biansun, Beijing Peng Ying Dingzi, Shuangfang dou shi you junbei erlai, Zhonggong fan guixian zi zhengzhi, Wo ti fanji weihu quanyi” (Taipei won’t tolerate insults, Beijing hits hard nail, both sides came prepared, We launch counterstrike to protect interests), *United Daily News*, Taipei, November 24, 1993, p. 2.
6. See *White Paper: The Principle of One China and the Taiwan Question*, State Council of the People’s Republic of China, February 21, 2000, at <http://english.peopledaily.com.cn/features/taiwanpaper/taiwana.html>.
7. Wang Jinghong, “Taibei Burong Biansun, Beijing Peng Ying Dingzi, Shuangfang dou shi you junbei erlai, Zhonggong fan guixian zi zhengzhi, Wo ti fanji weihu quanyi.”
8. See Dr. Ying-jeou Ma, Mayor of Taipei and Chairman of the Kuomintang, “Bridging the Divide: A Vision for Peace in East Asia,” speech at the London School of Economics and Political Science, February 13, 2006. “We will try to resume the disrupted cross-Strait talks under the so-called ‘Consensus of 1992’. This is a tacit consensus reached by the two sides in 1992 in Hong Kong accepting the ‘one-China principle’ but allowing different interpretations by each side, in order to find the common ground and cement mutual trust in the first place. For us, the ‘China’ is Republic of China; for them, it is the People’s Republic of China. But we won’t let the different interpretations obstruct the two sides’ exchanges in other areas.”
9. Chen Luowei, “Ma yu Beijing: Tai fei Gang Zang, hetan qian xian che dan.”
10. *Ibid.*
11. Chen Luowei, “Chongqi liang hui xieshang bu pai teshi zhuanhua; Ma: ruyou biyao, kaolu fang Zhong” [Reopen SEF-ARATS consultation, won’t send special envoy; Ma: If needed, I can consider visiting China]. *Zhongguo Shibao*, March 24, 2008, p. A2.

tic law and the statutory U.S. defense commitment to the island articulated in the Taiwan Relations Act.<sup>13</sup> Since at least 1993, Taiwan's presidents have relied on Washington's sovereignty agnosticism to leverage Taiwan's international status. For Beijing, of course, this agnosticism on Taiwan's sovereignty has been a sore point since 1971.<sup>14</sup>

But as China grows in both international stature and military might into a global peer competitor, Washington has become increasingly dependent on the kindness of Beijing to resolve international crises from North Korea and Burma to Iran and Sudan. In the bargain, the Bush Administration sought to hold back Taiwan's "separatist" tendencies in return for Beijing's selective sympathy for Washington's non-proliferation, human rights, or genocide concerns.

This is why Taipei's creeping "independentism"—most recently in the form of popular referenda on whether Taiwan has the right to join the United Nations—so troubles the Bush Administration. It sees explicit claims of an identity separate from China as a threat to the "undetermined" *status quo* in the Strait and hence as exacerbating an atmosphere of crisis when Washington has enough crises occupying its attention.

Washington therefore has aimed to prevent Taipei from "unilaterally changing the *status quo*" without, unfortunately, doing anything to prevent China from doing so.

Over the past 12 years, Taiwan's presidents tried to get around the "undetermined" view of Taiwan's *status quo*. They asserted that Taiwan was already separate and independent from China and had been since 1949. Hence, they saw anything that enhanced or legitimated China's territorial claims on Taiwan as a change in the *status quo* that had to be resisted. Former President Lee Teng-hui had his "interim two-China's policy" and his "special nation-to-nation relationship."<sup>15</sup> Outgoing President Chen Shui-bian has his "each side of the Strait is its own nation" slogan.<sup>16</sup>

The Bush Administration seems willing to support Taiwan's separate international identity—if only it can be done *quietly*. For example, the U.S. cautioned the United Nations in 2007 that "UN General Assembly resolution 2758 adopted on 25 October 1971 does not in fact establish that Taiwan is a province of the People's Republic of China (PRC)" and that "There is no mention in Resolution 2758 of China's claim of sovereignty over Taiwan." Moreover, U.S. diplomats urged the United Nations

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12. As recently as June 2007, a State Department letter noted that "Although the United States recognizes the PRC Government as the sole legal government of China, we have not formally recognized Chinese sovereignty over Taiwan. In fact, we have not made any determination as to Taiwan's political status." Letter from Sue Bremner, Deputy Director, Office of Taiwan Coordination, June 26, 2007. The legal rationale for this position was conveyed in a "top secret" State Department position paper to Secretary of State John Foster Dulles in October 1954, which noted that the "future" status of Taiwan and the Pescadores "was deliberately left undetermined, and the U.S. as a principal victor over Japan has an interest in their ultimate future. We are not willing that that future should be one which would enable a hostile regime to endanger the defensive position which is so vital in keeping the Pacific a friendly body of water." See *Foreign Relations of the United States, 1952–1954, Volume XIV, China and Japan (Part 1)* (Washington: U.S. Government Printing Office, 1985), p. 760.
13. See 22 USC 3302, Taiwan Relations Act, P.L. 96–8, April 10, 1979. Several revisions were made in Public Law 96-8 when it was codified. Sections 1 and 18 of the Public Law were omitted, as was Section 12(d). In addition, the United States Code contains a section not included in the original Act, Section 3310a. The United States Code version is the authoritative version of the Act.
14. For example, in October 1971, Chinese Premier Zhou Enlai insisted to Henry Kissinger: "On our side, we will certainly not give up Taiwan, or accept a so-called undetermined status for Taiwan in exchange for a seat in the UN." See "Memorandum of Conversation" between Prime Minister Chou En-lai, People's Republic of China, and Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, October 21, 1971, 4:42–7:17 p.m., at [www.state.gov/r/pa/hof/frus/nixon/e13/72602.htm](http://www.state.gov/r/pa/hof/frus/nixon/e13/72602.htm).
15. For a pithy description, see "Taiwan's Unnerving President Does It Again," *The Economist*, July 15, 1999, p. 35, at [www.economist.com/displayStory.cfm?Story\\_ID=E1\\_NNPDSR](http://www.economist.com/displayStory.cfm?Story_ID=E1_NNPDSR).
16. For another pithy description, see John J. Tkacik, Jr., "Taiwan's Hornet Nests," *The Asian Wall Street Journal*, August 5, 2002, at [www.heritage.org/Press/Commentary/ED080502a.cfm](http://www.heritage.org/Press/Commentary/ED080502a.cfm).



Secretariat “to avoid taking sides in a sensitive matter on which UN members have agreed to disagree for over 35 years”; otherwise, the “United States will be obliged to disassociate itself on a national basis from such position.”<sup>17</sup> This was done in secret.

Publicly, the paradoxical effect was that Washington tended to punish *Taipei* for resisting Beijing’s changes in the *status quo* (through the massive military deployments on the Taiwan Strait, undermining Taiwan’s status in international organizations, and the promulgation of laws declaring Taiwan’s “movements toward independence” as acts of war).

Now, the Bush Administration must choose whether to work with Taiwan’s new government to preserve the island as an important partner in democratic Asia or to continue to nudge Taiwan deeper into China’s orbit. The choice Washington makes will be seen by America’s allies and friends in Asia as a bellwether of a strategic realignment in the Western Pacific and Eurasia.

It will be a delicate maneuver. On one hand, China’s military might has expanded exponentially over the past decade and continues apace. Beijing now feels comfortable threatening war (or rather “non-peaceful means”) to keep Taiwan from an explicit *de jure* rejection of sovereign ties with China. On the other, the United States has a statutory commitment, in the form of the Taiwan Relations Act, to “maintain the capacity” to defend Taiwan for the very good reason that Taiwan is a fellow democracy.

**What the Administration and Congress Should Do.** Taiwan’s voters, as well as their elected leaders, feel increasingly isolated, and there is no doubt that the Ma–Siew ticket was seen in *Taipei* as the one favored by Washington. But it cannot be in America’s interests to let Taiwan—a vibrant Asian democracy, America’s tenth-largest trading partner, and a significant security partner in the Western Pacific—be browbeaten into an unwanted relation-

ship with Asia’s largest dictatorship. While the United States surely welcomes an easing of tension across the Strait, Washington must not abandon Ma Ying-jeou and Vincent Siew to China’s gentle graces.

Nor must Taiwan’s citizens be left to believe they have no choice but China. The Administration and Congress should therefore:

- **Invite Taiwan’s President and Vice President-elect to Washington.** A visit to Washington by Ma Ying-jeou and Vincent Siew before their inauguration—that is, before they are “officials”—would be a message to Taiwan that the United States continues to value Taiwan’s partnership and respect its democracy.
- **Launch negotiations on a free trade agreement (FTA).** Taiwan is already under pressure from the United States to ease trade restrictions with China, but *Taipei* will have no leverage and no bargaining power unless the United States itself opens serious FTA talks with Taiwan. Like Singapore and South Korea, Taiwan meets all the criteria of a solid FTA partner, and it is quite possible that even the free-trade skeptics in Congress would find much benefit in a Taiwan FTA.<sup>18</sup>
- **Offer a Visa Waiver Program (VWP) road map.** The VWP is a powerful symbol of U.S. friendship with partner democracies around the world. Taiwan has been an active partner in the U.S. Container Security Initiative and other counter-terrorism efforts; it has a biometric travel document program, a database infrastructure to handle electronic travel approvals, and a non-immigrant visa refusal rate of around 3 percent. The Departments of State and Homeland Security should begin consultations with Taiwan on a road map for VWP participation.
- **Approve Taiwan’s Letter of Request for F-16C/D fighter aircraft.** Last year, the Bush Administration has repeatedly and inexplicably refused to accept Taiwan’s formal request for replacement

17. A non-paper to this effect was submitted to the U.N. Secretariat in August 2007. It remains confidential. See John J. Tkacik, Jr., “Dealing with Taiwan’s Referendum on the United Nations,” Heritage Foundation *WebMemo* No. 1606, September 10, 2007, at [www.heritage.org/Research/AsiaandthePacific/wm1606.cfm](http://www.heritage.org/Research/AsiaandthePacific/wm1606.cfm).

18. For a discussion of congressional misgivings, see John J. Tkacik, Jr., and Daniella Markheim, “Free Trade with Taiwan Is Long Overdue,” Heritage Foundation *Background* No. 2061, August 15, 2007, at [www.heritage.org/Research/TradeandForeignAid/bg2061.cfm](http://www.heritage.org/Research/TradeandForeignAid/bg2061.cfm).

fighter aircraft. There has been speculation that the White House sought to punish Taiwan's president for supporting U.N. membership referenda. The Administration's continued rebuffs of Taiwan's F-16C/D requests would be an ominous signal of Washington's intention to consign responsibility for Taiwan's security to China.

- **Open a U.S.–Taiwan strategic dialogue.** Washington has an interest in whatever “peace agreement” is structured across the Strait. More to the point, getting China's ballistic missiles “withdrawn” from the Strait is a good idea only if one knows where they get re-deployed. In a broader sense, a structured strategic dialogue between command military and Cabinet-level officials from the U.S. and Taiwan is essential if the two sides are to continue a security partnership in Asia. While it need not (and, indeed, should not) be publicized, Washington should invite the participation of other Asian allies and friends.

**Conclusion.** America's Asian partners fear that the United States is a Pacific power in decline, and they see China moving to fill the void. Ceding Taiwan to China's sphere would go far to establish Leninist-mercantilist China as the rule-maker in Asia for transnational trade and financial structures, the chief of a new Asian security architecture, and the patron of a new ideology of authoritarian state mercantilism.

How Washington treats Taiwan, a long-time friend, will signal to the rest of Asia how Washington sees its role in the Asia–Pacific region. Reassuring Taiwan of America's continued friendship will reassure America's democratic partners in the region that Washington actually places some value on a country that President Bush calls “a beacon of democracy to Asia.”

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