

NIDS CHINA SECURITY REPORT

NIDS China Security Report 2017

Change in Continuity: The Dynamics of the China-Taiwan Relationship



National Institute for Defense Studies, Japan

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Preface

The *NIDS China Security Report* is published annually by the National Institute for Defense Studies (NIDS) to provide analysis conducted by its researchers on China's military affairs and security from a mid- to long-term perspective. The report is widely disseminated both in Japan and overseas. Since March 2011 it has been published annually in Japanese, Chinese, and English editions. The *NIDS China Security Report* has attracted significant interest from research institutions and the media in Japan and abroad, and the analysis offered in these reports has allowed NIDS to promote exchange and dialogue with research institutions and interested parties in a number of countries, including China.

The *China Security Report 2017*, the seventh in this series and subtitled "Change in Continuity: The Dynamics of the China-Taiwan Relationship," analyzes trends and transitions in China's Taiwan policies, Taiwan's policies toward China, and US policies regarding Taiwan over the last 70 years. Based on such analysis, the report argues that describing the China-Taiwan relationship as a status quo merely means maintaining the current face-off between two systems; rather, it shows that the status quo is in fact a dynamic situation, not a static one. In drafting this report, its authors had the opportunity to exchange views with researchers and other experts in Japan and overseas, including in China and Taiwan, while the authors attempt to make the analysis as objective as possible. Endnotes introduce the wide range of primary and secondary sources of information used in producing this report.

The *China Security Report 2017* has been written solely from the viewpoints of the individual researchers and does not represent an official view of the Japanese Government, the Ministry of Defense, or NIDS. The report was coauthored by Rira Momma (the lead author responsible for Chapters 2 and 4), Shinji Yamaguchi (Chapters 1 and 3), and Yasuyuki Sugiura (the Column). The editorial team was led by Tetsuo Murooka, editor-in-chief, along with Koichi Arie, Masafumi Iida, Akira Jingushi, Masami Nishino, and Masaaki Yatsuzuka.

The authors of the *China Security Report 2017* hope that it will promote policy discussions concerning China in Japan and other countries, and at the same time they hope that the Report will contribute to a deepening of dialogue and exchange as well as cooperation between Japan and China regarding security.

February 2017

Tetsuo Murooka

Director, Security Studies Department

The National Institute for Security Studies

Chapter Summary

Chapter 1 The Transition in China's Policy toward Taiwan

For China, the Taiwan problem is a matter impinging on the legitimacy of its political power. At the same time, it ranks as one of the core issues in China's relations with the United States and in its efforts at nation building. Every leader of China, from Mao Zedong to Xi Jinping, in the end has had to take reunification of Taiwan with the motherland as one of his greatest goals. Deng Xiaoping was able to move official policy from the "liberation" of Taiwan during Mao's years to "peaceful reunification" and "one country, two systems," both of which still figure in Chinese policy. Jiang Zemin, aware of the progress of democratization in Taiwan and the support being received from the United States, resorted to the threat of armed force. Hu Jintao sought to cooperate with the United States while also repressing moves toward Taiwan's independence, and he further formulated the policy of "peaceful development of cross-strait relations." In doing so he achieved success in creating a situation favorable to an advantageous China-Taiwan relationship, all against the background of developing China's economic and military might. He was almost totally unable, however, to make progress toward a political dialogue which would facilitate unification. While attempts by the Xi Jinping administration to promote the peaceful development of cross-strait relations have foundered, the new government in Taiwan is generating distrust and exasperation.

Chapter 2 China-Taiwan Relations from Taiwan's Perspective

Under the governments of Chiang Kai-shek and Chiang Ching-kuo, the Republic of China (ROC; Taiwan) was bolstered by rapid economic growth. During this period, Taiwan viewed mainland China as territory it should regain and the People's Republic of China as an enemy it should fight. However, with the United States' announcement of the Guam Doctrine, the international environment around Taiwan began to worsen. Accordingly, Taiwan changed its strategy towards China from aggression to the unity of offense and defense, starting to place emphasis on the defense of its territory. The Lee Teng-hui administration viewed China as a negotiating partner and established a framework for that purpose. With the democratization and Taiwanization of the ROC during this process, mainland China ceased to be territory to be reconquered and Taiwan adopted a purely defensive strategy. During the Chen Shui-bian administration, economic and trade relations between Taiwan and China rapidly deepened, but the political relationship that had deteriorated from the time of the Lee administration continued to worsen. Reflecting this change, Taiwan adopted a military strategy of proactive defense. The Ma Ying-jeou government strove to implement a policy of rapprochement

towards China, returning to a purely defensive military strategy. Although Taiwan's relationship with China improved, the sense of Taiwanese identity of its citizens grew and a rising tide of opinion favored maintaining the status quo in China-Taiwan relations.

Chapter 3 The Taiwan Problem as Seen from the United States

The United States is an element in the China-Taiwan relationship that cannot be ignored. US policies toward China and Taiwan have developed in the search for a balance to permit building a stable strategic relationship with China while maintaining US trustworthiness as a friend to Taiwan. Such a subtle balance underlies the basic documents which have shaped those relationships, including the Shanghai Communiqué of 1972, the communiqué establishing diplomatic relations with China in 1979 and that year's Taiwan Relations Act, and in 1982, the US-China Communiqué and the Six Guarantees directed at Taiwan. Since 2000, China has been developing itself into a major power, and domestic US opinion has taken various competing forms such as calls for abandoning Taiwan, for forging a stronger US-Taiwan relationship, and for maintaining the status quo. Apart from such arguments, however, attention should be directed to how the US-Taiwan security relationship will continue to develop as influenced by a working-level, software-oriented approach.

Chapter 4 Transformation of the China-Taiwan Relationship and "Maintaining the Status Quo"

It is easy to have the impression that trade and investment expanded greatly during the administration of Ma Ying-jeou because of improved relations with China. While it is certainly true that the number of tourists from China increased dramatically during the Ma administration, Taiwan's total trade with China and total investment in China began to grow visibly during the administration of Chen Shui-bian. While relations deepened in economic and trade arenas based on this foundation, the percentage of Taiwanese people who supported the status quo of neither unification with China nor independence has continued to increase gradually and by 2016 reached about 80%. Further, the number of Taiwanese people who self-identified as "Taiwanese" clearly increased following the establishment of the Ma administration. Meanwhile, there was no easing of Chinese military pressure toward Taiwan even with the Ma administration as the counterpart. Tsai Ing-wen was elected president promising "continuation of the status quo" and cannot simply implement a hostile policy with China on her own, but as seen in her support among younger generations, re-evaluation of the role of indigenous peoples in Taiwan's history, and the beginning of a "New Southern Policy," it is thought Tsai will promote policies that relativize the relationship with China.

Acronyms and Abbreviations

| | |
|--------|---|
| APEC | Asia-Pacific Economic Cooperation |
| ARATS | Association for Relations Across the Taiwan Straits |
| ASEAN | Association of Southeast Asian Nations |
| CCP | Chinese Communist Party |
| CEP | circular error probability |
| CMC | Central Military Commission |
| CSSTA | Cross-Strait Service Trade Agreement |
| DPP | Democratic Progressive Party |
| ECFA | Economic Cooperation Framework Agreement |
| EU | European Union |
| ICAO | International Civil Aviation Organization |
| JDAM | joint direct attack munition |
| KMT | Kuomintang Party |
| NPC | National People's Congress |
| OSD | Office of the Secretary of Defense |
| PLA | People's Liberation Army |
| PLAAF | People's Liberation Army Air Force |
| PLAN | People's Liberation Army Navy |
| PRC | People's Republic of China |
| QDR | Quadrennial Defense Review |
| RIMPAC | Rim of the Pacific Exercise |
| ROC | Republic of China |
| SAR | Special Administrative Region |
| SEF | Straits Exchange Foundation |
| SRBM | Short-Range Ballistic Missile |
| TRA | Taiwan Relations Act |
| UN | United Nations |
| US | United States |

NIDS China Security Report 2017

Change in Continuity: The Dynamics of the China-Taiwan Relationship

Introduction



Introduction

For China, which saw Hong Kong and Macao revert to its rule during the 1990s, the only remaining problem of any great political and historical significance is Taiwan's reunification with the mainland. In 1949, however, Mao Zedong proclaimed the creation of the People's Republic of China in Beijing and Chiang Kai-shek took Taipei as the temporary capital of the Republic of China, and ever since then, for almost seven decades, China and Taiwan have remained in confrontation across the Strait of Taiwan.

China, convinced that this situation where two forms of government stood glaring at loggerheads across the strait must be resolved, has repeatedly sought a way to make this possible, calling at times for either armed or peaceful "liberation" of Taiwan and at times assuring Taiwan of peaceful reunification while also resorting on occasion to the threat of arms. No Chinese government, however, from Mao Zedong through Hu Jintao, has achieved unification with Taiwan. In 2012 Xi Jinping, who followed Hu Jintao and inherited the result of economic development begun during the Deng Xiaoping years, spoke of achieving the dream of a great renaissance of the Chinese people, in whose name he pushed forward China's expansion toward the outside world. At present the specific targets of that expansion seem to be the South China Sea and the East China Sea. There has been no change, however, in China viewing Taiwan alongside the Tibet and Xinjiang Uyghur autonomous regions as an area of extreme importance constituting one of China's "core interests." As China strives to become a major maritime power, Taiwan's geographic importance has grown all the more, since it sits at the intersection of the East China Sea and the South China Sea and thus is China's threshold to the Western Pacific.

For Taiwan, the Chinese mainland was a target to be taken over by force of arms, and the Chinese Communist Party (CCP) was a rebellious group to be pounded down, so Taiwan had no leeway for negotiation. Still, Lee Teng-hui, who followed Chiang Ching-kuo as president of the Republic of China, moved forward with making the ROC more democratic and more Taiwanese. In the process, with the seismic changes in the international environment after the end of the Cold War, an attitude that sees China in a relative sense prevailed in Taiwan. No longer was the CCP government something to be knocked down by force; it became a partner in negotiation with a governing entity. Meanwhile, qualified voters in those areas under ROC governance became able to cast direct votes for the president. In 2016, Taiwan had its third transition to a new administration, and the China-Taiwan relationship has also been greatly influenced by this process.

The situation of China-Taiwan confrontation across the Taiwan Strait is described as "maintenance of the status quo." All that the status quo actually maintains, however, is the

framework of confrontation between the two bodies, the People’s Republic of China and the Republic of China, and virtually everything else, including international relations in East Asia and China’s strength, the military balance between the PRC and the ROC, and the governing structure in Taiwan, is undergoing dynamic change. But the phrase “maintain the status quo” retains currency even in this changing environment, despite the status actually changing greatly. This report aims at addressing these issues and shows how the China-Taiwan relationship has changed under the term of “maintaining the status quo” by analyzing (a) the Taiwan policies of successive Chinese leaders, such as Mao Zedong, Deng Xiaoping, Jiang Zemin, and Hu Jintao, (b) the transition in policies toward China and military strategies under six presidents in Taiwan from Chiang Kai-shek to Chiang Ching-kuo, Lee Teng-hui, Chen Shui-bian, Ma Ying-jeou, and Tsai Ing-wen, (c) the actual state of China-Taiwan relations, and (d) the United States policy towards Taiwan as a factor which cannot be ignored in any discussion of the cross-strait issue.

The *NIDS China Security Report 2017* uses “China” to mean the People’s Republic of China and “China’s military” to refer to the People’s Liberation Army, while “Taiwan” is used to abbreviate the Republic of China and “the Taiwanese military” to mean the Republic of China Armed Forces, although in some cases these abbreviations are not used for historical reasons or clarity. Also, when “Republic of China” is used in reference to the period following the establishment of the People’s Republic of China, it denotes the areas under ROC rule, i.e., the areas of Taiwan, Penghu (the Pescadores Islands), the Jinmen Islands, and the Matsu Islands.

The authors of the Report hope that it will be useful in understanding the current China-Taiwan relationship amidst the increased attention to that relationship which has accompanied the third passing of the torch of governance in Taiwan. We also hope the report will give food for thought to foster a stable and peaceful Taiwan Strait.

(Author: Rira Momma)

Figure 0-1: The China-Taiwan Relationship Over Time

| China | | | Taiwan | |
|--|------------|------|-----------------|---|
| | | 1948 | | |
| People’s Republic of China established | | 1949 | | Battle of Gunningtou Sets up temporary capital in Taipei |
| Korean War (-1953) | | 1950 | | |
| | | 1951 | Chiang Kai-shek | |
| | | 1952 | | |
| | Mao Zedong | 1953 | | |
| | | 1954 | | 1st Taiwan Strait Crisis (-1955) US-ROC Mutual Defense Treaty signed |
| | | 1955 | | |
| | | 1956 | | |
| | | 1957 | | |

| China | | | Taiwan | |
|---|---------------|------|--|---|
| Great Leap Forward (-1961) | Mao Zedong | 1958 | 2nd Taiwan Strait Crisis | |
| | | 1959 | | |
| | | 1960 | | |
| | | 1961 | | |
| | | 1962 | | |
| | | 1963 | | |
| | | 1964 | | |
| | | 1965 | | |
| Cultural Revolution (-1976) | | 1966 | | |
| | | 1967 | | |
| | 1968 | | | |
| | 1969 | | | |
| | 1970 | | | |
| Receives China's seat in UN | | 1971 | Removed from UN | |
| Shanghai Communiqué | | 1972 | | |
| | | 1973 | | |
| | | 1974 | | |
| | | 1975 | | |
| | | 1976 | | |
| | Hua Guofeng | 1977 | | |
| Deng Xiaoping takes power, adopts policy of reform and opening up | | 1978 | | |
| US, PRC establish diplomatic relations | | 1979 | Diplomatic relations with US cut | |
| | | 1980 | | |
| Announces policy of "Peaceful Reunification" with Taiwan | | 1981 | | |
| | Deng Xiaoping | 1982 | | |
| | | 1983 | | |
| | | 1984 | | |
| | | 1985 | | |
| | | 1986 | Democratic Progressive Party (DPP) formed | |
| | | 1987 | Martial law ended | |
| | | 1988 | | |
| Tiananmen Incident | | 1989 | | |
| | | 1990 | | |
| Association for Relations Across the Taiwan Straits established | | 1991 | Straits Exchange Foundation established End proclaimed of "Period of Mobilization for Suppression of the Communist Rebellion" | |
| | | 1992 | | |
| | | 1993 | | |
| | Jiang Zemin | 1994 | | |
| Jiang Zemin's Eight-point Proposal announced | | 1995 | Lee Teng-hui visits US 3rd Taiwan Strait Crisis (-1996) | |
| 3rd Taiwan Strait Crisis (-1996) | | | 1996 | 1st direct popular election of president |
| | | | 1997 | |
| | | | 1998 | |
| | | | 1999 | Lee Teng-hui announces "Two China" theory |
| 1st Taiwan White Paper released by State Council Taiwan office | | 2000 | 1st DPP government takes office (-2008) | |

| China | | | Taiwan | |
|---|-------------|------|----------------|--|
| | Jiang Zemin | 2001 | Chen Shui-bian | |
| | | 2002 | | Chen Shui-bian announces policy of “One Country on Each Side” of Taiwan Strait |
| | | 2003 | | |
| | | 2004 | | |
| Anti-Succession Law adopted | Hu Jintao | 2005 | Ma Ying-jeou | Lien Chan visits China |
| | | 2006 | | |
| | | 2007 | | |
| Hu Jintao announces Six-Point policy | | 2008 | | KMT retakes government (-2016) |
| | Xi Jinping | 2009 | Tsai Ing-wen | |
| Signs ECFA | | 2010 | | Signs ECFA |
| | | 2011 | | |
| | | 2012 | | |
| | Xi Jinping | 2013 | Tsai Ing-wen | |
| | | 2014 | | Sunflower Student Movement DPP major victory in unified local elections |
| Talks between Xi Jinping and Ma Ying-jeou | | 2015 | | Talks between Ma Ying-jeou and Xi Jinping |
| | | 2016 | | DPP wins in presidential and legislator elections |
| 19th CPC National Congress | | 2017 | | |
| | | 2018 | | |
| | | 2019 | | |
| | | 2020 | | |

(Note 1) Periods of leadership for the ROC represent years serving as president since the start of constitutional government and for the PRC, the years served as chairman of the CCP Central Military Commission.

(Note 2) For simplicity, the start for Taiwan represents the beginning of constitutional government and for China, the founding of the PRC; ends represent the official conclusion of the administration.

Source: Prepared by authors.

Preface

Chapter Summary

Introduction

Chapter 1

Chapter 2

Chapter 3

Chapter 4

Conclusions

Chapter 1

The Transition in China's Policy toward Taiwan



1. The Age of Mao Zedong: Pursuing the Liberation of Taiwan

For China, Taiwan represents not only a problem of the legitimacy of its control over that territory, it is also a central concern in China's relationship with the United States, and a problem of nation building as well.

In 1949, the Chinese Communist Party (CCP) won a decisive victory in the civil war with the Nationalists and established the People's Republic of China (PRC). The Kuomintang Party (KMT) leadership, however, fled to Taiwan, where it maintained the governmental structure of the Republic of China (ROC). Furthermore, there were still some regions of China, such as Tibet, which the People's Liberation Army (PLA) had not yet penetrated; as such, the country as a whole had not yet been completely "liberated." While it was Leninist in nature, the CCP also bore responsibility for Chinese nationalism, and its most cherished goal was completion of China's reunification. Thus "liberating" Taiwan was an essential step in attaining that reunification.

The CCP set for itself the goal of liberating Taiwan during 1950, but it didn't actually have the power to carry that out. As part of its preparations for liberating Taiwan, in October 1949 the PLA landed on the Jinmen Islands off the coast of Fujian to bring them under control, but the ROC forces handed the PLA a major defeat, which set back the CCP's capture of Taiwan. In June 1950 when the Korean War broke out, the United States dispatched the 7th Fleet to the Strait of Taiwan to block the spread of communism, also strengthening its support for the KMT in Taiwan. This combination of steps made the CCP's strategy to liberate Taiwan virtually impossible. In December 1954, the United States formalized its commitment to the defense of Taiwan through a US-ROC mutual defense treaty.

For the PRC, while Taiwan remained a question of attaining Chinese unification, the Strait of Taiwan had now become the front line in the Cold War, with Taiwan as an element in China's efforts to avoid the surrounding net being spread by the United States.

Mao Zedong, however, had not given up on liberating Taiwan. He pursued both armed liberation and peaceful liberation. First Mao sought to use military pressure on the Jinmen Islands to drive a wedge between the United States, which wanted Taiwan to give up these islands, and Taiwan, which saw these islands as a base for attacks on the mainland.¹ China believed that using this difference between the United States and Taiwan positions would make it possible to take the Jinmen Islands. During the First Taiwan Strait Crisis of 1954-55 and the Second Crisis in 1958, however, the United States made clear the strength of its commitment to Taiwan, and the goal of liberating Taiwan grew even more remote.

Mao, aiming to shred the net the United States sought to pull around the PRC and achieve reunification, finally recognized that there was no choice but for China to build up

its own strength. By building itself into a major power, China could make the United States realize the great price it would have to pay by intervening in China's Taiwan problem, resulting in the United States pulling out of Taiwan on its own. Mao thus sought to strengthen China rapidly. Military industries were given priority in the First Five-Year Plan (1953-1957), followed by the Great Leap Forward (1958-1961) and its pursuit of rapid development of China's economy. China's domestic political problems were linked together with the questions of reunification and US-China relations. The Great Leap Forward ended in failure, however, and it became even more difficult to make progress on the Taiwan issue.

China was not able to liberate Taiwan, but in no way could it accept the institution of "two Chinas," separate countries on the mainland and on Taiwan. The result was a Chinese decision to emphasize isolating Taiwan from international society. Important to this was the underlying logic of the "One China" principle. This One China principle stated "There is only one China in this world, and Taiwan is a part of China. The People's Republic of China is the only legitimate government representing all of China." According to research conducted by Madoka Fukuda, the principle of One China has not been preached continuously and unchanged since the 1950s; instead, it has gradually taken shape over time.² Framing the confrontation between the Mainland and Taiwan as a struggle over the legitimate government of one China, the PRC could successfully defer the question of reunification to the future, while it could neither unify China nor permit the division across the strait to become permanent.

In 1971, the PRC secured official United Nations recognition as representing China, depriving Taiwan of that position. In the process of reconciliation between the United States and China in 1971-72, China remained firm to its position that the Taiwan issue was a matter of importance and stressed the One China principle. As a result, the 1972 Shanghai Communiqué included parallel recitations of the US and Chinese positions, which were left as is, but China was able to win some concessions from the United States in the form of an oral agreement.³

2. The Deng Xiaoping Years: Moving to Peaceful Reunification and One Country, Two Systems

Mao Zedong passed away in 1976, with Deng Xiaoping finally emerging successfully from the leadership battle that ensued. At the 3rd plenary session of the 11th CCP Central Committee at the end of 1978, Deng introduced a new policy initiative called "Reform and Opening Up." Almost simultaneously, Deng normalized diplomatic relations with the United States in January 1979, and the United States dissolved diplomatic relations with the ROC. The Reform and Opening Up policy made it necessary for China to strengthen economic ties to its neighbors, and with the dissolution of the US mutual defense treaty with the ROC,

China was faced with both the need and the potential to formulate a new Taiwan policy.⁴

The result of this new policy formulation process was “Peaceful Reunification” and “One Country, Two Systems.” During the Mao era, Taiwan was seen by the CCP only as a target for “liberation”; in contrast, Peaceful Reunification seemed to suggest a softer approach to unification. On January 1, 1979, the Standing Committee of the National People’s Congress (NPC) released a Message to Compatriots in Taiwan which called for Taiwan to engage in talks to end the military standoff and also pledged a halt to the cannon fire directed at the Jinmen Islands.⁵ A clearer and more systematic policy statement was made on September 30, 1981, by NPC Standing Committee Chairman Ye Jianying, who put forward a nine-point proposal for Peaceful Reunification and One Country, Two Systems.⁶ Particularly important were proposals (1) to use yet a third United Front to seek reunification of the motherland, (2) to facilitate the exchange of mails, trade, air and shipping services as well as academic, cultural, sports and artistic exchanges, and (3) to allow Taiwan to enjoy a high degree of autonomy as a Special Administrative Region (SAR) and retain its armed forces, maintaining its economic and cultural relations with other countries.

In his application of the Peaceful Reunification and One Country, Two Systems policies, Deng incorporated a number of important elements: (1) As an SAR, Taiwan could maintain its own independence and adopt a system different from that on the mainland. (2) Its legal system would be independent and not be required to refer matters to Beijing for any final judgment. (3) Taiwan could have its own military so long as it presented no threat to the mainland. (4) The PRC government would not station personnel in Taiwan. (5) Taiwan would manage its own political, government, military and other systems. (6) The mainland central government would incorporate members from Taiwan into its central leadership.⁷ Deng seemed to have considerable confidence in achieving peaceful unification with Taiwan.⁸ Deng’s speech on January 16, 1980, presented three missions which must be accomplished during the 1980s, and the return of Taiwan to the motherland was one of those missions. As part of the efforts toward Peaceful Reunification, Taiwanese enterprises would be accorded priority in commerce and investment with the mainland, measures were adopted to provide preferential treatment in commerce and investment, and exchanges were instituted between mainland groups and Taiwan’s KMT and private organizations.

Deng’s Taiwan policy of Peaceful Reunification and One Country, Two Systems represented a major shift from Mao Zedong’s era and has continued up to the present as the basis of policy toward Taiwan. Their application, however, wasn’t as successful as Deng had hoped in reaching an early solution. One cause would be the negative response of Taiwan’s leadership, and another would be that US involvement with Taiwan was much deeper than Deng had anticipated. ROC President Chiang Ching-kuo adopted the “Three Noes” policy (“no compromise, no contact, and no negotiation”) and remained negative toward dialogue

with China until 1987. In addition, the Taiwan Relations Act adopted by the United States in 1979 permitted continued arms exports to Taiwan.

3. The Jiang Zemin Years: Blocking Taiwan's Independence by Modernizing the Military

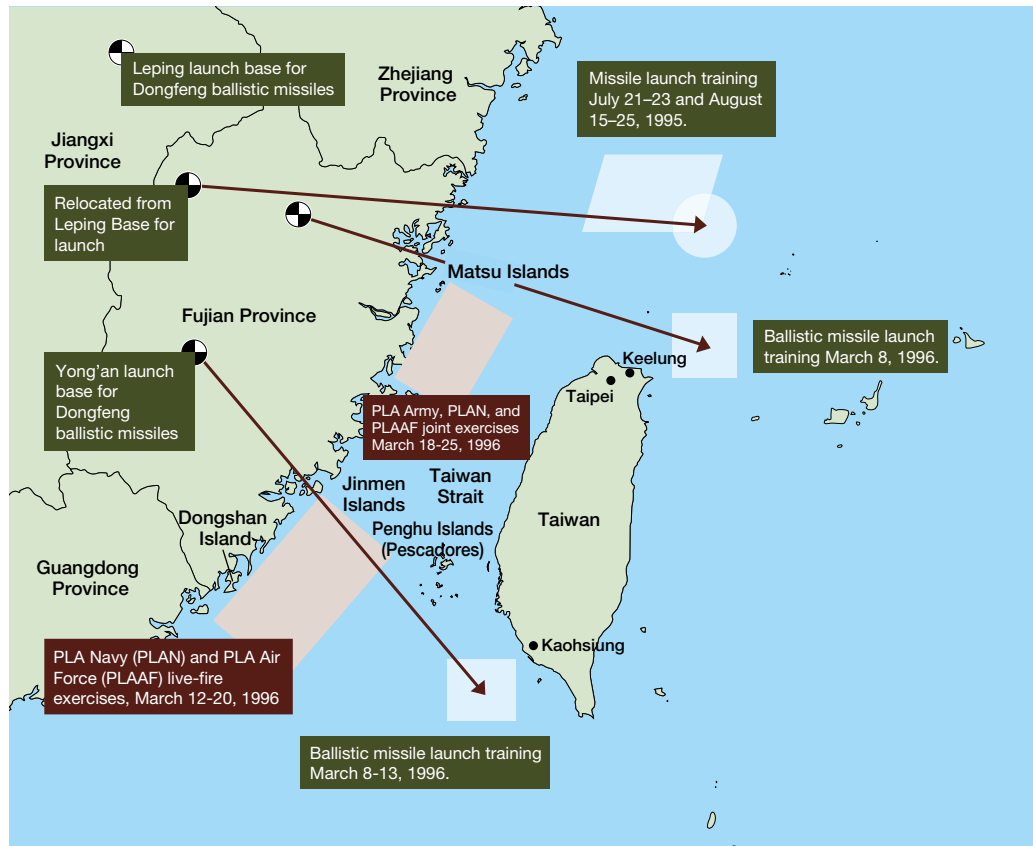
(1) The Third Taiwan Strait Crisis

When Jiang Zemin assumed the position of general secretary of the CCP after the Tiananmen disruption of 1989, he at first maintained Deng Xiaoping's policies toward Taiwan and sought to lessen the tension between Taiwan and the mainland and to promote Peaceful Reunification. In 1987, Taiwan had taken a step back from its longstanding refusal to engage in dialogue and began to show a willingness to talk with China, and 1991 saw establishment of two semi-official working level groups, Taiwan's Straits Exchange Foundation (SEF) and the PRC Association for Relations Across the Taiwan Straits (ARATS). The following year the two sides arrived at the "1992 Consensus" as a basis for conducting a governmental dialogue. To the Chinese side, this represented agreement that both China and Taiwan belong to the same "One China," while Taiwan interpreted that the two sides had agreed to "One China, Differently Expressed," in other words that Taiwan and the mainland would each explain its own interpretation of the term "One China." The result was a very ambiguous consensus that did not clarify the differences between the two sides. Wang Daohan, the chairman of ARATS, and Koo Chen-fu, the chairman of SEF, were able to meet for discussion in April 1993 in Singapore.

In January 1995, Jiang Zemin released an Eight-point Proposal to clarify his government's position toward Taiwan. The eight points were: (1) maintenance of the One China principle; (2) acceptance of Taiwan's development of nongovernmental economic and cultural ties with other countries, but opposition to any activities seeking to establish "two Chinas" or "one China, one Taiwan"; (3) progress on both sides of the strait toward peaceful reunification; (4) efforts to achieve peaceful reunification and rejection of force of arms between all Chinese compatriots (the people of the mainland and the people of Taiwan alike); (5) greatly increasing economic exchange and cooperation on both sides of the strait; (6) maintaining and enlivening Chinese culture; (7) protection of the legitimate rights and interests of the compatriots on Taiwan; and (8) exchange of visits by leadership on both sides.⁹ Overall, these proposals are seen as offering a more moderate approach.

The China-Taiwan relationship worsened, however, as a problem appeared regarding a visa for ROC President Lee Teng-hui to visit the United States, giving rise to the Third Taiwan Strait Crisis from 1995 into 1996. Lee sought to visit the United States at the invitation of his alma mater Cornell University, and the Clinton Administration yielded to

Figure 1-1: Third Taiwan Strait Crisis



Source: John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization* (Seattle: University of Washington Press, 1997), p. 74; and Shigeo Hiramatsu, *Taiwan Mondai: Chugoku to Beikoku no Gunjiteki Kakushitsu* [The Problem of Taiwan: Chinese and US Military Discord], Keiso Shobo, 2015, p. 150.

congressional pressure and approved the visa. The PRC reaction was to suddenly harden its stance toward Taiwan, so that President Lee's visit to the United States was accompanied by PLA naval and air force exercises and test firings of DF-15 missiles. In 1996, at the time of the presidential election in Taiwan, the mainland increased its pressure on Taiwan by conducting large-scale military exercises, including missile launches and amphibious landing exercises.

Why did China so greatly harden its position? It was because of a growing awareness on the mainland that Taiwan was making progress toward its effective independence and international recognition.¹⁰ First, democratization was making headway in Taiwan. As the ROC became more Taiwanized and democratization spread, the mainland leadership considered that Taiwan had stopped struggling to position itself as the legitimate government of all China and was aiming instead for the independence of Taiwan.

Second, China had a sense that the United States and other Western countries viewed China as the enemy and sought to use Taiwan to contain the mainland, and that they were trying to spread this view to other countries. Following Tiananmen Square and the later

transformations in the communist systems of a number of Eastern European countries as well as the collapse of the Soviet Union, China found itself left as one of the few communist systems. It was widely felt in China that the United States viewed China as the next enemy and that the United States was trying to use Taiwan to contain China.¹¹ For example, in September 1992 the George H. W. Bush administration decided to respond to China's purchase of Su-27 fighter aircraft by exporting to Taiwan some 150 F-16A/B fighters. The following Clinton administration announced a review of US policy toward Taiwan in September 1994 and elevated the level of exchange with Taiwan. Such developments no doubt appeared to China as real and major changes in the US policy toward Taiwan.

As noted above, China started conducting missile tests in the Taiwan Strait in summer of 1995 and carried out large-scale military exercises beginning in early 1996 in the lead up to Taiwan's presidential election. The goal of these actions was to show the US China's determination and halt its intervention in Taiwan, as well as to get a better understanding of US intentions, provide a warning against the growing independence in Taiwan, and influence the upcoming elections.¹² Since the US reaction to the 1995 missile tests was rather restrained, the Chinese leadership judged that the United States would not intervene or do so only at a symbolic level and therefore launched the large-scale exercises of 1996.¹³ The United States, however, dispatched two carrier battle groups to the Taiwan Strait, led by the carriers USS *Independence* and USS *Nimitz*, making it impossible for China to apply any greater military pressure to Taiwan.

(2) Influences of the Third Crisis

This Third Taiwan Strait Crisis clearly had a strong influence on the East Asian security environment. From China's standpoint, this crisis in the Taiwan Strait was an opportunity to make clear Chinese determination toward Taiwan. The message conveyed to Taiwan and the United States was that to China, the Taiwan issue was a crucial matter of national interests and the legitimacy of its rule and could result in the use of force. Later, the US-China relationship showed improvement from 1997 into 1998, and in June 1998, President Clinton visited Shanghai and there pronounced his own "three noes": The United States would not support independence for Taiwan, it would not support one China, one Taiwan or two Chinas, and it would not support Taiwan's membership in the United Nations or any international organization which required that its members be nation states.

While China achieved some degree of diplomatic victory, however, militarily the situation had become much more intense than China had imagined, with grave results for China: Because the United States had had to send in two carrier battle groups, it became evident that China had no military action it could take in response, leaving China with little possible reaction. Some Chinese came to believe that if a similar situation arose in the future and China

could not respond to US intervention, this could in some cases end up meaning acceptance of Taiwan's independence.

With the end of the Cold War, China recognized a need to modernize its military. China's military strategy had been influenced by the military reforms the United States had displayed during the Gulf War of 1991, and in 1993 it evolved a new military strategy for dealing with regional war in a high-tech environment. Jiang Zemin then stressed that if a major incident should ever occur which could promote Taiwanese independence, it might become necessary to respond with a regional high-tech war.¹⁴

The Taiwan Strait crises spurred the modernization of China's military. In December 1995, an expanded plenary session of the Central Military Commission (CMC) adopted a list of the most important matters the CMC wanted included in China's ninth Five-Year Plan (1996-2000) as a way to build up the military. These elements included emphasis that the ninth Five-Year Plan must seek major advances in military technology, and further, that the plan was expected to achieve two important transitions, i.e., in promoting overall military fighting readiness, the transition from military preparations for conventional regional war to preparations for high-tech regional war, and a shift in emphasis in building the military from quantity to quality and from personnel-intensive to technology-intensive development.¹⁵

Speaking of these essential elements, General Zhang Zhen, vice chairman of the CMC, emphasized that as Taiwan was conducting activities aimed at independence, China would improve its own equipment, seeking to develop a type of trump card that could be played to contain the enemy ("Assassin's Mace," *Shashoujian*).¹⁶ General Zhang Wannian, who rose about this time to vice chairman of the CMC, stressed the importance of new technology for the military, pointing out the effectiveness of precision attacks and electronic warfare and noting that the role of technology in increasing fighting capacity was greater today than ever before. He also noted the understanding that regional warfare under current conditions was increasingly becoming a contest of technological ability, and that the side which had the technological advantage could dominate the battlefield.¹⁷

Since the CMC publication of these essential elements, China has tried to improve military power in order to obtain such capabilities as precision attacks which could exploit US weak points, thereby blocking its intervention in Taiwan. China's ability at asymmetrical attack capability that has been attracting attention since the latter half of the 2000s is the result of investments

made since that period.

The China-Taiwan relationship following the Third Taiwan Strait Crisis required China to maintain close attention. In 1999 ROC President Lee Deng-hui referred to the relationship across the Taiwan Strait as “special state-to-state relations,” which China interpreted as another step toward Taiwanese independence. In addition, the 2000 presidential election was won by Chen Shui-bian of the Democratic Progressive Party (DPP), which leaned strongly toward independence. For China, this appeared to be a new challenge to the mainland through a further move toward independence.

In February 2000, at the height of the presidential campaign, the Taiwan Affairs Office of the PRC State Council issued a white paper entitled *The One China Principle and the Taiwan Issue* to emphasize China’s position. This white paper lists three situations when force could be used: (1) when Taiwan has cut itself off from China regardless of what name is used; (2) when Taiwan has been occupied by a foreign power; or (3) when Taiwanese authorities have put off negotiations for a peaceful resolution of reunification until some undefined point in the future.¹⁸ The third point in particular was a new inclusion and seems to have been aimed at restraining Chen Shui-bian.

China also redefined its meaning of One China. In August 2000, Deputy Premier Qian Qichen provided a new, revised definition by proclaiming “There is only one China in the world; the Mainland and Taiwan are both parts of China; and China’s sovereignty and territorial integrity cannot be separated.”¹⁹ In the past, China had insisted that under the One China principle, China’s only legitimate government was that of the People’s Republic of China. With the growing democratization and Taiwanese orientation of the ROC, however, Taiwan became less interested in contesting the title of China’s legitimate government. The restatement of the principles thus can be seen as constituting a new focus on the changing situation, one which would block Taiwan’s separation from the mainland regardless of the specific form.

4. The Hu Jintao Years: Handling the Taiwan Issue as China Grows Stronger

(1) Anti-Secession Law

Assuming the position of CCP general secretary in 2002 and chairmanship of the CMC in 2004, Hu Jintao became the supreme leader of China both in name and in reality. He sought to apply an approach to the Taiwan issue that differed from the consistent hard line of his predecessor Jiang Zemin.

Hu Jintao sought a mixed approach that would effectively apply both hard-line and soft-line stances.²⁰ In other words, Hu moved away from the past insistence on immediate

and total reunification. While he would still use a hard-line position threatening the use of force to prevent Taiwan from seeking a separate independence, below that level he introduced a gentler approach to promoting dialogue and exchange. On May 17, 2004, the PRC State Council Taiwan Affairs Office announced that if Taiwan recognized the One China principle and halted any separatist activities, dialogue and exchange could be resumed and economic cooperation could also be increased, indicating the shift to such a softer policy toward Taiwan.²¹

First for attention was putting a stop to any moves toward secession on Taiwan's part. The Hu Jintao administration proposed an Anti-Secession Law that was passed on March 14, 2005, at the third conference of the 10th NPC. Professor Yasuhiro Matsuda points out that this law reflects a shift in policy from promotion of reunification to prevention of independence. In other words, (1) emphasis is placed on maintaining the status quo, (2) no stress is placed on the one country, two systems concept, (3) the law offers both hard-line and soft-line approaches, and (4) strict limits are placed on resort to non-peaceful measures. Matsuda also sees maintenance of a "strategic ambiguity" in application of the law as one of its salient characteristics.²²

In reference to conditions under which non-peaceful measure may be applied, the Anti-Secession Law cites three conditions: (1) when Taiwan has separated from China, (2) when major changes have taken place which threaten to separate Taiwan from China, and (3) when all possibility of peaceful reunification has disappeared. Regarding the law, Wu Bangguo, NPC Standing Committee chairman, explained that it was wholly in keeping with important policies such as peaceful reunification and one country, two systems set by the central authorities and that it was designed as a law to oppose and suppress activities to split the country by Taiwanese separatists.²³

(2) "Chen Shui-bian is a Troublemaker"

At the time of his inauguration, Chen Shui-bian indicated he would follow a moderate line. China did not respond to this gesture toward reconciliation but adopted a wait-and-see attitude and continued its diplomatic pressure. As March 2004 approached and Chen set aim on his reelection, he abandoned his moderate line and took on a more radical stance. In August 2002 he announced the position that there was a separate country on each side of the Taiwan Strait. In September 2003 he further called for the Taiwanese electorate's popular adoption of a new constitution and reoriented his focus on whether or not Taiwan should strengthen its national defense.²⁴

In reaction to this radicalization by Chen Shui-bian, a DPP leader, the Hu Jintao government sought to isolate Chen through ties with the Kuomintang Party (KMT) and the United States. It expanded ties between the CCP and the KMT. In March 2005, KMT Vice

Chairman Chiang Pin-kung visited China, where he met with Chen Yunlin, director of the CCP Central Committee Taiwan Affairs Office. This was followed by an April 2005 visit to China by KMT Chairman Lien Chan. He held talks with Premier Hu Jintao, and the two produced a joint statement strongly supporting the 1992 consensus, opposing independence for Taiwan, and reopening of negotiations and exchanges across the strait among other topics of mutual concern.²⁵ Through such a deepening of contacts with the KMT, China was able to appeal to those Taiwanese domestic groups which wanted stabilization of the China-Taiwan relationship and a deepening of exchanges centering on economic affairs, at the same time showing them that their opposition to independence was a rewarding position.

To the United States, China made the argument that Chen Shui-bian was a trouble-maker seeking to disrupt the status quo, seeking to achieve joint China-US efforts to contain him. No doubt China made a variety of approaches to the United States on this issue, one of which came in March 2004, shortly before the presidential election in Taiwan, when Dai Bingguo, Hu Jintao's foreign relations guru and head of the CCP Central Committee office on foreign affairs, was sent as Hu's special envoy to the United States, Germany, France, Japan, and Russia. In each of these locations, he argued for opposition to the popular vote called for by Chen Shui-bian. In the United States, he met and talked with a large number of current and former high-ranking officials.²⁶

In seeking to convince the United States, Dai Bingguo conveyed the following message. First, Chen Shui-bian was following a schedule for Taiwanese independence, and China and the United States must block that schedule. Second, the United States should send Taiwan a clear signal and the statements of all US government officials should be consistent. In addition, US Assistant Secretary of State for East Asian and Pacific Affairs James Kelly was given the message that the Taiwan problem was not a problem of democracy or of socialist versus capitalist systems, it was a matter of China's interests as a nation and as a people, and China hoped the United States would handle it as such and not as an issue of ideology. In his talks with Secretary of State Colin Powell, Dai Bingguo stressed that the CCP was not the Soviet Communist Party, China was not the Soviet Union, and unlike the Soviet Union, China did not seek hegemony. Dai noted (1) the dangers of Taiwanese independence, (2) that Chen Shui-bian was unpredictable and not to be trusted, (3) that the government of China was working in good faith for peaceful reunification, and (4) that there

were many statements coming out of the United States that differed from official pronouncements such as the December 2003 statement (see below) by President George W. Bush. US statements on the subject should follow the Presidential statements, Dai said.²⁷

As is discussed in more detail in Chapter 3, following Chen Shui-bian's pronouncement of "one country on each side" of the Taiwan Strait, the United States felt a steadily growing distrust of Chen's administration. For the United States, Chen had become a political figure who ignored the big picture in favor of giving priority to his own political goals, and as a result it steadily tried to shut him out. In October 2002, at the press conference following President Bush's meeting with Chairman Jiang Zemin, the President announced that the United States did not support independence.²⁸ President Bush moved another step forward in his talks with Premier Wen Jiabao by strongly stating that the United States opposed attempts to alter the status quo between China and Taiwan, categorizing Chen Shui-bian's actions as a unilateral attempt to change the existing situation.²⁹ As a result, Chen was forced to change the contents of the plebiscite and to nullify the vote itself because the minimum necessary number of valid ballots was not cast.

Such coordination between China and the United States helped reach the goal of containing attempts in Taiwan to alter the status quo. China had informed the United States via a variety of routes about the contents of the Anti-Secession Law.³⁰ While the United States was not able to forestall adoption of that law, through close discussions, the United States is credited with achieving a number of changes to soften the language of the draft, such as eliminating reference to "one country, two systems."³¹ During his meeting with President Bush in November 2005, Chairman Hu Jintao noted approvingly that the United States and China had a common strategic interest in opposing and preventing Taiwanese independence and maintaining the peaceful stability of the Taiwan Strait.³²

Subsequently, while the second Chen Shui-bian administration did at first seek a more moderate course, towards the end of the term it once again returned to the path toward independence. In May 2007, President Chen indicated the intention to seek membership in the United Nations under the name Taiwan and later announced that a plebiscite would be held on that question. As a result of clear US opposition, however, voters did not cast the required number of valid ballots.

(3) “Peaceful Development on Both Sides of the Strait”

The birth of the KMT Ma Ying-jeou government as seen from China's standpoint meant success at derailing the Chen Shui-bian administration's attempts at independence for Taiwan. The Hu Jintao government welcomed the Ma Ying-jeou government's change of course toward closer ties to China.

Hu Jintao identified “peaceful development across the strait,” based on such a stabilization of relations, as the next step in the cross-strait relationship. Peaceful development across the strait was proposed during the 2005 talks between Hu and Lien Chan and was actively promoted when the KMT administration came into power. At the 17th NPC in 2007, Hu laid out a roadmap for the future, calling for “consultations to formally lay to rest the adversarial stance across the strait, based on the One China principle, conclusion of a peace agreement, and creation of a framework for peaceful development on both sides of the strait.”³³ The basic thrust of this roadmap was “economy first, politics later” and “do the easy things first and leave the difficult for later,” setting to work first to achieve the achievable and gradually building on the accumulated results to open the road to reunification.

To make this vision possible, in his December 31, 2008, speech at the commemoration of the 30th anniversary of the issuance of the Message to Compatriots in Taiwan, President Hu laid out his policies for peaceful development on both sides of the Taiwan Strait. To realize a peaceful reunification of the motherland, it was first necessary to ensure peaceful development on both sides of the strait. For that purpose, Hu indicated six policies: (1) strong support for One China and promotion of mutual trust; (2) promotion of economic cooperation and common development; (3) promotion of Chinese culture; (4) expansion of human exchanges; (5) consultations on external affairs (including some loosening of restrictions on Taiwan's participation in international organizations); and (6) engaging in peaceful consultations to end adversarial relations.³⁴

Such changes on both sides brought a turn toward improvement in the China-Taiwan relationship, and in June 2008, the leadership of ARATS and the SEF met again for talks. The China-Taiwan relationship has deepened since then, primarily in terms of economic cooperation. Talks between top working-level leaders from the two sides were held eight times under the Hu Jintao administration, bringing signature of 18 agreements on cooperation in economics and other areas, including removal of bans on mainland tourism to Taiwan and on shipping and communications. In June 2010, the two sides concluded the Economic Cooperation Framework Agreement (ECFA), including the phasing out of customs duties on 539 items exported from the mainland and 267 from Taiwan.

(4) China's Military Modernization and Its Relations with Taiwan

The China-Taiwan relationship has changed greatly as China has become more and more of a major power. Since 2008, both have been beset by financial crisis and have tried to get their economies back on a firm footing as quickly as possible, and China's rise has been quite remarkable. The bilateral relationship since the advent of the Ma Ying-jeou administration has been based on such development by the mainland.

First, as the Chinese economy has developed, Taiwan has deepened its reliance on its ties with the Chinese economy. It has been expected that such economic incentives would halt Taiwanese moves toward independence and refocus Taiwan on reunification with China.

Next, the growing modernization of the PLA's military power has given China a steadily growing advantage in the military balance across the strait. Since 1995, China has made steady progress in its military modernization. It is considered that China sees its display of the potential to use military force against Taiwan as a way to halt moves toward independence, with the military capabilities serving at the same time to promote a desirable political solution to the Taiwan problem.³⁵ Also, based on the lessons learned during the Third Taiwan Strait Crisis, China has sought to concentrate its weapons investment on what it would need to maximize the damage inflicted in response to any US intervention in the Taiwan Strait, thereby influencing US calculations regarding intervention and its political willingness to do so.

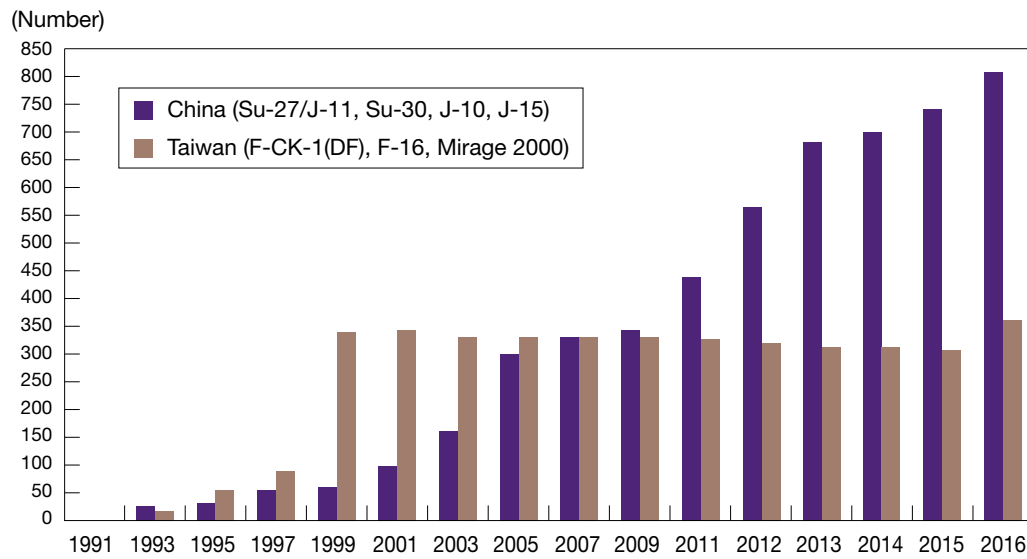
In particular, Chinese capacity for missile and air attacks represents a great threat for Taiwan,³⁶ and such attacks are likely to be by ballistic and cruise missiles seeking to destroy

Table 1-1: China and Taiwan Balance of Forces

| | China | | Taiwan |
|--------------------------|-----------|--------------------|---------|
| | Total | Taiwan Strait Area | Total |
| Ground Personnel | 1,250,000 | 400,000 | 130,000 |
| Destroyers | 23 | 16 | 4 |
| Frigates | 52 | 40 | 22 |
| Amphibious Landing Craft | 52 | 44 | 14 |
| Diesel Submarines | 57 | 38 | 4 |
| Nuclear Submarines | 5 | 2 | 0 |
| Fighters | 1,700 | 130 | 384 |
| Bombers/Attack Aircraft | 400 | 200 | 0 |
| Transport | 475 | 150 | 19 |
| Special Mission Aircraft | 115 | 75 | 25 |

Source: US Office of the Secretary of Defense, Annual Report to Congress: *Military and Security Developments Involving the People's Republic of China 2016*, April 26, 2016, pp. 107-109.

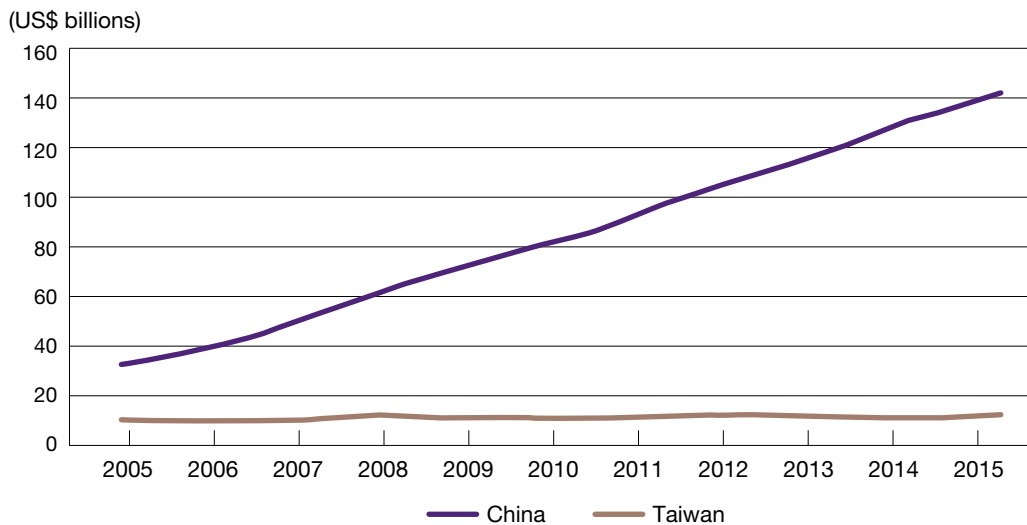
Figure 1-2: Trends in PRC and Taiwan Modern Jet Fighters



Note: Draws on Military Balance for all years

Source: Ministry of Defense, *Defense of Japan 2016* (Annual White Paper), p.70.

Figure 1-3: Trends in Chinese and Taiwanese Military Budgets



Source: US-China Economic and Security Review Commission, *2015 Annual Report to Congress*, November 2015, p. 509.

radar facilities, communications networks, bases, and similar locations.

Short-range ballistic missiles are primarily the DF-11 and DF-15 located on Base 52 directly across the strait from Taiwan. The range of the new DF-16 is 1,000 kilometers, and it is also thought to be located across the strait from Taiwan. According to reports from the US Department of Defense, in 2015 China had some 200 to 300 launchers for short-range ballistic missiles, with at least 1,200 missiles available.³⁷ The accuracy of the ballistic

missiles is also improving, with the DF-15A, DF-15B, and DF-16 featuring a circular error probability (CEP) under 10 meters.

In addition, Taiwan's fighter aircraft have not been updated and are becoming outmoded, while China is introducing a large number of 4th-generation fighters such as the J-10 and J-11; the number of mainland 4th-generation fighters surpassed that of Taiwan in 2007. Some analyses indicate that not only would it be difficult for Taiwan to secure superiority in the air, it is already difficult to meet the demands placed on its air defense capabilities.³⁸ China is also importing the S-300PMU1 and S-300PMU2 ground-to-air missiles and has deployed the HQ-9 and HQ-15/18 as part of strengthening its air defense. In addition, negotiations are underway with Russia for purchase of the S-400, with a range of 400 kilometers, and if it is eventually deployed, China's air defense capability would increase greatly.

Further, primarily because of the improvement of China's precision strike capabilities with the development in particular of medium-range ballistic missiles, the cost of interventions is increasing for the United States. The DF-21D and DF-26 ballistic missiles are known for their anti-ship applications, and are thought to be a threat to US carriers. China has also markedly increased activity in the western Pacific Ocean by its PLAN vessels and PLAAF bombers, representing a potential threat to US military bases.

The United States is also concerned that the stabilization of the China-Taiwan relationship and the resultant weakening of the sense of threat from the mainland could influence Taiwan to hold back on efforts at its own defense, or Taiwan's "Finlandization," through which a country takes a neutral position under the neighboring great power's sphere of influence while maintaining its own government.³⁹ As the Taiwan Strait has steadily grown more stable, China has been able to turn its interest to other regions and other problems and expand the range of its activities. One condition that contributed to China's remarkable increase in activities at sea starting the latter half of the 2000s was quite likely that the situation in the Taiwan Strait had stabilized in a form that was advantageous to China.

Policy toward Taiwan during the Hu Jintao years appears rather successful in that it blocked Taiwan's independence and achieved stability across the Taiwan Strait in a form advantageous to China. Still, it was largely unsuccessful at moving the political dialogue in the direction of reunification. While China and Taiwan had a common sense of the importance of stability and peace on both sides of the strait, maintaining the status quo was never more than an acceptable minimum to China, and the status quo needed to move the parties down the path to reunification.⁴⁰ The leaders from both sides were in contact repeatedly, despite which there was no major progress in the desired direction.

The question of creating a mechanism to establish mutual trust in military affairs was first formally addressed in a statement issued May 17, 2004, by the CCP Central Committee Working Group for Taiwan Affairs and the Taiwan Affairs Office of the PRC State Council.⁴¹

Later, Hu Jintao also raised the subject of a military security mutual trust mechanism in a 2008 speech. For China, however, a military trust mechanism was something which should arise out of mutual political trust, for which agreement on basic political principle was essential.⁴² Joint exercises on maritime rescue were held three times, in 2010, 2012, and 2014, and there were also other cases of non-military sub-national level cooperation, but there was no other progress beyond a few such examples.⁴³

5. The Xi Jinping Years: Stressing the 1992 Consensus

The Xi Jinping government has run up against the limits to such peaceful development on both sides of the strait. Most of all, it faced a distinct dilemma: The more China and Taiwan met for exchanges, the more the Taiwan side seemed to take on a sense of their identity as Taiwanese, which increasingly obscured the path to reunification. It began to seem increasingly likely that in the January 2016 presidential elections, which would select the successor to Ma Ying-jeou, could be won by the DPP.

Xi Jinping took the audacious step of meeting with Ma Ying-jeou on November 7, 2015, shortly before the elections, for the first China-Taiwan summit talks. In the talks, Xi stressed that: (1) the two sides should avoid shaking the common political foundation on the two sides of the strait; (2) the two sides should resolutely pursue the peaceful development of relations across the strait; (3) each should pursue the welfare of the compatriots on both sides of the strait; and (4) the two sides should move forward with one mind for the great renaissance of the Chinese people. Xi emphasized the importance of the 1992 Consensus to the first of these four points, also stating that this is the embodiment of the One China principle and clearly defines the fundamental nature of the relationship between the two sides of the strait. That relationship, Xi said, is that the mainland and Taiwan belong to one China and is not a country-to-country relationship, nor is it one China and one Taiwan.⁴⁴ Such emphasis on the 1992 Consensus was also likely intended as a warning to the upcoming administration.

In January 2016, Tsai Ing-wen of the DPP won the presidential election, and in May her new administration was born. Since then, Xi Jinping's response to the new administration has been characterized by distrust and wariness.

(Author: Shinji Yamaguchi)

Chapter 2

China-Taiwan Relations from Taiwan's Perspective



1. From Reconquering the Mainland to Taiwan-centered Policy – The Chiang Governments

(1) From Military Confrontation to Stabilization

When the Chairman of the Central People's Government, Mao Zedong, proclaimed the foundation of the People's Republic of China (PRC) from the top of Tiananmen Gate on October 1, 1949, the civil war (known in Taiwan as the Period of Mobilization for Suppression of the Communist Rebellion) between the Republic of China (ROC) Armed Forces (ROC Army; referred to as Taiwan Army following relocation of the provisional capital to Taipei in December 1949) and the Chinese People's Liberation Army (PLA) was still continuing in southern and western China. In the coastal area from Zhejiang to Guangdong, some regions and islands remained under the control of the ROC government and its armed forces. The PLA aimed to "liberate" these areas.

Jinmen (Quemoy), an area of about 150 square kilometers consisting of the small islands of Greater Jinmen and Lesser Jinmen, are on the opposite coast from Xiamen (Amoy) in Fujian Province (5 kilometers west of Greater Jinmen). Surrounded by the Chinese mainland on three sides, the islands are located opposite Taiwan across the Taiwan Strait. In the strategic environment of the time, there were no missiles or aircraft that could easily cross the Taiwan Strait. From Taiwan's viewpoint, Jinmen occupied an important strategic position from which it could restrain an attack over the Taiwan Strait by the PLA, as well as serving as a base for a counterattack on the mainland. Accordingly, the ROC Army stationed a large number of troops on the islands and built up a strong defensive position there. On October 25, 1949, 15,000 troops of the PLA landed at Gunningtou on Greater Jinmen.¹ However, the ROC Army had been conducting exercises with an attack on Gunningtou in mind. The PLA units, on the other hand, held the ROC Army in contempt and underestimated the strength of its naval and air forces. After the first PLA troops landed, the landing of the second attacking force was blocked by the ROC Army's naval and air forces² and coordination was poor between the PLA units that had already landed on the island.³ Switching from defense to counterattack, the ROC Army succeeded in comprehensively defeating the PLA forces on October 27.⁴

The following year, the Hainan Campaign was conducted on the island of Hainan off the coast of Guangdong Province. With a total area of 33,000 square kilometers, Hainan is roughly the same size as the island of Taiwan, which has an area of about 36,000 square kilometers. On April 16, 1950, the PLA launched its Hainan landing operation and by April 30 it had occupied the whole island in just 15 days. Three main reasons can be given for the PLA's ability to occupy Hainan so quickly: (1) Since the Leizhou Peninsula extends from mainland China, the distance from the peninsula to Hainan was only 11-27 nautical miles

(20-50 kilometers), making it possible to reach the island in wooden junks in 5-7 hours over one night, provided that the currents and wind were steady;⁵ (2) Since Hainan is far removed from Taiwan, Chiang Kai-shek was considering abandoning Hainan and the Zhoushan archipelago in order to concentrate his forces in Taiwan;⁶ and (3) On Hainan, the PLA could receive assistance from Communist units that were already conducting their own operations on the island, while the fighting strength of the Taiwan Army was relatively weak there.⁷

The Taiwan Army was able to repel the PLA from the small Jinmen islands off the coast of mainland China because, in view of their strategic importance, Chiang Kai-shek had resolved to defend its position and, anticipating the PLA's landing operation, had massed troops there and conducted repeated military exercises. On the other hand, although Hainan was much larger in area and considerably further from the Chinese coast, the island fell to the PLA in just two weeks because Chiang Kai-shek had previously decided to abandon it in the event of such an attack.

In May 1950, the PLA amassed a force of almost 500,000 personnel (including 300,000-380,000 combat troops) and established a frontline headquarters in Fujian Province under Commander Su Yu (who later became Chief of the PLA General Staff). PLA units conducted amphibious landing exercises in preparation for a Taiwan campaign. However, with the outbreak of the Korean War in June, the PLA's strategic focus shifted from the southeast to the northeast and the liberation of Taiwan had to be postponed.⁸

In October 1951, PLA units entered Lhasa in Tibet and, with the armistice in the Korean War in July 1953, the focus of PLA operations once again shifted to Taiwan. One after another, the PLA recaptured the islands held by the Taiwan Army on the coasts of Zhejiang and Fujian provinces. The artillery bombardment of Jinmen in September 1954 was followed by the Battle of the Yijiangshan Islands in January 1955, the PLA's first-ever campaign combining the forces of the army, navy and air force.⁹ In February of the same year, 34,000 Taiwanese troops retreated from the Dachen archipelago (off the coast of Zhejiang) under the protection of the US Navy. This was known as the First Taiwan Strait Crisis.

Until the mid-1950s, the Chiang Kai-shek government occupied 36 islands off the coast of China, using them as bases for guerrilla operations. From the fall of 1949 to July 1953, a total of 4,070,000 Taiwanese troops were mobilized by the ROC Army in 70 operations involving forces ranging in size from hundreds to tens of thousands of personnel.¹⁰ Although Chiang's strategy was one of aggression under the slogan of "reconquering the mainland," it was difficult in practice for the Taiwan Army to conduct a large-scale counter-attack on the Chinese mainland by regular troops. The small-scale guerrilla operations on the Chinese coast were the best means available for demonstrating to the world Taiwan's determination to conduct its mainland counteroffensive.¹¹ However, the policy of the US government was not to allow Taiwan's mainland counteroffensive while preventing an attack

on Taiwan by China. This policy was embodied in the US-ROC Mutual Defense Treaty signed in December 1954. The treaty maintained the security of Taiwan (and the Penghu Islands) and, from around 1954 onwards, the military capabilities of the Taiwan Army were visibly strengthened through US support and guidance and training by the US Military Assistance Advisory Group.¹² On the other hand, following the aforementioned First Taiwan Strait Crisis, the regions controlled by the Chiang Kai-shek government became limited to the same territory as that controlled by present-day Taiwan, namely the island of Taiwan, the Penghu Islands, Jinmen, and Matsu.¹³ The only territories susceptible to direct attack by the PLA's weapon systems at the time were Jinmen and Matsu, which were located close to the mainland. At the beginning of 1955, the US Congress passed the Formosa Resolution, which stipulated that, under the powers of the US President, it could defend ROC territory other than the main island of Taiwan and the Penghu Islands. The fact that Jinmen and Matsu could now be viewed as being under US protection provided powerful motivation for Chiang Kai-shek to defend these islands, and the Taiwan Army's defensive garrisons in these territories were increased from 60,000 troops in 1954 to 100,000 troops in 1957.¹⁴ From August to October 1958, China conducted a heavy artillery bombardment of Jinmen (The Second Taiwan Strait Crisis; known in Taiwan as the 823 Artillery Bombardment). The fierce artillery battle continued from August 23 to October 6, during which time a total of 474,910 shells were fired on Jinmen – 1,472 shells per square kilometer.¹⁵

While maintaining its posture of fighting China through an offensive strategy, Taiwan put its energies into economic recovery. In 1953, a population of 8.31 million had to support armed forces of almost 600,000 personnel. The army thus accounted for 7.2 percent of Taiwan's population, a high proportion compared even with the 4.8 percent of contemporary North Korea (based on a total of about 1.2 million personnel out of a population of almost 25 million¹⁶). In view of the need to support this number of troops, it was natural that Taiwan would promote economic development. Together with economic aid from the United States, the growth in agricultural production arising from farmers' increased zeal for production as a result of agrarian reforms made a great contribution to military finances. One study has estimated that, of the 10.5 million tons of rice collected during the 15-year period from 1951 to 1965, which accounted for roughly 30 percent of Taiwan's gross domestic product, about 70 percent was used to feed the military and civil servants.¹⁷ By the beginning of the 1960s it had become clear that China's Great Leap Forward policy had failed. By 1962, Chiang Kai-shek's preparations for the "mainland counteroffensive" were almost complete. However, since the United States refused to provide support for transportation essential for the counteroffensive operations, Taiwan was only able to continue with its small-scale military attacks. From the beginning of 1963, the Taiwan Army focused on concentrated sea attacks and guerrilla warfare by landings on the Chinese mainland. Taiwan viewed China's

Cultural Revolution beginning in August 1966 as an opportunity for a counteroffensive, but again it was unable to get support from the United States.¹⁸ During this time Taiwan entered its period of economic development, maintaining a high level of continuous growth.¹⁹ This provided further support for an offensive military strategy based on the Chiang government's mainland counteroffensive concept, but when US President Richard Nixon announced the Guam Doctrine to strengthen the self-defensive capabilities of Asian countries in July 1969, the international environment became unfavorable for Taiwan. As a result, it became necessary to rethink the aggressive "mainland counteroffensive" strategy and Taiwan came to adopt an integrated offensive and defensive strategy by placing emphasis on defending itself against attack.

(2) Chiang Ching-kuo's Tacit Acceptance of Democratization and Taiwanization

Even after the death of President Chiang Kai-shek in 1975, the regime of his successor, Yen Chia-kin, and accession of his son Chiang Ching-kuo in 1978, Taiwan officially maintained its national policy of anti-Communism. However, with the rapprochement between the United States and China after the PRC was recognized as the only legitimate representative of China at the United Nations in 1971 followed by the normalization of relations between the PRC and Japan in September 1972, the international environment around Taiwan became increasingly severe. Furthermore, with the normalization of US-China relations in January 1979, the PRC shifted its position from unification by force to peaceful unification in order to lay political siege to Taiwan. In response to these developments, Taiwan maintained its "Three No's" policy: no compromise, no contact, and no negotiation.²⁰ Meanwhile, in July 1987 President Chiang Ching-kuo proclaimed the lifting of martial law in Taiwan. Chiang understood that there were already too many people who were opposed to martial law and that their voices could no longer be suppressed. In November of the same year, the ban on visiting the Chinese mainland was lifted under the pretext of allowing Taiwanese citizens to visit relatives in China, opening the door to cross-strait exchange. According to former president Lee Teng-hui, it was in 1987 that Chiang Ching-kuo began publicly stating that he was "a Taiwanese."²¹ It is possible that, from that time, Chiang began to be strongly aware that the Kuomintang Party (KMT) must be firmly rooted in Taiwan. A year earlier, in September 1986, the Democratic Progressive Party (DPP) had suddenly been formed with a party platform based on the establishment of a Taiwanese republic. Although this formation of a new party had been a violation of martial law, Chiang Ching-kuo ordered that it be tacitly accepted. Such actions can be cited as evidence that Chiang had undergone a change of heart.

2. Taiwan's Promotion of Democratization – The Lee Teng-hui Governments

Upon the death of Chiang Ching-kuo in January 1988, Vice President Lee Teng-hui was promoted to President in accordance with the Constitution.²² Although he was appointed President, Lee had virtually no power base within the KMT at that time. Lee Teng-hui only began to wield power within the party after he emerged victorious from the political conflicts after being officially elected KMT Chairman at the party's National Congress in July of that year, culminating in his re-election as president by the National Assembly in 1990.²³ From that time, Taiwan's policy towards China under the Lee administration finally went into full swing.

In October 1990, President Lee established the National Unification Council under the Presidential Office, which embarked on research to lay the ground for the formulation of the Guidelines for National Unification. In January 1991, the Mainland Affairs Council responsible for planning and administering the government's relations with China was set up in the Executive Yuan. In March of the same year, at the government's request, the Straits Exchange Foundation (SEF) was established for the purpose of negotiating with China and conducting the related administrative procedures. On April 30, President Lee announced the termination of the Period of Mobilization for the Suppression of the Communist Rebellion and the abolition of the Mobilization for the Suppression of Communist Rebellion Provisional Act. This was in effect a declaration of termination of the civil war, which meant that, the PRC government was no longer viewed as a reactionary force but as a negotiating partner. Furthermore, in September 1992, the Taiwan government promulgated the Act Governing Relations between the People of the Taiwan Area and the Mainland Area. Since the Taiwan and China did not officially recognize each other as nations even though Taiwan had announced the end of the civil war, it was still inappropriate for organs of the two states to have contact with each other. Accordingly, Taiwan set up the SEF and China established the Association for Relations Across the Taiwan Straits (ARATS) and the two countries authorized the respective organizations to conduct negotiations on their behalf. Thus the Lee administration established the systems, laws, and mechanisms necessary for contact with China and prepared the organizational structure required in Taiwan for cross-strait negotiations. According to recent research, Taiwan

maintained an integrated offensive and defensive strategy based on the concept of “reconquering the mainland” until around 1991.²⁴ Abandoning this concept of reconquering the mainland, Taiwan adopted a purely defensive strategy, aiming to ensure its security through a policy of “resolute defense, effective deterrence.”

Nevertheless, making the provisions for China to become a negotiating partner did not guarantee the progress of China-Taiwan negotiations. Although the SEF and ARATS continued to negotiate under the Lee administration, there were no concrete moves toward unification. Regarding its China policy, the Lee administration adopted the strategy of “no haste, be patient” and adjusted its legislation accordingly.²⁵ From around this time, it began to be said in China that Lee Teng-hui was a proponent of Taiwanese independence. One of the reasons Lee was seen this way was his attitude toward diplomacy. Until then the only visit to a friendly nation by a president under the ROC Constitution had been Yen Chia-kan’s visit to Saudi Arabia in July 1977; Chiang Kai-shek and Chiang Ching-kuo had not made a single overseas visit. Lee Teng-hui, however, actively visited nations overseas. Starting with his visit to Singapore in March 1989, he visited the Philippines, Indonesia and Thailand in February 1994, Nicaragua, Costa Rica, South Africa and Swaziland in May of the same year, and the United Arab Emirates and Jordan in April 1995. These visits included countries with which Taiwan did not have diplomatic relations, but Lee Teng-hui pursued what he called “pragmatic diplomacy” in which he did not insist on the form of an official “visit by a head of state” or on using the official name “Republic of China.”²⁶ During Lee’s period in office, Taiwan’s President, Vice-President and Premier of the Executive Yuan made a total of 24 visits to nations with which Taiwan did not have diplomatic relations. (During the same period, 36 visits to friendly nations were made.)²⁷ Pragmatic diplomacy was a means of resistance against China’s attempts to reduce Taiwan’s sphere of activity in the international community. President Lee’s visit to the United States in June 1995 can also be understood in this context, and can be viewed as a watershed in the shift in China-Taiwan relations from the easing of tensions to confrontation. In a speech at his alma mater, Cornell University, President Lee, referring many times to “the Republic of China on Taiwan,” emphasized that Taiwan existed in isolation from the Chinese mainland, further reinforcing the impression that he was an advocate of Taiwanese independence. After that, China ramped up its political and military pressure on Taiwan.²⁸ In January 1996, the head of the Mainland Affairs Department in charge of mainland policy in the KMT pointed out that, in view of China’s belief that Taiwan’s first presidential election to be held in March would damage China-Taiwan relations, it might take action to influence the election.²⁹ This prediction proved to be correct. China conducted missile tests and military exercises in the vicinity of Taiwan’s main island (the Third Taiwan Strait Crisis). In August 1998, angered by China’s stance of not recognizing the ROC as a sovereign state, Lee Teng-hui ordered Tsai Ing-wen, who was then a senior advisor of the

National Security Council, to set up a group for “strengthening the status of the Republic of China as a sovereign nation” and commence research for this purpose.³⁰

After the completion of the group’s research, President Lee called for “special state-to-state relations” (the “two-state theory”) in an interview broadcast by the German international radio station Deutsche Welle in July 1999. Until that time, meetings between China and Taiwan had been held at various levels, including meetings of top-level representatives of the SEF and ARATS. However, China-Taiwan relations, which had clearly cooled after President Lee’s visit to the United States, were immediately broken by his advocacy of the two-state theory. From then on, right through the period of the Chen Shui-bian administration to the inauguration of the Ma Ying-jeou administration in May 2008, no top-level meetings were held between the SEF and ARATS.

3. The Impact of DPP Government – The Chen Shui-bian Administration

(1) China’s Distrust of the Chen Administration

In the second Taiwan general presidential held in March 2000, Chen Shui-bian and Annette Lu of the DPP were elected as President and Vice President with 39.3 percent of the vote, a proportion considerably less than a majority of the electorate. After serving as Mayor of Taipei for four years from 1994, Chen Shui-bian had put himself forward as a candidate for a second term as mayor in 1998. By that time, people’s level of satisfaction with the Mayor of Taipei’s policies had risen to 76 percent.³¹ Since Chen Shui-bian nevertheless lost the mayoral election of 1998 to former Minister of Justice Ma Ying-jeou, he decided to run for President. On the other hand, in the KMT, Lee Teng-hui, who had promoted Taiwanization and democratization of the ROC, decided not to stand in the presidential election. At a stage when Lee’s successor had not yet been decided, James Soong Chu-yu, the former Governor of Taiwan Province who had broken with Lee over the freezing of Taiwan Provincial Government functions and operations in 1998³², split from the KMT and ran for President as an independent candidate. As a result, the KMT vote was divided between Vice President Lien Chan and James Soong Chu-yu. The DPP reaped the benefit of this division.

Chen Shui-bian was inaugurated as President on May 20, 2000. Looking back on the Chen administration, the general assessment of China-Taiwan relations during this period is that, in the tense relationship between the two sides, little progress was made in exchange. It is certainly true that China-Taiwan relations visibly improved under the Ma Ying-jeou administration. However, at the outset, the Chen administration also adopted a stance of promoting good relations with China. In his inauguration speech, for instance, President Chen made his declaration of what became known as the “Five No’s”: “As long as the CCP regime

has no intention to use military force against Taiwan, I pledge that during my term in office, I will not declare independence, I will not change the national title, I will not push forth the inclusion of the so-called “state-to-state” description in the Constitution, and I will not promote a referendum to change the status quo in regard to the question of independence or unification. Furthermore, the National Unification Council and the Guidelines for National Unification will not be abolished.”³³ This statement reflects an awareness of China’s fears that the DPP was aiming for Taiwanese independence and a corresponding change in the country’s name. This statement that Taiwan would not unilaterally promote independence was also an expression of goodwill towards China. Since the Guidelines for National Unification existed in 2000, Chen also stated in his inauguration address that, “building upon the existing foundations, and constructing conditions for cooperation through goodwill, we believe that the leaders on both sides possess enough wisdom and creativity to jointly deal with the question of a future ‘one China’.”³⁴ Moreover, one of the reasons for the appointment of Tang Fei, a former Minister of National Defense (a member of the KMT and former ROC Air Force Commander-in-Chief and Chief of the General Staff) who was born on the Chinese mainland and strongly supported unification, as Premier was a desire to indicate that the Chen administration was not going to move in the direction of Taiwanese independence. At a press conference held once month after he took office, regarding the situation in 1992, President Chen clearly stated that, although the two sides had discussed the issue of “one China,” there had been no consensus and that, regarding the meaning of “one China” it was necessary to formulate conclusions on a foundation that could be accepted by both sides.³⁵ However, on June 27, Chen told a visiting American delegation that he could accept the 1992 Consensus for “one China, differently expressed.”³⁶ Although this was a clear statement that he could not accept the viewpoint that “one China” was the People’s Republic of China, it should be noted that this stance did not change under the Ma Ying-jeou administration.³⁷

(2) Chen Shui-bian’s Advocacy of the “One Country on Each Side” Doctrine

The PRC took a cool view of the Chen administration from Chen’s appointment as president to the end of his tenure. Seemingly exasperated by this, President Chen stated that,

“if China does not respond to Taiwan’s concessions, Taiwan will have to consider whether or not to advance along the road to independence.”³⁸ He expressed this view in clear terms when he advocated the “one country on each side” doctrine in an Internet telecast to the annual conference of the World Federation of Taiwanese Association in August 2002. In this address, President Chen said, “Our Taiwan is not someone else’s local government. Our Taiwan is not someone else’s province. Taiwan can never be another Hong Kong or Macau, because Taiwan has always been a sovereign state. In short, with Taiwan and China standing on opposite sides of the Strait, there is one country on each side.”³⁹ Like Lee Teng-hui’s “two-state” theory, this doctrine clearly expressed the shift from the position of claiming to be the rightful government of China to the position of standing for Taiwan’s sovereignty.⁴⁰

From that time onwards, China’s response to Chen Shui-bian was very severe. In particular, after he won re-election as President in March 2004 by fanning the flames of Taiwanese nationalism, China took measures such as the promulgation of the Anti-Secession Law in March 2005, establishing the legal basis for an armed invasion of Taiwan, and commencing exchange with the KMT, which had become the opposition party in Taiwan.

Seemingly in response to this, the Chen administration promoted the Name Rectification Campaign, through which it took steps to change the terms “China” or “Republic of China” to “Taiwan” at the beginning of names of organizations, etc. Furthermore, the Guidelines for National Unification and operations of the National Unification Council, which had been established during under the Lee Teng-hui administration, were terminated in February 2006. The DPP historian Chang Yen-hsien has praised the abolition of the Guidelines for National Unification for giving the Taiwanese people a choice other than unification with China.⁴¹ President Chen also placed importance on visits to foreign countries, making 15 overseas visits during his eight years in office, all of them to friendly nations. Chen’s diplomacy was criticized by the KMT as “beacon-fire diplomacy” (setting

“fires” everywhere to cause trouble), but Chang Yen-hsien described it as “proactive diplomacy.”⁴² However, Chen’s foreign policy also came in for criticism from the United States. Whenever Chen visited the United States using the President’s private jet, it was usual for a large city such as Los Angeles or San Francisco to be designated as a transit stop, but when he made a visit towards the end of his term of office, he was given the cold shoulder by being limited



As part of the name rectification movement, this decorated gateway was renamed from the Gate of Integrity to Liberty Square, 2016 (author’s photograph)

to a stopover in Anchorage, Alaska.

Around the time when relations between the Chen administration and China clearly started to worsen, a change also became evident in Taiwan's concept of its military strategy. In 2002, this shifted from the defensive strategy of "resolute defense, effective deterrence" to the more proactive defensive strategy of "effective deterrence, resolute defense." Officially explained in terms of the autonomous development of military forces, this shift was based on "comprehensive defense by all citizens."⁴³ This military strategy was maintained until the end of Chen Shui-bian's term as president in 2008.⁴⁴ To make it effective, an offensive capability that could actually deter an attack on Taiwan by China was required. Weapons such as ballistic missiles, long-range cruise missiles, bombers, ground attack aircraft and submarines would be necessary for this purpose. However, since Taiwan was unable to deploy such weapons from 2002 to 2008, the strategy of proactive defense was not functioning in reality. Basically Taiwan's military strategy should be viewed as remaining in the area of pure defense during this period.

However, it must be noted that, while talks with China's top-ranking government officials were in effect suspended, discussions at the administrative level continued. The following exchange projects that were continued under the Ma Ying-jeou administration have borne fruit.

One of these projects is direct air transportation between Taiwan and China. The complete implementation of the "three links" (postal, transportation, and trade links) had been an outstanding problem between China and Taiwan, but under the Chen administration, weekend charter flights began. The periods, number of flights and airports for direct flights were steadily expanded. The first flights via Hong Kong (initially landing in Hong Kong and later passing through the Hong Kong Flight Information Region) became direct flights and the charter flights were upgraded to regular services. As of 2016, 10 airports in Taiwan and 61 airports in China are being used for direct flights and a total of 890 flights travel between Taiwan and mainland China every week.⁴⁵ Since restrictions on direct cargo shipping by sea are less strict than on air transportation, there are many cases where goods are recorded as being shipped via third-party countries or regions but are in fact shipped directly.

Another cross-strait exchange operation is known as the "mini three links." These are the postal, transportation and trade links between the Chinese mainland and Jinmen and Matsu, which are located at the shortest distance from the mainland. The mini three links were established in accordance with the Isolated Islands Construction Act, which was promulgated in April 2000 at the end of the term of the Lee Teng-hui administration with the aim of developing Taiwan's remote islands. In his inauguration speech, President Chen pledged that Taiwan would steadily promote the three links and the three mini links were formally launched on January 1, 2001.

Even after the establishment of direct cross-strait flights and the three mini links, military concerns remained an issue. Nevertheless, prior to the admission of China and Taiwan to the World Trade Organization (in November 2001), many people in Taiwan's business circles called for the relaxation of the "no haste, be patient" policy set forth in 1996 by Lee Teng-hui for the purpose of restricting investment in China.⁴⁶ At its National Congress held in October 2011, the DPP changed its policy from "no haste, be patient" to "proactive liberalization and effective management."⁴⁷ This led to an increase in Taiwan's volume of trade with China. While the policy of "proactive liberalization and effective management" was changed to "proactive management and effective liberalization" in January 2006,⁴⁸ China-Taiwan trade continued to grow and the three mini links took root under the Chen administration. Passage between Taiwan's main island and China via Jinmen or Matsu, which was still prohibited when the three mini links were first launched, was permitted from the time of the Ma Ying-jeou government. Now that the ban on Taiwan tourism by Chinese nationals has been lifted, the three mini links do not play such a great role in the sphere of tourism, but it is symbolically significant that Jinmen and Matsu, which had served as the "front line" of Taiwan's defenses from the mainland, have become a gateway to exchange.

4. The Outcome of Taiwan's Increasingly Conciliatory Policy Towards China – The Ma Ying-jeou Administration

(1) Accelerating Cross-Strait Exchange and the Growth of Taiwanese Identity

In his inaugural address in May 2008, President Ma Ying-jeou declared that he would maintain the current status of the Taiwan Strait under the framework of the Republic of China Constitution, reviving Taiwan-China exchange based on the 1992 Consensus and adhering to the "three No's" policy of "no unification, no independence, and no use of force."⁴⁹ China welcomed the inauguration of the Ma government and the top-level meetings between the SEF and ARATS, which had been suspended since the time of the Lee Teng-hui government, were re-opened in June of the same year. From then until the Ma administration came to an end in 2016, 11 top-level meetings between the SEF and ARATS were held and a total of 23 agreements were signed.⁵⁰ During the Ma administration, the strained relations with China were quickly eased. Taiwan's economic and trade relations with China saw immediate progress, travel to Taiwan by Chinese groups and independent travelers was steadily approved, and successive visits to Taiwan were made by delegations led by Communist Party subcommittees and governors of provinces from all over China.

A distinctive feature of Taiwan-China relations during the Ma administration was the

holding of negotiations between working-level ministers in addition to negotiations by the private organizations of the SEF and ARATS, through which several meetings were held between working-level ministers in charge of cross-strait relations. The background to this was a strong recognition on both sides of the need for mutual understanding between the respective authorities of Taiwan and China amid deepening bilateral relations centering on economics and trade. The governments of China and Taiwan respectively established the State Council Taiwan Affairs Office and the Executive Yuan Mainland Affairs Council as the administrative agencies for conducting cross-strait relations. This recognition is also apparent from the fact that Taiwan refers to these meetings “cross-strait leaders’ meetings.”⁵¹

However, the Press Secretary for the State Council Taiwan Affairs Office referred to the Taiwanese representative as the “responsible person of Taiwan’s Mainland Affairs Council.” At the actual meeting, Zhang Zhijun, Minister of the State Council Taiwan Affairs Office, and Wang Yu-chi, Minister of the Executive Yuan Mainland Affairs Council, addressed each other using abbreviated forms of their titles. This is quite common practice in the Chinese language and, as this form of address is normally used in Taiwan as well, it is not necessarily impolite. Nevertheless, since the Xinhua News Agency also used the words “Taiwan’s mainland affairs chief,” it can be supposed that the Chinese deliberately avoided using their Taiwanese counterpart’s official title.⁵²

The meeting held on November 7, 2015, between President Ma Ying-jeou and General Secretary Xi Jinping, was the culmination of China-Taiwan exchange through talks between the SEF and ARATS and between the Executive Yuan Mainland Affairs Council and the State Council Taiwan Affairs Office. This meeting was made possible by the two leaders calling each other “Mister” rather than using their official titles, thereby avoiding recognizing that their counterpart was the representative of a country and holding the meeting in the third-party country of Singapore. However, there was no joint declaration or press conference and it did not trigger a turning of the tables in favor of the KMT in the presidential election of January 2016. On the contrary, as relations between the Ma government and China deepened, citizens’ sense of their Taiwanese identity increased year by year. This trend was reflected in the emergence of the Sunflower Student Movement, in which students opposed to the Cross-Strait Service Trade Agreement (CSSTA) occupied the Legislative Yuan for almost a

Table 2-1: Talks between Chinese and Taiwanese Ministers

| | Date | Venue | Taiwanese representative | Chinese representative | Notes |
|--------------------|---------------|---|--|---|--|
| 1st meeting | Feb. 11, 2014 | Nanjing | Wang Yu-chi (Minister of the Executive Yuan Mainland Affairs Council) | Zhang Zhijun (Minister of the State Council Taiwan Affairs Office) | |
| 2nd meeting | June 25, 2014 | Taoyuan County (currently Taoyuan City) | | | Sunflower Student Movement in Taipei in March-April 2014 |
| Unofficial meeting | Nov. 12, 2014 | Beijing | | | On the occasion of the APEC meeting in Beijing |
| 3rd meeting | May 23, 2015 | Jinmen County | | | |
| 4th meeting | Oct. 14, 2015 | Guangzhou | Andrew Hsia (as above) | | |
| Summit meeting | Nov. 7, 2015 | Singapore | Ma Ying-jeou | Xi Jinping | Addressed each other as “Mister” |

Source: Compiled by the author from the website of the Executive Yuan Mainland Affairs Council

month in March-April 2014, and the election, through support from the DPP, of five candidates from the strongly pro-Independence New Power Party, which represented the feelings of the younger generation in Taiwan, to seats in the Legislative Yuan in January 2016. Although relations between Taiwan and China stabilized and deepened under the Ma administration, there was a growing sense of Taiwanese identity and a rising tide of opinion that strongly favored maintaining the status quo.

(2) Shift of Military Strategy towards Defense

The Ma Ying-jeou government shifted from the proactive defensive strategy of “effective deterrence, resolute defense” of the Chen Shui-bian government to the purely defensive strategy of “resolute defense, effective deterrence.”⁵³ This military strategy was maintained throughout the eight years of the Ma administration’s two terms of office. The distinctive characteristic of the first four years was the lack of a sense of crisis regarding China. This was particularly evident in Ma Ying-jeou’s address at a joint graduation ceremony of the ROC Military Academy and National Defense University in July 2008. In his speech, Ma pointed out that China still had more than 1,000 short-range missiles pointed at Taiwan, but at the same time the two countries enjoyed close economic and trade relations. He also stated that, through changes in their relationship over more than two decades, mainland China was simultaneously a threat and an opportunity.⁵⁴ In the Chinese language the character meaning “opportunity” is part of the word meaning “crisis.” There is said to be a Chinese tradition of

believing that, if it is managed properly, a crisis can be transformed into a favorable turning point.⁵⁵ In his address, Ma Ying-jeou stated that “By being ready to fight, we can prevent a fight” and “We are certainly not looking for a fight, but we will not avoid a fight and are not afraid of one.” However, no other president of Taiwan had ever incorporated this vision of turning relations with China into a business opportunity in an address to graduates of the Military Academy and National Defense University rather than at a meeting, for instance, with Taiwanese companies or businesspeople active in the Chinese market. These statements also suggest that President Ma was hoping to promote military confidence-building with China in his first term. The Quadrennial Defense Review (QDR) published in 2009 included sixteen lines regarding the military confidence-building with China. However, in the 2013 QDR, published in the Ma administration’s second term, this was reduced to four lines. Considering that “the objective and subjective conditions for the issue have not yet matured,” it stated Taiwan would have to carefully assess such measures in accordance with the government’s policy.⁵⁶ Former ROC Army Commander, Hu Chen-pu, recollected that the military conducted an internal investigation on cross-strait military confidence-building but reached the conclusion that it was not possible to achieve this in a situation where a relationship of political trust could not be built.⁵⁷

(3) The Ma Administration: Keeping Political Distance from China

While the Ma administration promoted closer economic and trade relations with China, it showed a cautious attitude regarding any specific political cooperation. It is particularly noteworthy that, in February 2013, Taiwan’s Ministry of Foreign Affairs stated that it would not enter any agreement with China concerning the disputed Senkaku Islands. This statement pointed out that China was opposed to leaving settlement of the dispute to the Permanent Court of Arbitration, that it was engaged in “territorial wars” with neighboring countries, that its ideas for settling the dispute were different from those of Taiwan, and that Taiwan had for a long time shared great advantages from its relations with the United States and Japan in the fields of politics, economics and defense. The statement concluded that if China and Taiwan were to reach agreement on this matter, particular care should be taken to ensure that there was no adverse influence on Taiwan’s cooperative relationships with the United States and Japan and on the political and military balance in East Asia.⁵⁸ Up to that point, whenever Taiwan claimed sovereignty over the Senkaku Islands, the Ma government had repeatedly stated that it would not cooperate with China on this matter. However, it is significant that Taiwan refused to take a united front with China in response to the Senkaku Islands dispute, citing as reasons its vital geopolitical position in the First Island Chain and the importance it places on its cooperative relationship with the United States and Japan.⁵⁹ In March 2013, Wang Ginn-wang, Minister of the ROC Coast Guard Administration,

announced that in cases where Taiwanese vessels engaged in Baodiao (Diaoyu Islands “defense”) activities flew the Chinese national flag, coast guard vessels of the Coast Guard Administration would not escort them, since this might be viewed as a sign that Taiwan and China were cooperating in the Baodiao campaign.⁶⁰ In Taiwan, the Chung Hwa Baodiao Alliance often sends vessels engaged in demonstrations to the seas around the Senkaku Islands, and some reports state that they receive funding from the PRC State Council Taiwan Affairs Office.⁶¹

(Author: Rira Momma)

Chapter 3

The United States and the Taiwan Problem



1. The Taiwan Policy of Successive US Administrations

US policy toward China and Taiwan has been based on the search for balance between building a stable strategic relationship with China while maintaining trust with Taiwan as a friend.¹ While this sort of subtle balance already existed as early as the 1960s, it became all the more clear following the 1971 secret visit to China by Assistant Secretary of State Henry Kissinger. This section overviews the primary documents which laid out the US position toward Taiwan from the Nixon administration through the Clinton and then examines how the US Taiwan policy developed under Presidents George W. Bush and Barack Obama.

(1) Primary Documents, Nixon through Clinton Administrations

1972: The Shanghai Communiqué

In the course of US and Chinese rapprochement, the United States at first did not view Taiwan as being a major potential problem. Instead, it viewed rapprochement with China as a way to contain the Soviet Union, improve East-West relations, and distance itself from the Vietnam War.²

For China, however, the issue of Taiwan was perceived as an extremely important question, and China sought acceptance of the One China principle. The communiqué coming out of President Nixon's visit to China included references to both sides' positions.³ The Chinese side stated that "the Government of the People's Republic of China is the sole legal government of China" while "Taiwan is a province of China" and that "all U.S. forces and military installations must be withdrawn from Taiwan." For its part, the United States noted it "acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China," and "does not challenge that position." The US government reconfirmed "its interest in a peaceful settlement of the Taiwan question," and it

also affirmed "the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan."

There were, however, verbal understandings that accompanied this communiqué: (1) there was one China, and Taiwan was a part of China; (2) the United States did not support the Taiwanese independence movement; (3) the United States would use its influence to prevent Japan from expanding its engagement with Taiwan; (4) the United

States would support the peaceful resolution of the Taiwan problem and would not encourage an attack against the mainland; and (5) the parties would seek the normalization of diplomatic relations. Ryo Sahashi points out that it is undeniable that the United States made concessions such as permitting the One China principle to be included in the Shanghai Communiqué, not making specific demands regarding the peaceful resolution of the Taiwan problem as a precondition of the restructuring of US engagement with Taiwan and changes in the level of the US military stationed there, and the five verbal understandings.⁴

1979: Normalization of China-US Relations and the Taiwan Relations Act

At the occasion of normalization of diplomatic relations between China and the United States in 1979, the United States confirmed that the People's Republic of China was the only legitimate government representing China, and it broke diplomatic relations with the Republic of China (ROC) and rescinded its mutual defense treaty with the ROC. At the same time, the United States indicated its intention to maintain cultural, commercial, and other non-official relations with the people of Taiwan and stated its expectations for peaceful resolution of the Taiwan problem. The question of continuation of US export of weapons to Taiwan, however, could not be brought to a common understanding and agreement between the Chinese and US sides, and it was left as not completely resolved.⁵

With establishment of diplomatic relations between the United States and the PRC, diplomatic relations with Taiwan came to an end. Realistically, however, it was necessary to establish legal measures to permit maintenance of the economic relationship and other ties. The US Congress also sought to ensure the peaceful resolution of the Taiwan problem and the security of Taiwan, the result being the Taiwan Relations Act (TRA) of 1979 adopted as US domestic law.

The TRA provides the basis for the US commitment to Taiwan after 1979. The act specifies that the United States would maintain the capability to resist the use of military force which would threaten the safety of the people of Taiwan or its socioeconomic system or otherwise exert compulsion against Taiwan; it states that the greatest concern to the United States was any measures which might threaten the peace and security of the western Pacific, such as boycotts and blockades or any other attempts to try to determine Taiwan's future by means other than a peaceful resolution; and it makes plain US opposition to any solution of the Taiwan problem that did not resort to peaceful means. For such reasons, the act provides that the United States shall provide Taiwan with weapons of a defensive nature.⁶ However, while the TRA makes clear US concern for the security of Taiwan, it remains vague regarding US actions if Taiwan were attacked. In addressing weapons exports, the act also does not clearly define the meaning of weapons of a defensive nature.⁷

The 1982 Communiqué

As the result of the TRA, US weapons exports to Taiwan were resumed in the 1980s. President Ronald Reagan, who took office in 1981, sought ways to provide Taiwan with jet fighters. China, however, adamantly opposed this and instead pressed the United States to specify when its weapons exports would come to an end. Secretary of State Alexander Haig was well aware of the value of China in US strategy toward the Soviet Union, and out of concern that the weapons exports to Taiwan could damage relations with China, he supported making a concession to China.⁸ In the end, while the United States resisted deciding an endpoint for weapons exports, it offered a compromise on fighter sales and the volume of exports, which was announced in the form of the joint communiqué of August 1982.

In that communiqué, the United States reiterated that it had no intention of pursuing “a policy of ‘two Chinas’ or ‘one China, one Taiwan’,” and stated that the US government “does not seek to carry out a long-term policy of arms sales to Taiwan.” The United States also mentioned that “its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution.”⁹

1982: The Six Assurances

In July 1982, President Reagan offered Taiwan six points of assurance. These have come to be succeeded as an effective declaration of policy by subsequent administrations. These six points are: (1) no time would be set to halt weapons exports; (2) the United States would not consult with China in advance about weapons exports to Taiwan; (3) it would not mediate between Taipei and Beijing; (4) the United States would not agree to revision of the TRA; (5) it would not change its long-term position on Taiwan’s sovereignty; and (6) the United States would not pressure Taiwan to conduct negotiations with the People’s Republic of China.¹⁰

At present, the six assurances are considered along with the TRA as the foundation for US relations with Taiwan. In 2016, both houses of Congress passed decisions reaffirming that fact and urging the president and the Department of State to formally recognize the six assurances.¹¹ These Congressional decisions are worthy of attention because this was the first time that the six assurances ever appeared in an official US document.

1994: Taiwan Policy Review

In September 1994, following the Cold War, President Clinton conducted a review of policy toward Taiwan. This review was conducted against the background of growing democratization in Taiwan, a more critical view of the Chinese Communist Party (CCP)

following the Tiananmen Square Incident, and the reduced importance of China in US policy toward Russia after the conclusion of the Cold War.

One of the salient features of the review was that rather than a full-scale rethinking of all aspects of the US-Taiwan relationship, it was designed primarily to increase the level of protocol. For example, in place of the US office of the Coordination Council of North American Affairs serving as the contact body for Taiwan, the review would permit this to be renamed the Taipei Economic and Cultural Representative Office in the United States, more clearly stating its identity; US government officials would be able to enter the buildings of Taiwan's government bodies, and except for the White House and a few other locations, government officials from Taiwan would be able to enter the buildings of US government agencies, while meetings among national defense officials and economic dialogue would become possible at just below cabinet level.¹² Stanley Roth, senior director for Asian Affairs at the United States National Security Council, was negative toward the review, saying that it should not have been conducted, and Taiwan was disappointed that the review included nothing that expressed support for its participation in international organizations.¹³ Still, the various changes produced by the review can be seen as important for the development of the US-Taiwan working relationship.

1998: The Three No's

Following resolution of the Third Taiwan Strait Crisis of 1995-96, the China-US relationship rebounded quickly. Taiwan President Lee Teng-hui's actions during the crisis struck the Clinton administration as dangerous. In 1997 Jiang Zemin visited the United States, followed in 1998 by President Clinton's visit to China. In Shanghai, President Clinton issued a statement of policy consisting of "three no's": (1) The United States would not adopt policies of One China, One Taiwan or Two Chinas; (2) the United States would not support independence for Taiwan; and (3) the United States would not support Taiwan's membership in international organizations whose members required sovereignty or representation in the United Nations. This was the first official US statement of non-support for Taiwanese independence.

This policy, however, had already been informally passed to China much earlier. In August 1995, in the midst of the crisis, Secretary of State Warren Christopher handed Foreign Minister Qian Qichen a letter from President Clinton for President Jiang Zemin. The contents of this letters have not been made public, but Qian Qichen has said that it included a statement of opposition to Taiwanese independence.¹⁴

(2) Since the Bush Administration

During the 2000 presidential election campaign, President George W. Bush

categorized China as a “strategic competitor,” typical of the severe view held of China at that time, but the position taken toward Taiwan was clearly one of support. In April 2001, large weapons exports to Taiwan were announced, which along with other signs plainly reflected a deepening of the US-Taiwan military relationship. The collision between US and Chinese military aircraft near Hainan Island took place that same month, creating even more tension in the US-China relationship. In contrast, President Bush announced that if Taiwan were to be attacked by China, the United States would “do whatever it took to help Taiwan defend herself.” This was just one of a number of indications which removed much of the “strategic ambiguity” from the US reaction if China were to attack Taiwan, replacing it with a “strategic clarity.”¹⁵

As touched on in Chapter 1, however, this sort of honeymoon-like relationship between the United States and Taiwan became unstable as the Chen Shui-bian administration repeatedly took actions which seemed to turn Taiwan to the direction of independence. In the war on terror that was launched following the 9/11 attacks and in dealing with the North Korean nuclear problem, China’s cooperation was essential, and it became necessary to maintain stability in the US-China relationship. As a result, the Bush administration came to view Chen Shui-bian as a troublemaker, and eventually, in 2003, President Bush made clear and public the US opposition to independence.

The Obama administration inherited the late Bush administration policy of supporting stability in the Taiwan Strait as the cornerstone of cooperation with China. Ma Ying-jeou took office in Taiwan and the cross-strait relationship stabilized, a trend which the Obama administration welcomed. But while the Obama administration recognized that China’s cooperation was important in maintaining the status quo, from 2009 onward China adopted tougher foreign policies which raised the level of tension in Asia.

Given concern with the importance of the Asian economy and with an emerging China, since 2011 the Obama administration has adopted the policy of rebalance toward the region, placing an even greater emphasis on Asia. In Congressional testimony, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell said that an important element in such a rebalance was maintaining strong and multifaceted unofficial relations with Taiwan; he also noted that a more constructive relationship with China did not require the United States to sacrifice its relationship with Taiwan but, just the opposite, was mutually reinforcing.¹⁶

Still, China-Taiwan relations stabilized and no major problems occurred, and in general there were no particularly remarkable developments in the US-Taiwan relationship under President Obama. The US-China relationship, however, did worsen, and given the deterioration of China-Taiwan relations with the birth of the Tsai Ing-wen government in 2016, the new US administration that takes office in 2017 may well find itself once again steering a hazardous course.

2. US Domestic Controversy over Taiwan

In the United States, government policies toward China and Taiwan have continued to attract controversy. In recent years such controversy has developed out of concern over how the United States would respond to an emerging China. Arguments over the appropriate US-China and US-Taiwan policies have fallen into three broad categories or schools of thought: (1) abandonment of Taiwan, (2) strengthening relations with Taiwan, and (3) the status quo.¹⁷

First is the argument for abandoning Taiwan. As China emerges on the international scene, the argument that the United States should reduce or completely abandon its commitment to Taiwan has been raised and discussed. This is not necessarily the majority position among US researchers or practitioners. It is, however, supported by some respected scholars and experienced persons, and we should not forget that they could have influence on actual policies.

This position can be broadly separated into two arguments: (1) accommodation with China so as to avoid a US-China war, and (2) moving Taiwan itself into a position of neutrality. The first argument would involve a kind of bargaining with China, in which the United States would reduce or remove its commitments to Taiwan in order to avoid the risk of war with China. According to Charles L. Glaser, professor at The George Washington University, the great power competition between the United States and China involves a variety of inhibiting factors. The presence of nuclear weapons makes it difficult to expand territory through invasion, and if the United States maintains its clear commitments to countries such as Japan and South Korea along with forward deployment of conventional weapons and the high survivability of its nuclear weapons, China would have little reason to disrupt the status quo and violent confrontation could be avoided. The Taiwan issue, however, is the only element that does not fit neatly into this picture. The United States and China do not agree over the justifiability of Taiwan's current situation. The United States deems it appropriate to maintain the status quo, while China does not. With the modernization of China's military, the risk of a military clash has grown. By pulling back from its commitments to Taiwan, the United States can reduce the danger of an armed conflict.¹⁸ In another article, Glaser enumerates the benefits of pulling out of the commitments to Taiwan as including (1) reducing the likelihood of a US-Chinese war, (2) potential for dramatic improvement in the US-China relationship, and (3) reduction in the two countries' competition over military expansion. He suggests that the United States should promote a grand bargain with China in which the United States drops its commitment to Taiwan on the one hand, and China resolves maritime territorial issues peacefully and admits the long-term US military and security role in East Asia.¹⁹

Professor John J. Mearsheimer of the University of Chicago notes that there is a strong possibility of US-China confrontation in Asia. The United States can join with China's

neighbors in trying to contain China's emerging status, but Taiwan is in no position to join the ranks in such an effort. This is because, first, over the coming ten or more years the United States will become unable to aid Taiwan in protecting itself from attack by China, with the geographical proximity of Taiwan to China working to China's advantage. Second, concerted US efforts to protect Taiwan would raise a strong probability of war with China, which would not be in the US interest.²⁰ Similar arguments are also being raised and developed by those who once worked for the US government such as Zbigniew Brzezinski, former National Security Advisor, and Chas Freeman, widely experienced in diplomacy and foreign affairs.²¹

The second argument for abandoning Taiwan reasons that if Taiwan itself were to seek neutrality, the United States would have no choice but to weaken its commitments. As Chinese influence in the region grows, if Taiwan should decide to take neutral or a somewhat Finland-like position, it might also decide not to maintain a close security relationship with the United States. In such a case, dissuading Taiwan is not possible for the United States nor its interest. In a 2010 article, Bruce Gilley pointed to the possibility of Taiwan's Finlandization. According to him, the warming of China-Taiwan relationship under Ma Ying-jeou will reveal problems of the ambiguous US policy. The United States will be faced with the need to make a strategic choice whether it uses Taiwan as a part of balance of power against China, or it promotes a gradual economic, social, and political accommodation between China and Taiwan for the long-term peace. If a democratized Taiwan chose of its own volition to become neutral, the United States could accept that as a means to promote stability in both the China-Taiwan and the US-China relationships.²² The same viewpoint can be found in arguments by Professor Robert Sutter of The George Washington University.

The Taiwan abandonment school has encountered a variety of counter-arguments.²³ The most telling of these would include: (1) abandoning Taiwan would influence other allies' and friendly nations' confidence in the United States; (2) there is no assurance that China would be satisfied simply by resolving its Taiwan problem, and it might be misled into thinking that other new expansion would be possible; and (3) the improvement in the China-Taiwan relationship has been overrated. Since Taiwan also has a strategic importance because of its geographic location, says another argument, its unification with the mainland could affect the safety of East China Sea maritime lanes or increase Chinese influence in Southeast Asia.²⁴ So far there have been relatively few arguments which go deeply into the military or strategic influence on the region should Taiwan be united with China. Behind such arguments for abandoning Taiwan has been the improvement in China-Taiwan relations since 2008 as well as the pessimism toward the future power of the United States itself. As discussed in Chapters 1 and 2, however, limits have appeared to improvement in the China-Taiwan relationship, and the relative shift in power between China and the United States has not proceeded as quickly as once expected, so questions remain of the validity of the Taiwan

abandonment school's arguments.

The second school of thought speaks in favor of strengthening the US-Taiwan relationship. As a result of China's growing status, there is an increasing need to strengthen Taiwan's security so as to maintain peace and stability in the Taiwan Strait. Some insist that as China moves to develop a more hard-line foreign policy, Taiwan will take on a greater strategic importance in responding to such policy. At present, however, there is no consensus as to just how far this process should proceed. Kurt Campbell, former Assistant Secretary of State for East Asian and Pacific affairs, known also as the architect of the US rebalance policy toward Asia, has stressed the need to maintain and strengthen the country's relationship with Taiwan. He has proposed that the United States should provide Taiwan with what is necessary to maintain the status quo in the strait under the terms of the TRA, continue weapons exports and expand military and security ties with Taiwan, support building up Taiwan's asymmetrical capabilities such as sea mines which are needed for defense against China, push Taiwan's participation in the Trans-Pacific Partnership, and begin mutual visits of high-ranking officials such as cabinet members.²⁵

Those who stress the deterrence of China argue that through military and security cooperation with Taiwan, the country's own defense capabilities as well as intelligence and surveillance against China should be strengthened. Taiwan's maintenance of its defense capabilities is considered important to maintaining the balance of power in East Asia. As China moves forward with modernization of its military forces, it will be important for Taiwan to improve its interdiction capability at sea, calling for greater strength in submarines, mines, and missiles among other areas. The United States, according to this argument, will need to provide some form of support to such efforts.²⁶ In 2014 Randy Forbes, member of the US House of Representatives, proposed linking the US missile defense system to early-warning radar in Taiwan.²⁷ Taiwan is seeking to improve its maritime intelligence, surveillance, and reconnaissance capability and is already quite skilled at grasping situations at sea and so can provide the US Pacific fleet with intelligence. It was suggested that cooperation should be strengthened in this respect.²⁸ Others have argued that the United States should facilitate Taiwan's military exchanges with other countries by allowing Taiwan to participate in the annual RIMPAC exercises.²⁹

The third school of thought promotes maintenance of the strategic status quo, arguing that there is no need to greatly change the existing policies. While the second position above calls for strengthening relations with Taiwan in order to maintain the power balance in the Taiwan Strait, this third view strongly favors maintaining consistency of US policy. For instance, Douglas Paal, former director of the American Institute in Taiwan, stresses that seeking to appease China through abandonment of Taiwan without the agreement of Taiwan's population could lead to greater tension in China-Taiwan relations, and that US weapons

exports to Taiwan play an important role in maintaining peace in the western Pacific.³⁰ Paal at the same time warns that the birth of the Tsai Ing-wen administration in Taiwan has injected some instability in the China-Taiwan relationship and in US-China-Taiwan relations as well. There is a need for the United States, Paal says, to reaffirm the three communiqués (the Shanghai Communiqué, that establishing diplomatic relations, and the '82 Communiqué) and the TRA, while he shows concerns about raising the level of the relationship with Taiwan and strengthening Japan-US-Taiwan security cooperation as they might draw strong objection from China, with costs that cannot be predicted or controlled.³¹

3. Deepening the US-Taiwan Security Relationship

(1) Arms Sales

As already noted, the United States has continued its export of weapons to Taiwan based on the TRA. Aside from the practical contribution to strengthening Taiwan's defense capabilities, weapons exports also carry a strong symbolic meaning, making the exports stand out and be politicized. Jeffrey Bader, former Senior Director for Asian affairs of the National Security Council, sees three purposes for the arms sales to Taiwan: (1) they provide Taiwan with the means to resist a Chinese attack until the United States can come to its aid; (2) they are a signal that the United States remains committed to the security of Taiwan; and (3) they display to allies and friends within the region that the United States can be trusted.³² China greatly dislikes these weapons exports, objecting with what it severely calls "strong indignation," and in reaction China has cut off a variety of exchanges.³³

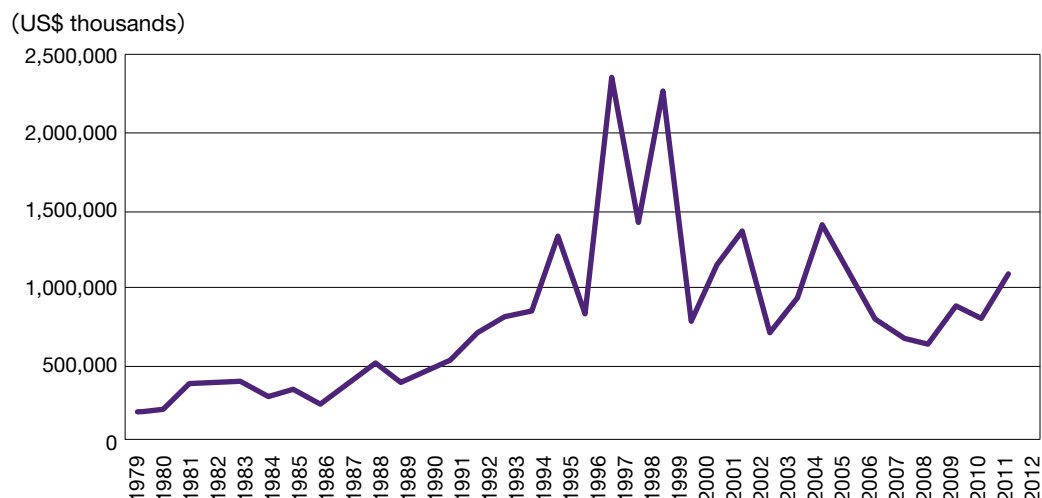
US exports of weapons to Taiwan have been strongly influenced by the US political situation surrounding its policy toward China and Taiwan, as well as by the domestic politics of Taiwan and its relationship with China. In 2001, the Bush administration released plans



Practice launch of Taiwan's Patriot 2 missile, 2001 (IHS Jane's [online news module])

for large-scale arms sales to Taiwan. The purchase process on the Taiwan side, however, was bogged down by domestic political situations. In particular, Taiwan had difficulty coming up with the huge sums to procure the Patriot PAC-3 missiles, P-3C patrol planes, and diesel submarines, sparking growing irritation on the US side. The impression was strong in the United States that Taiwan was poking at China while neglecting its own defense capabilities. Starting in 2007,

Figure 3-1: Trends in US Arms Sales to Taiwan (Procurement Basis)



Source: Yeh-Chung Lu, “The Taiwan Relations Act at 35 Years: The Path Ahead,” Policy Brief III (April 2014), Wilson Center, p. 4.

Table 3-1: Major US Arms Sales to Taiwan (As Reported to Congress)

| Date | Item | Price (\$mil.) |
|------------|---|----------------|
| 1992/9/14 | F-16 A/B fighter, 150 | 5,800 |
| 1992/9/14 | Modified Patriot Air Defense System (MADS), 3 systems | 1,300 |
| 1993/3 | E-2T Hawkeye AWAC, 4 | 700 |
| 1997/11/9 | F-16 Fighter pilot training and logistic support | 280 |
| 1998/1/28 | <i>Knox</i> -class frigate, 3 | 300 |
| 1999/7/30 | E-2T Hawkeye 2000E AWAC, 2 | 400 |
| 2001/7/18 | Joint Tactical Information Distribution System (JTIDS) | 725 |
| 2002/11/21 | <i>Kidd</i> -class destroyer, 4 | 875 |
| 2003/9/24 | Multifunctional Information Distribution System (MIDS) | 775 |
| 2004/3/30 | Microwave long-distance early warning radar, 2 systems | 1,776 |
| 2007/9/12 | SM-2 block IIIA anti-aircraft missile, 144 | 272 |
| 2007/9/12 | P-3C patrol aircraft, 12 | 1,960 |
| 2007/11/9 | Upgrade to Patriot config. 2 | 939 |
| 2008/10/3 | PAC-3 ground-to-air missile, 330 | 3,100 |
| 2008/10/3 | AH-64D Apache Longbow attack helicopter, 30 | 2,532 |
| 2010/1/29 | PAC-3 ground-to-air missile, 114 | 2,810 |
| 2010/1/29 | UH-60M Blackhawk multipurpose helicopter, 60 | 3,100 |
| 2010/1/29 | Multifunctional Information Distribution System (MIDS) | 340 |
| 2011/9/21 | F-16 A/B fighter modernization | 5,300 |
| 2011/9/21 | F-16 fighter pilot training | 500 |
| 2015/12/16 | <i>Oliver Hazard Perry</i> -class guided missile frigate, 2 | 190 |
| 2015/12/16 | Taiwan Advanced Tactical Data Link System (TATDLS) | 75 |

Source: Shirley A. Kan, “Taiwan: Major U.S. Arms Sales Since 1990,” Congressional Research Service, August 29, 2014, pp. 56-59, and “The Obama Administration Announces U.S. Arms Sales to Taiwan,” US-Taiwan Business Council, December 16, 2015.

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Taiwan at last passed budgets for weapons procurement, despite which the Bush administration showed little enthusiasm for the weapons exports to Taiwan.³⁴

Since 2006, Taiwan has been seeking to procure the F-16C/D fighter from the United States. The F-16C/D offers higher performance than the F-16A/B Taiwan already has, and it was expected that procurement of the F-16C/D would let Taiwan recover the balance in air combat capability it was starting to lose to China. The Bush administration, however, disliked being manipulated by Taiwan's domestic politics, and also concerned by China's extreme sensitivity toward fighter exports, it refused to provide the F-16C/D.³⁵

Under the Obama administration weapons exports to Taiwan became much less of a focus of attention, both because of improvements in China-Taiwan relations and because the Obama administration was hoping for stability in the relationship with China. Still, the Obama administration has tried to maintain strong, multifaceted relations with Taiwan, and in January 2010 it notified Congress that it had decided on \$6.4 billion in arms sales. The Obama administration authorized another \$1.8 billion in weapons exports in December 2015, but there was



F-16 fighter flown by Taiwan's air force, 2011
(IHS Jane's [online news module])

no progress regarding Taiwan's desire for diesel submarines and the F-16C/D. The Obama administration had notified Taiwan in 2011 of an upgrade program for 145 F-16A/B fighters, consisting of equipping the F-16A/B with active phased array radar systems and JDAM, which are said to improve those fighters' capability up to about 80 percent of that of the F-16C/D.³⁶

(2) Institutionalizing the Military and Security Relationships

The United States has been taking an approach which goes beyond just the export of weapons; growing emphasis has been placed on an approach centered on software which seeks to strengthen all of Taiwan's defense capabilities. The software here covers such areas as training and education, a defense policy dialogue, reform of Taiwan's military structure, and reform of the weapons export process. This software-centered approach began following the Third Taiwan Strait Crisis. According to officials such as Deputy Assistant Secretary of Defense for Asia and the Pacific Kurt Campbell, Senior Country Director for the RPC, Taiwan and Mongolia in the Office of the Secretary of Defense (OSD) Randall Schriver, and Mark Stokes, country director for the RPC, Taiwan and Mongolia in the OSD, this approach aimed at producing a shift from a military relationship that consisted only of negotiations on weapons exports to an approach which would provide qualitative enhancement of Taiwan's

defense capabilities.³⁷ In the process of conducting substantial discussion of Taiwan's security, Taiwan also developed a new awareness of what the United States had in its military, which served to reduce Taiwan's feeling of international isolation. For the United States, such discussions were an approach to understanding Taiwan's thoughts on its security, facilitating their communication.

The process of deepening the military and security relationships became conspicuous under the Bush administration. As described below, this process included such areas as reform of the weapons export process, multiplication of the channels for dialogue, inspection of training, dispatch of evaluation teams, dispatch of serving officers, and support for reform of the military industries. It is important that these activities were carried forward by the Obama administration and have continued to be conducted. The strengthening of the military and security relationship is becoming less and less likely influenced by differences in successive administrations and the views of successive presidents; this can be seen as a sign of the institutionalization of the relationship.

Reform of the Weapons Export Process

In April 2004, the Bush administration announced the reform of the process for weapons export to Taiwan. The process up to that point was fixed, i.e., in November of each year, Taiwan would present the United States with a list of its desired weapons, and the United States would reply by the following April. The fixed nature of the process also made it likely to attract attention.³⁸ In the past, the weapons exports carried a very strong political nuance. The Taiwan side thought of the purchase of weapons as a symbol of US support and did not consider how the purchases could increase its defense capability. On the US side as well, Washington was wary of inciting China and so limited the weapons it would sell.

For its part, the United States did not know very well just what weapons Taiwan actually needed for its defense. Due to the limits as to which government officials could visit Taiwan, an official charged with setting policies for security in the Asia-Pacific region could not visit the country. Since there was no way to conduct a discussion with the Taiwanese side regarding military operations, the US side was left with nowhere to turn for an understanding of Taiwan's plans and thoughts about its own defense.³⁹

The Bush administration converted the weapons export process to the same one used for conventional states, i.e., Taiwan became able to express its hope for what was needed when it was needed.⁴⁰ Not only did the weapons export process gain a degree of flexibility, it became possible to avoid excessive attention to the process. Since it became possible to tie weapons exports to real improvement in Taiwan's defense capabilities, participants came to see a need for the two sides to conduct a closer dialogue.

Channels for Dialogue

Beginning late in the Clinton administration, channels were created for substantive debates on military and security affairs between the United States and Taiwan, with a system for regular consultations put into place. Broadly speaking, such consultations were conducted on three levels, the National Security Council level, the defense authority level, and the military branch level.⁴¹

First, the Monterey Talks are the top-level dialogue between government officials. These talks were first held in 1997 and have been convened every year since. The US side is represented by the assistant secretary of defense, while the deputy secretary-general of the National Security Council leads the Taiwan delegation; other participants come from the respective National Security Councils, defense authorities (the Department of Defense and the Ministry of National Defense), diplomatic circles among others.⁴² The 2015 Monterey Talks were held at the Pentagon for the first time.⁴³

Second, talks at the national defense establishment level include the US-Taiwan Defense Review Talks, the US-Taiwan Security Cooperation Dialogue, and the General Officer Steering Group. The Defense Review Talks, which were first held in 2001, are a forum for the two sides' defense establishments to discuss directions of defense cooperation for the next year and matters of mutual interest. The Security Cooperation Dialogue has replaced the annual weapons negotiations of the past, and since its establishment in 2001, it has presented the opportunity to discuss technological and management issues involving weapons exports. The General Officer Steering Group consists of regular talks between the uniformed officers regarding military operations and tactics.⁴⁴ Working-level, service-to-service talks are also held between the US Pacific Command and Taiwan military, with the talks called Luwei for the Army, Bihai for the Navy, and Lantian for the Air Force.⁴⁵

Table 3-2: US-Taiwan Security Dialogue Channels

| | Channel |
|----------------------------------|---|
| National Security Council level | Monterey Talks |
| National defense authority level | <ul style="list-style-type: none"> • US-Taiwan Defense Review Talks • US-Taiwan Security Cooperation Dialogue • General Officer Steering Group |
| Service level | <ul style="list-style-type: none"> • “Luwei” (Army) • “Bihai” (Navy) • “Lantian” (Air Force) |
| Other mechanisms | US-Taiwan Defense Industry Conference |

Source: “开启台美国防伙伴关系的新章节 [New Chapter for US-Taiwan Defense Partnership],” 国防政策蓝皮书第4号报告、新境界文教基金会国防政策諮詢小组 [Defense Policy Blue Paper No. 4, New Frontier Foundation Defense Policy Advisory Committee], June 2013, p. 11.

Another important channel for discussions is the US-Taiwan Defense Industry Conference. This has been held annually since 2002 as a “track 1.5” conference. It was first held in 2002 under the name of US-Taiwan Defense Summit and consisted of talks between Deputy Secretary of Defense Paul Wolfowitz and Minister of National Defense Tang Yao-ming. In 2003 the name was changed to the US-Taiwan Defense Industry Conference, and it discusses the situation in Taiwan’s defense industries.⁴⁶

Other Exchanges

Department of Defense evaluation teams conduct studies of Taiwan’s military capabilities and related topics of interest. At the time of the Taiwan Strait crises, the United States had no sources of information about Taiwan’s military capabilities nor channels for communication with the Taiwanese military. The evaluation teams are considered contributing not only to the United States’ obtaining of information about Taiwan military affairs, but also to Taiwan’s integration of equipment and improvement of operational efficiency.⁴⁷ An evaluation team was first sent to Taiwan in 1999. A team prepared a report in 2000 on modernization of Taiwan’s navy which was submitted to the Department of Defense and Congress. Later, evaluation teams were dispatched in 2001 to deal with the command structure, air force equipment, and air defense capability among other topics. From 2007 through 2009, with US assistance, Taiwan’s Ministry of Defense conducted an integrated national defense capability evaluation and studied directions for reform of Taiwan’s military and the necessary equipment. In 2009, an evaluation report was submitted on Taiwan’s air defense and anti-missile capabilities. In 2011, a comprehensive report was submitted on air force capabilities.⁴⁸

In addition, there are also mutual visits for observation of training and education. In April 2001, US field-grade officers observed the Hanguang-17 training exercises for the first time, and observation has been conducted regularly since that time. Military officers from Taiwan are also being sent for visits to the US National Defense University and the Asia-Pacific Center for Security Studies in Honolulu, Hawaii.⁴⁹ US active-duty military officers are also sent to Taiwan. In 2002, the US government approved sending its officials to the American Institute in Taiwan. Subsequently, beginning in August 2005, an active-duty army colonel has been assigned to Taipei.⁵⁰ Such dispatch of active-duty officers serves the purpose of strengthening close communications on security between Taiwan and the United States.

(Author: Shinji Yamaguchi)

Chapter 4

Transformation of the China-Taiwan Relationship and “Maintaining the Status Quo”



1. Growing Taiwanese Identity

The relationship between China and Taiwan could be summarized as “maintaining the status quo” in the sense of the continued existence of two political entities facing each other over the Taiwan Strait, however, the reality is the relationship has transformed dramatically since 1949. Taiwan’s position in the international setting dropped rapidly in the 1970s, China began to exert economic power in the 1980s, and in terms of military power, the military balance between China and Taiwan tipped in favor of China in the 2000s. China has positioned Taiwan as a core national interest, inseparable from the Chinese mainland, and the majority of Chinese people think this way. On the other hand, the growth of a Taiwanese identity has been remarkable, and the number of Taiwanese nationals putting psychological distance between Taiwan and China is increasing steadily. Against this backdrop of a growing Taiwanese identity, the Tsai Ing-wen administration is trying to slow the movement of the China-Taiwan relationship from “maintaining of the status quo” that is favorable for Taiwan to one that is increasingly advantageous for China overall.

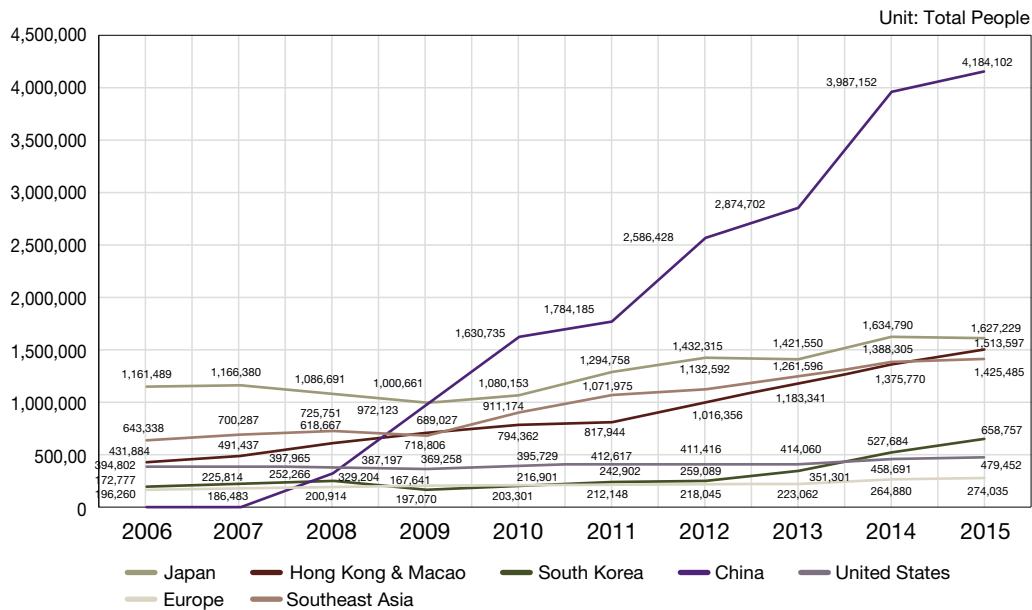
(1) The Reality of China-Taiwan Economic Relationship

During the Ma Ying-jeou administration, relations with China deepened primarily in the areas of economics and trade. For example, looking at a country-by-country breakdown of visitors to Taiwan, tourists from China increased dramatically during the Ma administration, dominating other countries. Taiwan lifted the ban on group tours from China in July 2008, and currently places a daily maximum limit of 5,000 tourists. As a result, a total of 11.19 million Chinese have visited Taiwan through April 2016. Further, the Ma administration lifted the ban on individual tourists from China in June 2011, and is accepting up to 5,000 individual visitors per day for residents from 47 cities in China. As of the end of April 2016, 3.8 million individual tourists have visited Taiwan.¹ This is directly reflected in the increase in the number of flights between China and Taiwan, and the establishment of new airline routes between the two countries.

The number of tourists from China pulled away steadily from that of other countries but in June 2016, the number of Chinese tourists visiting Taiwan declined 11.88% year-on-year to 271,478 visitors, the lowest level recorded since March 2014.² The growth rate of number of tourists from China continued to slow from 2014 to 2015. Following the election of Tsai Ing-wen, China implemented restrictions on the number of outbound tourists to Taiwan, and the possibility of future increases in tourist numbers is not high.

Total trade between China and Taiwan peaked in 2011 when the Economic Cooperation Framework Agreement (ECFA) was concluded, and it has not been in a recovery trend since that time.

Figure 4-1: Changes in Tourist Visitors to Taiwan, by Country



Source: 观光统计图表 [Tourism Statistics], July 20, 2016 from the Tourism Bureau, Ministry of Transportation and Communications of the Republic of China.

Investment from Taiwan into China viewed since 1999 has been increasing broadly, and the US\$13.1 billion recorded in 2011 was the highest. Of note is change in the scale of investment on a per-project basis. The change from small-scale investments during the Chen Shui-bian administration to the large-scale investments during the Ma Ying-jeou administration is evident. Investment amounts themselves fell from a peak around the US\$13 billion level in 2010 and 2011, having reached a certain size and reflecting sluggish economies in China and Taiwan, and have only just returned to levels exceeding US\$10 billion in 2015.

While it is generally said that Taiwan's economic dependence upon China increased since the formation of the Ma Ying-jeou administration, the share of China in Taiwan's total trade shot up in 2002 during the Chen Shui-bian government. This was the year when the Lee Teng-hui government policy vis-a-vis China of *Jièjí yòngrěn*, which means “no haste, be patient,” changed to “proactive liberalization and effective management.” Taiwan's economic dependence upon China in 2000 was 11.6% (US\$33.52 billion) but by 2007 had increased to 28% (US\$130.3 billion). In 2008, the year when Ma Ying-jeou government was formed, Taiwan's economic dependence upon China was 26.7% (US\$132.49 billion) and 30.4% (US\$154.87 billion) in 2015, illustrating the rapid and dramatic increase in economic dependence during the Chen Shui-bian administration compared with the languid pace during the Ma government. This 30.4% figure, however, is equivalent to twice that of number two ASEAN, and the shift to China as Taiwan's most important trading partner is a great one. Note that the rapid and dramatic drop in Taiwan's 2009 total trade and investment in

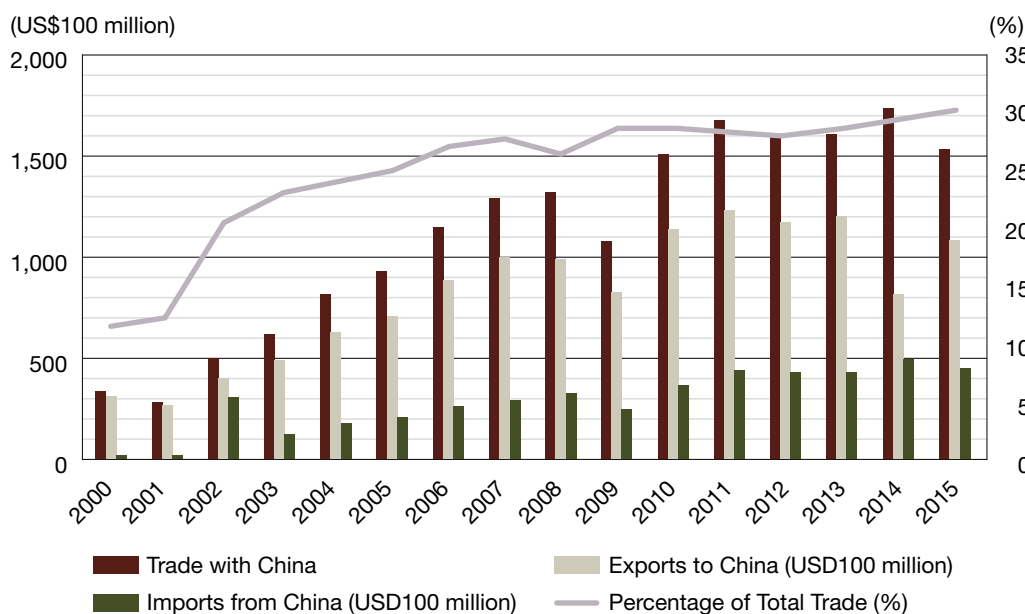
Table 4-1: Flight Routes between China and Taiwan

| | Number of Open Airports, Taiwan | Number of Open Airports, China | Number of flights, per week | Notes |
|-------------------------------------|---------------------------------|--------------------------------|-----------------------------|---|
| June 13, 2008 | 8 | 5 | 36 | Number of flights, Friday-to-Monday weekend charter flights |
| November 4, 2008 | 8 | 16 | 108 | |
| April 26, 2009 | 8 | 27 | 270 | Decision to allow scheduled flights from August 31, 2009. Direct flights to Taiwan begin at Hefei, Harbin, etc. airports. |
| March 3, 2010 | 8 | 31 | 270 | Direct flights begin at Changchun, Taiyuan, etc. airports. |
| November 2, 2010 | 8 | 33 | 370 | Direct flights begin at Shanghai (Hongqiao) and Shijiazhuang airports. |
| February 25, 2011 March 15, 2011 | 8 | 37 | 370 | Direct flights begin at Xuzhou, Wuxi, Quanzhou, and Sanya airports. |
| June 21, 2011 | 9 | 41 | 558 | Direct flights begin at Tainan, Lanzhou, etc. airports. |
| January 25, 2013 | 10 | 54 | 616 | Direct flights begin at Ciayi, Urumqi, etc. airports. |
| August 12, 2013 | 10 | 54 | 670 | |
| January 8, 2014 | 10 | 54 | 828 | |
| November 6, 2014 | 10 | 55 | 840 | Direct flights begin at Changzhou airport. |
| August 19, 2015 | 10 | 61 | 890 | Direct flights begin at Huainan, Kashgar, etc. airports. |

Source: Mainland Affairs Council, The Executive Yuan, 两岸空运直航航点开放情形 [The situation of the established Cross-strait direct air flight routes].

China is due to the bankruptcy of Lehman Brothers in the latter half of 2008.³ Viewed from this perspective, intercourse between China and Taiwan centered on economics and trade relations clearly increased and the trend toward deepening was evident. This, however, was not a special characteristic of the administration of the Ma Ying-jeou but rather a long-term trend following the establishment of the Chen Shui-bian government. The defining characteristic of China-Taiwan relationship during the Ma Ying-jeou government is to be found in

Figure 4.2: Taiwanese Trade with China



Note: All values include trade with Hong Kong

Source: “Analysis of International Trade Trends” Annual Reports for 2000-2015 from Bureau of Foreign Trade, Ministry of Economic Affairs.

Figure 4-3: Taiwanese Investments in China



Source: Preliminary Statistics of Cross-Strait Economic Relations by The Executive Yuan, Mainland Affairs Council.

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the deepening of political contacts between the nations but many Taiwanese responded negatively to the deepening political ties between China and Taiwan.

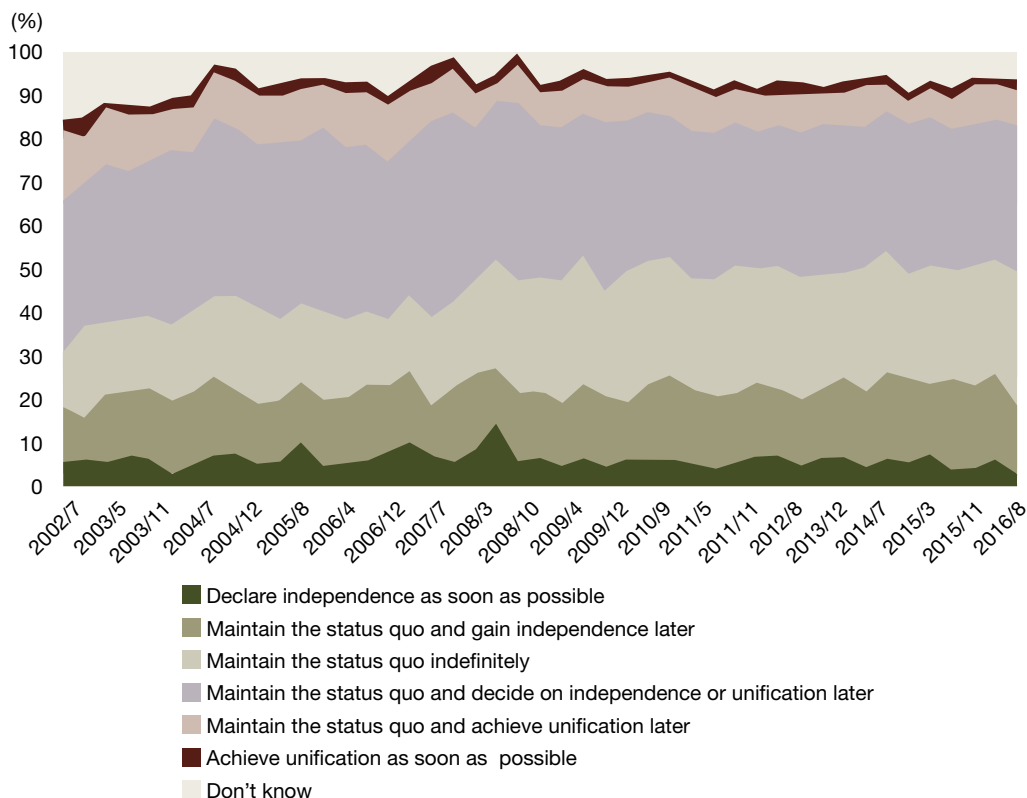
(2) Taiwanese Rejection of China's Policy toward Taiwan

The presidential and Legislative Yuan elections held in January 2016 represented a clear rejection of the Kuomintang conciliatory policy toward China. This is not a one-time phenomenon; this trend is clear in the Sunflower Student Movement sparked by criticism of the deliberations in the Legislative Yuan regarding ratification of the Cross-Straits Service Trade Agreement signed with China in March 2014 and reflected

in the results of the Taiwanese local elections held in November of the same year. As can also be observed in the graph below, the results of the Ma Ying-jeou government's conciliatory policy toward China and the feelings of the Taiwanese people in regards unification and independence do not move in concert. At a minimum, the number of Taiwanese desiring unification was clearly in a pattern of decline (total of [maintain status quo, then unify] and [unify as soon as possible]). President Ma Ying-jeou's conciliatory policy toward China was launched into the face of increasing solidification of the Taiwanese people's will for an independent Taiwan, which was linked to increased dissatisfaction among the public.

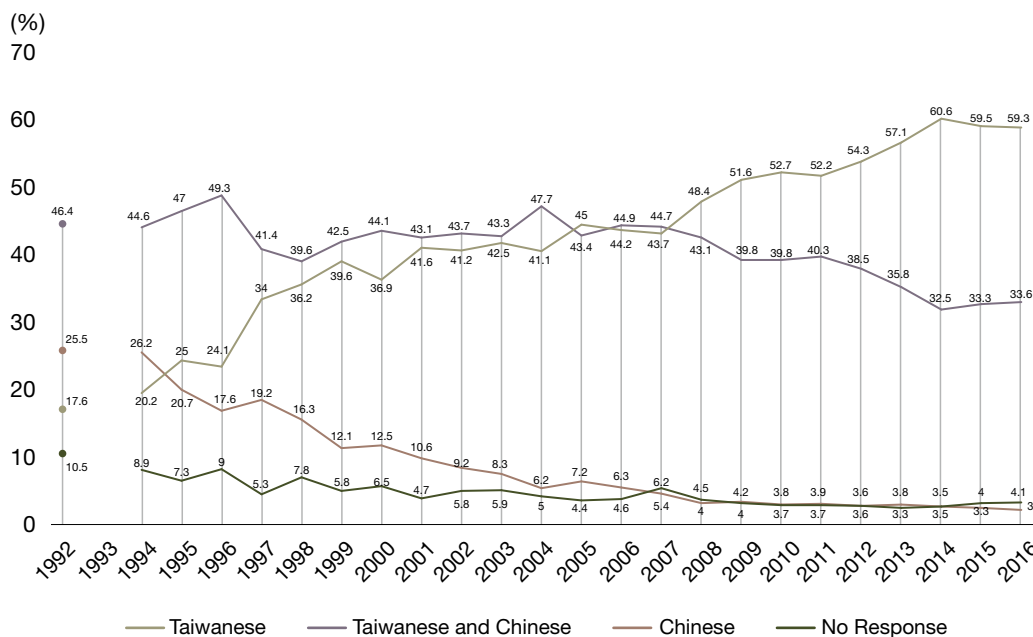
Moreover, the number of Taiwan residents who self-identify as Taiwanese continues to grow. Notably, the percentage of people who self-identify as Taiwanese jumped 10 points in the year following the first presidential election. The percentage of self-identifying as Taiwanese increased around ten points during the eight-year terms of both the Chen Shui-bian and Ma Ying-jeou administrations. The Chen administration emphasized Taiwanese identity. On the other hand, while the Ma administration frequently used the expressions "descendants of Yan and Huang," referring to two emperors of China and forefathers of the "Chinese tribe" in Chinese legend, the trend of growing Taiwanese identity continued.

Figure 4-4: Taiwanese People’s Views on Unification and Independence



Source: Materials published by Mainland Affairs Council, Executive Yuan.

Figure 4-5: Taiwanese Identity



Note: Data for 1993 not available.

Source: National Chengchi University Election Study Center, 重要政治態度分布趨勢圖 [Core Political Attitudes Trend Chart].

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2. China's Military Pressure on Taiwan

During the eight-year term of the Ma Ying-jeou administration, in comparison to the Chen Shui-bian administration, cross-straits relations improved through interchange in such areas as economics, culture, and education.⁴ Despite the increased contact between China and Taiwan, it cannot be said that China has been friendly to Taiwan and China's continued military pressure on Taiwan can be identified as one of the reasons for the shift of the Taiwanese people's emotional attitude toward independence and increase in the number of people self-identifying as Taiwanese. China's Defense White Paper emphasizes the Taiwan issue is related to national unification and long-term development, and national unification is a historic necessity for the great rejuvenation of the Chinese people.⁵ Moreover, China's enactment of the Anti Secession Law (2005) and the National Security Law (2015) made it legal domestically to use non-peaceful means to unify with Taiwan.

Since 1979, China has argued for peaceful unification with Taiwan under a "one country, two systems" principle. This Chinese policy is unchanged regardless of Kuomintang or Democratic Progressive Party (DPP) administration in Taiwan.⁶ Taiwan's national defense ministry view has remained unchanged: China is increasingly prepared for a People's Liberation Army strategy to seize Taiwan.⁷ Of the China's publicly stated "core national interests" of Tibet, Xinjiang Uyghur, and Taiwan, the only country not unified with China is Taiwan. Thus, while China talks about peaceful unification, it has not renounced the right to use military force in regards Taiwan.⁸ There are many different arguments for what might cause China to use military force against Taiwan but the Taiwan national defense ministry stated the following seven scenarios in the first *National Defense Report* published in 1992.⁹

- (1) Taiwan moves toward independence
- (2) internal disturbances in Taiwan
- (3) when Taiwan military strength is comparatively weakened
- (4) when foreign powers interfere with Taiwan internal problems
- (5) Taiwan refuses unification negotiations over a long period
- (6) Taiwan develops nuclear weapons
- (7) Taiwan creates political crisis in China through use of Peaceful Evolution

Scenarios (6) and (7) are seen as less realistic than the others but case (3) is practically a reality now and each of the seven cases above have been referenced by Chinese leadership in the past, thus require vigilant observation going forward. China is making a range of preparations for superiority in a future military invasion of Taiwan and seeking to guide the circumstances of the Taiwan Straits to its own advantage.¹⁰

The table below shows numerical variations in China's Short-Range Ballistic Missile (SRBM, estimated range: 300-1,000 km) deployments. Chinese Communist Party (CCP)

General Secretary Xi Jinping and President Ma Ying-jeou in November 2015 discussed People’s Liberation Army (PLA) missile deployments facing Taiwan. Ma Ying-jeou revealed that Xi stated “missile deployments are fundamentally not in response to Taiwan.”¹¹ A certain Taiwanese general points out that China has already increased its number of surface-to-surface and cruise missiles to 1,500, and most of these are short-range; the only country within range of these missiles is Taiwan.¹² Significant increases in the number of SRBMs have not been observed since 2008. The accuracy of the missiles is, however, thought to have improved along with scientific advances over the years. It is reasonable to assume older missiles have been updated to maintain reliability and strengthen military capacity.

The Han Kuang Exercise is an annual exercise by all three services of the Republic of China Armed Forces, planned and executed in response to China’s invasion of Taiwan strategy and conducted for the 32nd time in 2016.

Every year, active-duty and retired US senior officers are invited, and from last year the retired officers participated in the planning and evaluation of the exercise, indicating a considerable degree of military cooperation between Taiwan and the United States.

Table 4-2: SRBM Deployments by China

| Year | No. of Missiles |
|------|-----------------|
| 2001 | 350 |
| 2002 | 350 |
| 2003 | 500 |
| 2004 | 650-730 |
| 2005 | 710-790 |
| 2006 | 900 |
| 2007 | 990-1,070 |
| 2008 | 1,050-1,150 |
| 2009 | 1,050-1,150 |
| 2010 | 1,000-1200 |
| 2011 | 1,000-1,200 |
| 2012 | 1,100+ |
| 2013 | 1,000+ |
| 2014 | 1,200+ |
| 2015 | 1,000-1,200 |

Source: Jun Yasuda and Rira Momma eds., *Taiwan o Meguru Anzen Hosho* [Taiwan Security Issues], Keio University Press 2016, p. 172, and Annual Report to Congress: *Military and Security Developments Involving the People’s Republic of China* 2016, p. 109.

Conventional thinking held that the opening attack on Taiwan would be a saturation attack using ballistic and cruise missiles. This year's Han Kuang Exercise added a so-called fifth column of PLA soldiers infiltrated inside of Taiwan and a coordinated cyberwarfare to the first wave attack scenario. The scenario called for fifth column elements to launch guerrilla attacks on Taiwan military bases and strategic assets in advance of a saturation attack using missiles.

Multiple Incidents of Spying Against Taiwan Armed Forces

Spy incidents targeting senior Taiwanese military leadership continue, including the arrest of an active-duty major general commanding an army communications facility in January 2011, and the arrest of a retired commissioned officer in 2012. In 2013, Tsai De-sheng, Director-General of the National Security Bureau, testified before the Legislative Yuan "many people who shouldn't be here were everywhere" at the opening of relations between China and Taiwan.¹³ Director-General Tsai added that spies from China were mixed in with diplomats, visiting delegations, academics, and general tourists coming to Taiwan.¹⁴

Chen Wen Jeng, assistant professor at Tam Kang University (appointed deputy secretary general of the National Security Council in May 2016), "If China wanted to, it could board armed PLA soldiers on to airplanes connecting China and Taiwan, and if vehicles were placed at Taipei Songshan Airport (located in Taipei city), the PLA could overwhelm the Ministry of Defense, covering the one-kilometer distance in less than 10 minutes. The Ministry of Defense is protected by only a battalion of armed military police and a small number of soldiers." Taiwanese newspapers reported that if 1% of the annual 3 million tourists from China were, in fact, hidden PLA operatives, that would be the equivalent of 30,000 to 40,000 people, about two divisions.¹⁵

United Front Operation Targeting Retired General Officers

The frequent visitation to China by retired Taiwanese senior military officers is a particular case of China-Taiwan relations during the Ma Ying-jeou administration. In May 2013, Hsu Li-nung, retired general and a former chief of the General Political Warfare Department, visited Beijing and Tianjin as the head of a delegation of retired military officers. The visiting delegation was welcomed at a reception at the Diaoyutai State Guesthouse by Zhang Zhijun, Minister of the Office of Taiwan Affairs of the State Council, and met with Yu Zhengsheng, Chairman of Chinese People's Political Consultative Conference at the Great Hall of the People. Chairman Yu Zhengsheng is a relative of Yu Ta-wei (1897-1993), who was Minister of National Defense of Taiwan. The members of the military leaders visiting China at this time were all direct report subordinates of Minister of National Defense Yu Ta-Wei.¹⁶ It was reported that the delegation would visit the Central Military Commission, PLA units in Beijing, National Defense University (including symposiums), and the PLA

General Staff Department.¹⁷

Up to this point, there had been cases of retired Taiwanese military officers visiting China through the auspices of the Huangpu Alumni Association (members are retired PLA officers),¹⁸ but these were reportedly exceeded this time by the reception held by the Central Military Commission. Testifying at the Legislative Yuan, Zeng Jinling (retired army general) of the Veteran Affairs Council, which supports re-employment and receipt of benefits of retired and reserve military personnel, stated it was not appropriate for groups of retired military officials to be invited as guests, and continued to answer “They received a pre-event briefing before departure and are not traitors (as DPP members might criticize). From a systemic perspective, retired generals cannot exert influence over politics.”¹⁹

There are other cases of friendships between retired officers of Taiwan and PLA forces developed through frequent golf outings.²⁰ It can be said that Taiwan’s Ministry of Defense must pay attention to the actions of China setting up a united front operation targeting the Taiwan military community through the Huangpu Alumni Association.

From the above, it is clear that the deepening of economic and trade relations between China and Taiwan is having no limitation at all on China’s promotion of preparations for a military invasion of Taiwan.²¹

3. Status of Taiwan Military Response

President Tsai Ing-wen observed the three combined forces military exercise Han Kuang Exercise at the Joint Operations Training Base Command at Renshou Shan in Pingtung County on August 25, 2016. During the inspection, president Tsai declared that the armed forces needed a new strategy that would chart a firm direction for them and change their culture, and called on the Ministry of National Defense to prepare a first draft of that strategy by January 2017.²²

Li Huaqiu, national defense researcher for the Society for Strategic Studies R.O.C., points to frequently occurring scandals in the Taiwanese armed forces, weakening of military discipline, insufficient training for war, inadequate sense of crisis, and an environment in which little emphasis is given to the question of why military forces fight. Further, Li Huaqiu points to a variety of incidents such as accidental launch of Hsiung Feng III missiles or mistreatment of puppies by soldiers, expressing his view of the need to reform the bad air

spreading inside the military.²³ From this meaning, President Tsai's comments perhaps aim at an improvement in the culture of the military, not military strategy in the pure sense.

Moreover, as detailed in Chapter Two, the focus of Taiwan's military strategy toward China has shifted from offense to defense. While the huge numbers of military personnel of the early 1950s, which were around 8% of total population, were gradually reduced, Taiwan's population of 20.61 million residents continues to support armed forces consisting of 473,000 active-duty personnel, the equivalent of 2.3% of Taiwan's population, despite the declaration in 1991 of the end of the Chinese Civil War.

Further, until the early 1990s Taiwan's armed forces remained organized as they had been when active as a continental army on the Chinese mainland.²⁴ However, organizing Taiwan armed forces on the premise of a continental army would not function for an island like Taiwan, whose land area is only about the size of Kyushu, and Taiwan's military strategy no longer considered a land-based counterattack. This, along with other factors—such as the global trend toward military downsizing in conjunction with advances in technology, the inability to meet future staffing needs at conventional levels due to the decline in Taiwan's birth rate, modernization of both PLA military strategy and weapons systems, and the need to respond effectively—made clear the necessity of moving toward a Taiwanese military

Table 4-3: Taiwan's Population vs. Number of Military Personnel

| Year | Population | Military Personnel (fixed number) | As percent of population (%) |
|------|---------------|--------------------------------------|---------------------------------|
| 1950 | 7.56 million | 800,000 | 10.6 |
| 1951 | 7.81 million | 640,000 | 8.2 |
| 1952 | 8.05 million | 597,713 | 7.4 |
| 1991 | 20.61 million | 473,000 | 2.3 |
| 1997 | 21.74 million | 452,000 | 2.1 |
| 2001 | 22.41 million | 400,000 | 1.8 |
| 2004 | 22.69 million | 385,000 | 1.7 |
| 2007 | 22.96 million | 296,000 | 1.3 |
| 2009 | 23.12 million | 275,000 | 1.2 |
| 2016 | 23.51 million | 215,000 | 0.9 |

Note: Figures are active-duty only.

Source: Taiwan Ministry of Interior, Statistical Annual Report; Chen Hong Xian, *A Study of the Military Counter-Offensive in the Early 1950s*, Academia Historica, 2015, p. 117; Ministry of National Defense, National Defense Report editing committee, *1992 ROC National Defense Report*, Li Ming Cultural Enterprise Co., Ltd., 1992, p. 221; Ministry of National Defense ed., *2009 Quadrennial Defense Review*, p. 35; and United Nations, Department of Economic and Social Affairs, Population Division, 2015.

based on smaller numbers of more advanced forces.

Since the 1990s, Taiwan’s military has been transforming its organization to reflect the reality of changes in relations with China and in the social landscape, under four reform programs: the 10-Year Military Capacity-Building Project, and the Jing-shi, Jing-jin, and Jing-cui Plans.

Ten-Year Military Force Capacity Building Project, 1994-2003 (Suspended 1996)

At the time of projected completion in 2003, this plan would have limited military personnel to 1.7% of total estimated population of just over 22 million Taiwanese, or less than 400,000 personnel. It also called for:

- (1) Simplifying the organization of the general staff division and the land, sea, and air commands
- (2) Prioritizing military power of the three services for air and sea superiority, adjusting the force structure accordingly
- (3) Disposing of antiquated systems, upgrading air-defense systems, and building new missile frigates
- (4) Automating command-and-control systems, dimensionalizing anti-submarine warfare, and strengthening anti-blockade operations²⁵
- (5) Implementing reductions in personnel and adjustment of force composition (officers, non-commissioned officers, soldiers)
- (6) Implementing simplified structure, reducing the number of layers.

At the time, organization structure had five layers: general staff, three service command headquarters, corps, divisions, and brigades. There were overlaps in the organization and the scale complicated, with too many people and too much organizational in-fighting, and the lines of command were not clear. Aiming for reform, aligned General Political Warfare Department as a subordinate division under general staff leadership, while holding force command responsible for training during peace time as a force command organized as a single division under the general staff office.

While this plan was somewhat successful from the perspective of simplification of command structure and reduction of officers, it came to a standstill with the 1996 resignation of Navy Admiral Liu Heqian, chief of the general staff, which was precipitated by the army’s dissatisfaction with reform plans focusing on the navy and air forces.²⁶

Jing-Shi Program, July 1997 to January 2001

The incomplete Ten-Year Military Force Capacity Building Project was suspended in 1996 without any alternative in place, in the face of changes in the internal and external

environment of Taiwan, including Chinese missile testing intended to interfere with holding of general presidential election. The Jing-Shi Program was implemented under the leadership vision of a defensive military strategy. Under that strategy, Taiwan still had too many standing military personnel and the ratio of officers was too high.

The Ministry of National Defense reduced personnel by increasing the reduction ratio to match upper-management layers, strictly enforcing simplification down to the staff numbers of specific posts, and achieved its targets.²⁷

Jingjin Program, January 2004 to December 2008

The Chen Shui-bian administration launched a military reform called the Jingjin Program in January 2004. This program focused on maximizing joint operational capabilities while further reducing military personnel from 385,000 to 275,000. Included also were reductions in forces dispatched to remote islands of Jinmen, Matsu, and Penghu.²⁸ The “Mini Three Links,” including Jinmen, was already beginning at this time, as seen in changes in the positioning of Jinmen island, now as a symbol of exchange, not confrontation. As PLA missile capacity continued to improve and grow, Jinmen and Matsu may not necessarily be up to the task of serving as defensive seawalls.

This program became known for reducing manpower but also increasing firepower. Since the military strategy was shifted to active defense, procurement and deployment of weapons and systems that had a strong deterrence factor were the norm. Introduction of *Kidd*-class destroyers and P-3C anti-submarine airplanes, and the start of production/deployment of Hsiung Feng III anti-ship missiles also occurred around this time.²⁹

The length of conscription, which had been reduced from 24 months to 22 months under the Lee Teng-hui administration in 1999, was shortened further in phases, shrinking to 20 months, then 18 months, and finally 12 months. In addition, the retirement age was reduced from 40 to 35 years old for active-duty reserve personnel who originally joined as conscripts. Reduction in the number of military personnel and organizations means fewer active-duty personnel, resulting in implementation of reduction of both compulsory service term and absolute number of new soldiers. Increased numbers of people entering reserves under the Military Personnel Reduction Plan also means a reduction in the number of years required for military retirement.

Taiwan has previously employed a professional corps of officers leading non-commissioned officers and conscripted soldiers. However, the reduction in conscripted years of service made it difficult to produce soldiers proficient enough in use of weapons and systems that grow in technological sophistication every year. The administration of Chen Shui-bian took a serious look at implementations of an all-volunteer system employing national security-conscious young people, regardless mandatory length of service, and these were

phased in under the Ma Ying-jeou government.³⁰

Jingcui Program, January 2011 to December 2014

Military reform was undertaken seriously during the Ma Ying-jeou administration with a reduction to 215,000 from 275,000 authorized strength personnel with the objective of a small but strong military, with significant cuts in the national defense organization as well. Thus, the post of General Staff Officer was reduced to three stars (2nd grade general) from four (1st grade general), and a 1st grade general position would not be staffed during peace time, and the remaining non-army/navy/air force command headquarters—military police, combined logistics, and reserves—were all demoted to commands. When these were still command headquarters, the commanding officer would have been a general, but as commands, their commanding officers position was filled by a lieutenant general.³¹ The conscription system was scheduled to conclude at the end of 2014 but was extended. The actual number of military personnel is estimated to have fallen below 200,000, to around 190,000.

Yonggu Program

When the Jingcui Program ended during the Ma Ying-jeou administration, the Yong-gu Plan, which called for further reductions in authorized forces of 170,000-190,000 personnel, was reevaluated and never actually implemented. This situation remains unchanged under the Tsai Ing-wen government. The Ma Ying-jeou government created a comparatively stable national defense environment through actively pursuit of relationship-building with China and implemented a defensive military strategy of “Resolute Defense, Credible Deterrence” through military reform designed with building Taiwan military forces that were compact yet precise and powerful, like Taiwan itself.

There weren’t any new weapons or system upgrades to pull the crowd’s attention but the on-ship deployment of the Hsiung Feng III hypersonic missile and the deployment of *Tuo Chiang*-class missile corvettes featuring both stealth technology and a catamaran design, and *Kuang Hua VI*-class missile boats were noteworthy. These deployments are a result of selecting low-budget, high-effectiveness weapons systems in a defense environment where there is no hope of large increases in ships or fighter aircraft as with the PLA.

As the relationship with China turns unfavorable, the possibility emerges of change in the Ma Ying-jeou government’s defensive military strategy. The national defense law stipulates that the Ministry of National Defense shall submit the *Quadrennial Defense Review* within 10 months of the inauguration of a new president. March 19, 2017 is the deadline in the case of the Tsai Ing-wen administration and the new military strategy under the Tsai administration may be signaled by then or the 2017 publication of National Defense Report.³²

In June 2016, Feng Shih-kuan, Minister of National Defense, announced the provisional

naming of Ministry of National Defense cyber-forces to be in cooperation with and under leadership of Executive Yuan as “the 4th Military Service.”³³ Minister Feng explained that the cyber-forces would focus on asymmetric warfare capabilities, particularly in deterrence.³⁴ Taiwan is a target of attack by China’s cyber-forces, whom it is said tests newly developed attack vectors on Taiwan and the United States. Per 2013 statistics, the Legislative Yuan receives on average 1,990 cyber-attacks each week and about 440 email attacks each month.

Taiwanese news media reports that the favorite attack targets of China’s cyber-forces are the Ministry of Foreign Affairs and Ministry of National Defense but in synchronization with the progress of China-Taiwan negotiations the target of information collection is expanding to include the economic, finance, health and welfare ministries.³⁵

4. Tsai Ing-wen’s Vision of Fixed Status Quo

The fundamental structural issue of two political bodies facing each other across the Taiwan Straits remains unchanged since 1949. The reality of “maintaining the status quo” is changing with dramatic shifts in the power relationship between China and Taiwan, the military strategies of both sides, the political system of Taiwan, and consciousness of Taiwanese and Chinese identities.

The most important point is the reality that the majority of Taiwanese do not see China as a subject for unification. Taiwan during Chiang Kai-shek and Chiang Ching-kuo was under martial law and expressing Taiwanese independence was directly dangerous to one’s life. The generation born and raised in Taiwan following the realization of democratization holds the belief that the Republic of China is a politically free, independent, sovereign nation. The phrase “Born Independentists” (天然独) which was used frequently during the 2016 elections, is a clear indication of this thinking. Taiwanese people think that Taiwan and China are two different things and this way of thinking will not change dramatically any time soon.

President Tsai Ing-wen’s acceptance speech of May 2016 refers to restoration of indigenous people’s rights as a matter of social justice.³⁶ Moreover, President Tsai declared August 1 as Indigenous Peoples’ Day and apologized as president of the Republic of China for unjust treatment in the past. President Tsai also promised to pursue regular convening of a convention to draft Indigenous Peoples Basic Law in the Executive Yuan, and set up a commission for indigenous peoples to be headed by the president in the Office of the President.³⁷ President Tsai placing greater weight on indigenous peoples’ rights and history is thought to mean a greater emphasis on the existence of Taiwan as a society with a history different from that of the Chinese mainland.

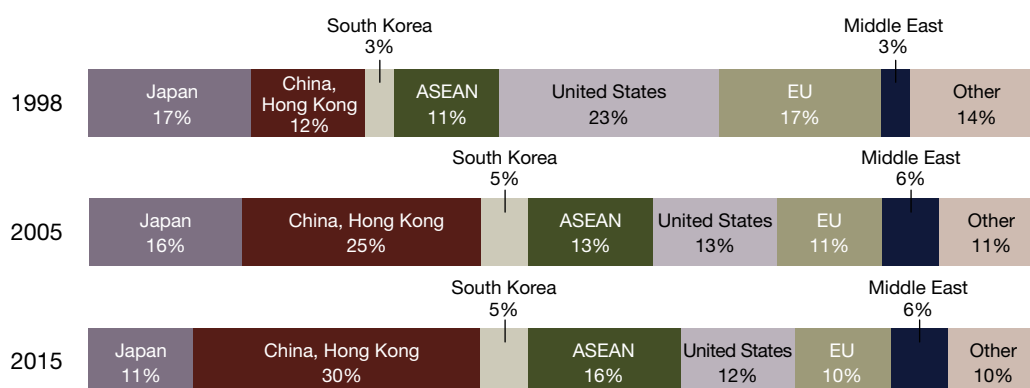
But with China accounting for 30% of Taiwan’s trade, relationships with China cannot

be ignored. With “Continuation of Status Quo” as stated policy, Taiwan is not about to abrogate currently valid agreements. Taiwan is attempting to lessen its dependence upon China by reducing China’s share of total trade, even if only by a little. The “New Southbound Policy” is hoped to be that policy. In September 2016, the Executive Yuan announced it would formally begin the New Southbound Policy as an operative plan. The newly established Office of Trade Negotiations is responsible for negotiating and implementing policy, targeting the 10 ASEAN countries, 6 countries from South Asia (India, Bangladesh, Sri Lanka, Nepal, Bhutan, Pakistan), Australia and New Zealand for a total of 18 countries. Not limited to just investment and trade, the Office aims to build multi-faceted partnerships including public exchange, culture, and education.³⁸

In 1998, Taiwan’s top three trading partners were the United States, Japan, and the European Union, which together accounted for 57% of total trade. In contrast, China was only 12%. In 2015, China’s share had risen to 30%, compared with the decline of United States, Japan, and EU to 33%. Expanding the axis of trade to include countries other than China is, as a plan itself, valid. The point of difference between the southern policies of the two governments is the inclusion of Australia, New Zealand, and South Asia as targets. With a large population base, the region may develop into an attractive market for Taiwan. As illustrated by the failure of southern policies of both Lee Teng-hui and Chen Shui-bian, success is difficult by definition. Ties with China for both ASEAN and Australia are very strong, and there exists sufficient potential on the China side to cause disturbance to Taiwan.

In South Asia, ties at the government level are less strong. To make the New Southbound Policy a success will require strong growth in the Taiwan economy and effective trade policies, and Taiwan’s diplomatic powers and overall strength will be tested as it

Figure 4-6: Share of Taiwan’s Total Trade, by Country (1998, 2005, and 2015)



Source: Bureau of Foreign Trade, Ministry of Economic Affairs, 1998 Analysis of International Trade Trends; 2005 Analysis of International Trade Trends; and 2015 Analysis of International Trade Trends.

tries to implement both.

The Tsai Ing-wen administration has stated its diplomatic vision as “steadfast diplomacy.” The reality of that vision will be judged by the circumstances to be revealed following overseas visits but to the extent president Tsai talks about maintaining status quo with China, it is difficult to imagine a diplomatic scenario where Taiwan attempts to disrupt a nation’s established diplomatic relations with China. It is likely that diplomacy to steadily protect existing relationships will develop. It will be difficult for China-Taiwan relations to return to the days of the Ma Ying-jeou government when heads of the Straits Exchange Foundation, Association for Relations Across the Taiwan Straits, Executive Yuan Mainland Affairs Council, and the Taiwan Affairs Offices could simply meet.

The probability is high that there will be a return to the format where the meetings between the public agencies of China and Taiwan will only be held with a definite necessity, as during the time of the Chen Shui-bian administration. PLA pressure on Taiwan is expected to be stronger than during the Ma Ying-jeou government. The Tsai administration will be increasingly pressured to respond.

(Author: Rira Momma)

Column

Development of National Defense and Military Reforms under Xi Jinping, and Their Influence on the China-Taiwan Relationship

In November 2015, the reform working group of the Chinese Communist Party (CCP) Central Military Commission (CMC) met in Beijing. At this meeting, Xi Jinping indicated his determination to reform the national defense and the military and laid out proposals for reform. These proposals for reform included (1) establishing an Army command structure, (2) strengthening the authority of the CMC by absorbing the functions of the four General Headquarters, (3) establishing an operational command structure from the CMC through theater commands to troops and an administration system from the CMC through each service to troops, and (4) strengthening official discipline within the military through creation of a CMC discipline inspection commission and a CMC political and legal affairs commission. Xi also issued a time schedule calling for completion of the series of military reforms by 2020.³⁹ On December 31, 2015, the People’s Liberation Army (PLA) held a presentation of colors ceremony to mark the progress of reforms: (1) activation of an Army leading organ, (2) renaming the Second Artillery Force as the Rocket Force and elevating it to a service branch, and (3) establishment of the

new Strategic Support Force.⁴⁰ On January 11, 2016, four General Headquarters were reorganized into a new CMC structure consisting of 15 departments.⁴¹

In addition, on February 1, 2016, it was announced that the existing seven military regions were replaced by five theater commands, namely the Eastern, Southern, Western, Northern, and Central, and each theater command was given its own integrated operational command system. The commanders of the theater commands were all Army officers, and with the exception of Zhu Fuxi (Western Theater Command), who came from the Air Force, all of the theater commands' political commissars had Army backgrounds.⁴² Each theater command had deputy commanders from the Army, Navy, and Air Force. The chiefs of staff for the theater commands were selected from among the deputy commanders, with Rear Admiral Wei Gang becoming chief of staff in the Southern Theater Command and Air Force Major General Li Fengbiao taking that position in the Central Theater Command.⁴³

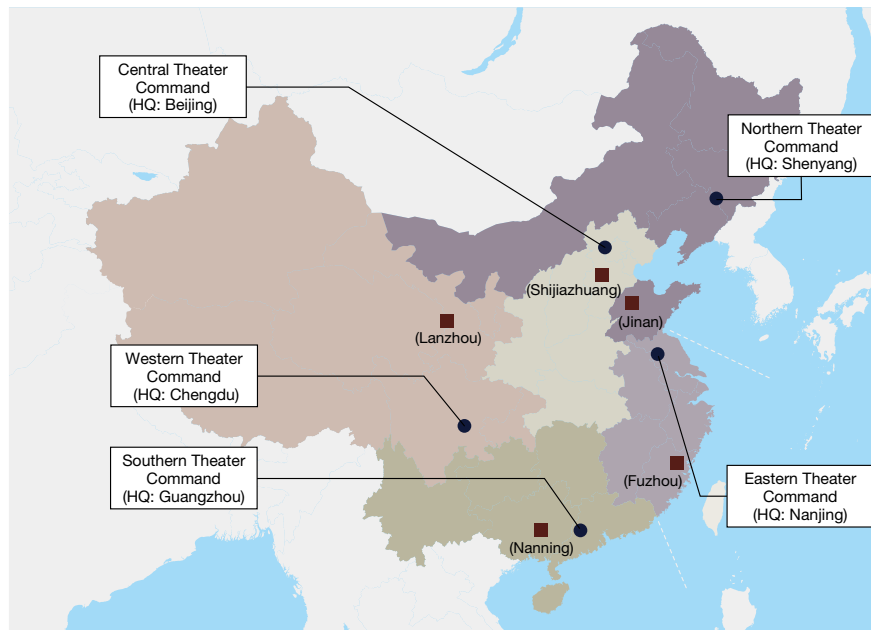
Features of this structural reform of the military include (1) increasing the authority of the CMC and its Chairman Xi Jinping to provide greater control of the military;⁴⁴ (2) launching of a simpler and more rational command and control system, based on the slogan “the Commission directs, the theater commands fight, and the branches build” (the CMC exercises overall direction and control, while the theater commands mainly engage in fighting and the branches mainly develop their forces); and (3) partial correction of the PLA's traditional tendency of “Army centrism.”⁴⁵

For a simpler and more rational command and control system, the PLA separated the military's operational command and control systems from the administration system. According to the *PLA Daily*, the old military region system presented an obstacle to an integrated war-fighting system by lumping the operational command and control functions together with the development and management functions. By setting up the integrated operational command system in each theater command as part of the reforms, the operational command and control functions were separated from the development and management functions, which, the article stressed, made it possible for the theater command to concentrate on command and control of the fighting, strengthening the integrated operational system.⁴⁶

It is pointed out that simplifying the chain of command makes it possible for the PLA to raise its overall fighting capabilities and its ability to respond to emergencies, centered on the CMC.⁴⁷ As one of the reasons behind conducting such reforms, a Ministry of National Defense spokesperson cited the response to grave and complex changes in the international environment.⁴⁸ It seems likely that this statement reflected deterioration in China's relations with the United States and neighboring countries over the issue of the South China Sea and tensions between Japan and China over the Senkaku Islands. In that sense, it would appear that the deteriorating international situation involving China today was an element bringing Xi Jinping to conduct reforms of national defense and the military.

In these reforms, the theater command covering the area directly across the strait from Taiwan, and the one which always tops the list of the five theater commands, is

Figure 4-7: Deployment and Strength of the Chinese Military



(Note 1) ● Theater command headquarters, ■ Theater command PLA facility

(Note 2) Demarcations of the theater commands have not been officially announced; illustration is based on US Dept. of Defense reports and media accounts.

| | | China | (Ref.) Taiwan |
|----------------------|--------------------------------|--|--|
| Strength of military | | Approx. 2.3 million | Approx. 220,000 |
| Ground strength | Ground troops | Approx. 1.6 million | Approx. 130,000 |
| | Tanks, etc. | 99/A, 98A, 96/A, 88A/B, etc. Approx. 7,200 | M-60A, M-48A/H, etc. Approx. 1,200 |
| Naval strength | Ships | Approx. 880 (1.502 mil tons) | Approx. 390 (210,000 tons) |
| | Carriers, destroyers, frigates | Approx. 70 | Approx. 30 |
| | Submarines | Approx. 60 | 4 |
| | Marines | Approx. 10,000 | Approx. 10,000 |
| Air force strength | Combat aircraft | Approx. 2,720 | Approx. 510 |
| | Modern fighters | J-10 × 347 Su-27/J-11 × 352 Su-30 × 97 J-15 × 14 (4th-generation combat aircraft, total 810) | Mirage 2000 × 56 F-16 × 145 Jingguo × 128 (4th-generation combat aircraft, total 329) |
| Notes | Population | Approx. 1.37 billion | Approx. 23 million |
| | Military duty | 2 years | 1 year |

Note: Information taken from “Military Balance” (2016) and similar sources. China’s troop strength is expected to be reduced by 300,000 by the end of 2017.

Source: Ministry of Defense, *Defense of Japan 2016* (Annual White Paper), p. 49.

<http://www.mod.go.jp/j/publication/wp/wp2016/html/n1232000.html#zuhyo01020303>

the Eastern Theater Command. Compared to the military region system of the past, the new system of theater commands strengthens the command and control authority to fight at the strategic and tactical levels under the overall command of the CMC.⁴⁹ The commander of the Eastern Theater Command is Liu Yuejun (formerly commander of the Lanzhou Military Region) and Zheng Weiping (formerly political commissar of the Nanjing Military Region) is political commissar, with a deputy commander and deputy political commissar serving under them from each of the three military services (see Table 1).⁵⁰ For the purpose of integrated military operation, the three services each assign personnel to the command headquarters. At present, the Army covers all the important posts such as chief of staff and director of the political work department, showing that the Army still has an advantageous position regarding personnel assigned to the Eastern Theater Command, but it is probable that in the future, officers from other services currently serving at the deputy level will be promoted to commander.

It is still very difficult for the PLA to attain a genuine integrated fighting capability. In order to overcome difficulties, however, training and exercises for integrated operation have been actively conducted since the establishment of the Eastern Theater Command.⁵¹ The training is considered to be based on a scenario of armed invasion of Taiwan.⁵² That the Eastern Theater Command is at the top of the list of five theater commands and is given priority in the deployment of new equipment and information technology, also indicates the importance this theater command. The command headquarters of the Eastern Theater Command, responsible for the training of the troops during peace time and the maintenance and repair of weapons and other equipment, is located in Fuzhou, right across the strait from Taiwan.⁵³ Since the Eastern Theater Command fronts on both the Pacific Ocean and Taiwan, it is reasonable to interpret that ground forces including the 31st Group Army in the theater are there primarily to attack Taiwan. That might also be the reason why the Eastern Theater Command’s Army headquarters is located in Fuzhou.

It is very fortunate for Taiwan’s military that so far, the PLA has not yet been able to obtain force projection capabilities suitable to cross the strait and the ability to conduct a finely coordinated attack by the land, sea, and air, in addition to the fact that the Taiwanese military has technological superiority and the geographical advantage of defending islands. It will probably take time before China can complete its current reform of the national defense and military. According to the *National Defense Report* put out by the Ministry of National Defense, however, the PLA is expected to have all the capabilities it would need to attack Taiwan by 2020. It is clear that China’s military reforms will exert greater military pressure on Taiwan.⁵⁴

(Author: Yasuyuki Sugiura)

Table 4-4: Principal Officers of the Eastern Theater Command

| Name | Title | Rank | Branch | Notes |
|---------------|---------------------|--------------|-----------|--|
| Liu Yuejun | Commander | General | Army | Fought in Sino-Vietnamese War (1979) |
| Zheng Weiping | Political Commissar | General | Army | |
| Yang Hui | Deputy Commander | Lt. General | Army | Concurrently theater chief of staff |
| Gu Xiangbing | Deputy Commander | Rear Admiral | Navy | |
| Sun Herong | Deputy Commander | Lt. General | Air Force | |
| Qin Weijiang | Deputy Commander | Lt. General | Army | Concurrently theater Army commander |
| Su Zhiqian | Deputy Commander | Vice Admiral | Navy | Concurrently theater Navy commander |
| Huang Guoxian | Deputy Commander | Lt. General | Air Force | Concurrently theater Air Force commander |
| Wang Ping | Dep. Pol. Commissar | Lt. General | Army | Concurrently director of theater political work department |
| Liao Keduo | Dep. Pol. Commissar | Maj. General | Army | Concurrently theater Army political commissar |
| Wang Huayong | Dep. Pol. Commissar | Vice Admiral | Navy | Concurrently theater Navy political commissar |
| Liu Dewei | Dep. Pol. Commissar | Maj. General | Air Force | Concurrently theater Air Force political commissar |

Source: 中共研究杂志社 [Zhonggong Yanjiu Zazhishe, Chinese Communism Research Publishers Co.] ed., 军改后共军重要领导人事评析专辑 [Analysis of important leaders of the Chinese post-reform military], pp. 69-71.

NIDS China Security Report 2017

Change in Continuity: The Dynamics of the China-Taiwan Relationship

Conclusions



Conclusions

This report has examined the China-Taiwan relationship since the People's Republic of China was proclaimed on the Chinese mainland in October 1949 and, very shortly thereafter, the Republic of China crossed to Taiwan and set up a temporary capital in Taipei. This report revealed some important points.

For China, Taiwan represents an area to be reunited to the mainland, and it is also on the front line of China's confrontation with the United States. As such, even after the end of the Cold War, the Taiwan problem has remained one potential source of conflict between China and the United States, and in this sense, the Taiwan problem is also important to the stability of the whole region. More recently, however, as China has continued to emerge on the international scene, the Taiwan problem has grown in importance in another sense as well. As a result of the stabilization of Taiwan problem in a way that has been beneficial to China, China has been able to rise above single-minded concentration on Taiwan and advance its presence and activities in maritime affairs. Since this process has at times involved China following a very hard line, it is having an influence on the stability of the region. It is possible that if Taiwan devotes less of its efforts to self-defense, China's actions will become even more expansionistic. In that sense, Taiwan's attention to improving its self-defense capabilities may influence the stability of the region as a whole. Further, maritime affairs also become important since Taiwan lies at the nexus of international channels of navigation tying together the East China Sea, the South China Sea, and the Pacific Ocean. As geographical confrontation in East Asia takes on new dimensions, the strategic importance of Taiwan will likely increase as well.

Each change of government in Taiwan has often been considered as a turning point of the China-Taiwan relationship. Not only the Chiang Kai-shek and Chiang Ching-kuo governments which ruled Taiwan under the Kuomintang Party (KMT)'s de facto one-party dictatorship and saw the relationship with China as a civil war, but also the Lee Teng-hui and Chen Shui-bian governments which advanced democratization and Taiwanization did not have high-level contacts between the mainland and Taiwan. However, although it is often understood that the bilateral exchange was resumed under Ma Ying-jeou, direct air transport between China and Taiwan had already begun during the Chen Shui-bian administration, even though in an incomplete way. In addition, it was also under Chen Shui-bian that trade and investment between them began to show rapid growth. Thus, Ma Ying-jeou's government used the favorable environment generated during Chen Shui-bian's term to promote further negotiations. What the Ma Ying-jeou administration in particular advanced was making it possible for Chinese tourists to visit Taiwan.

The China-Taiwan relationship is generally seen as becoming tense since the late phase of the Lee Teng-hui government and the Chen Shui-bian government beginning in 2002, while the military tension lessened under Ma Ying-jeou. From a historical, long-term perspective, from the establishment of the People's Republic of China and the resultant split down the Taiwan Strait, up to the present, however, there has been a steady trend toward a decline in military tension. During the early 1950s, fighting continued around the country between the national army and the liberation army, and crises arose in the Taiwan Strait in 1954 and 1958. During the 1960s armed encounters did occur between China and Taiwan, albeit on a very limited scale. Compared to the Mao Zedong-Chiang Kai-shek years when there was active conflict, despite continuation of People's Liberation Army (PLA) exercises seemingly premised on a PLA attack on Taiwan and exercises on Taiwan to counteract a PLA amphibious landing during the Deng Xiaoping-Chiang Ching-kuo years, there was no actual combat. On the other hand, although the bilateral relationship has deepened in areas such as economy, trade, and tourism, this trend has not been accompanied by a halt of Chinese efforts to build up its military capabilities toward Taiwan and in no way seems to be contributing to any military confidence-building between China and Taiwan.

The Xi Jinping government is very wary toward Tsai Ing-wen and her administration. The way in which President Tsai recognized the rights of Taiwan's indigenous people and apologized for ignoring those rights hints at the possibility of efforts to reshape the history of Taiwan as separate from that of China. Further, guidance was drawn up and distributed under the Ma Ying-jeou administration for a high school history curriculum emphasizing Chinese history, but the Tsai government has decided to discard that.¹ With regard to a verdict handed down by an arbitration court regarding the South China Sea, the Tsai government has expressed the objection only to the reference to Pacific islands under Taiwan's effective control as "rocks." China has used the so-called "nine-dash line" as the basis for its claims to sovereignty over all the islands of the South China Sea, but the Tsai administration differs from the Ma Ying-jeou administration in not making any positive statements regarding the "11-dash line" which was the basis for the nine-dash line.

Given these recent trends, China will no doubt continue to plan a variety of pressures and political maneuvers against Taiwan. One of these would be support to the KMT, which is now an opposition party in Taiwan. In September 2016, a group of eight prefectural and municipal leaders belonging to the KMT visited China and met with Yu Zhengsheng, vice chairman of the Chinese Communist Party (CCP)'s Taiwan Work Small Leading Group, the main group dealing with the Taiwan problem, as well as Zhang Zhijun, chairman of the Chinese People's Political Consultative Conference and director of the Taiwan Affairs Office of the State Council.² In addition, during the Chiang Shui-bian administration the CCP and the KMT formed the Cross-Strait Economic, Trade and Culture Forum (commonly referred

to as the “KMT-CCP Forum”) to serve as a forum for peaceful cross-strait development. China has already begun to exert some pressure through diplomacy, for instance in the selection of Taiwan’s official prime minister’s representative for Asia-Pacific Economic Cooperation (APEC) and refusing Taiwan’s participation in the World Health Organization and the International Civil Aviation Organization (ICAO) general conferences. Taiwan was not invited to attend the 2016 ICAO session. China might also examine ways to steal away Taiwan’s friendly countries. Militarily, it is possible China will carry out exercises designed for PLA attacks on Taiwan, strengthen its weaponry, and increase its cyber-attacks.

China will likely continue to strengthen the PLA, giving it the power it needs to dissuade the United States from intervening in problems in the Taiwan Strait, at the same time promoting the economic and trade ties it built up during the Ma Ying-jeou years as a way of putting political pressure on the Tsai Ing-wen government and seeking to build the Taiwanese people’s sense of insecurity toward the Democratic Progressive Party. The next presidential election in Taiwan is scheduled for 2020, which is also the year foreseen for completion of the military reforms as well as for the PLA’s attainment of the capacity to invade Taiwan. The Tsai government, however, is strongly supported by the people of Taiwan and also has a majority in the Legislative Yuan. Enjoying a solid political foundation and keeping its determination to “maintain the status quo,” the Tsai administration is certain to be even harder for China to deal with than the Chen Shui-bian government so long as it does not face a long-term decline in popular support due to criticism for domestic affairs. The Xi Jinping government has not yet subjected Tsai Ing-wen to the kind of personal criticism once directed at Lee Teng-hui and Chen Shui-bian, a situation likely designed to leave some leeway for negotiations with her administration. Tsai Ing-wen herself is trying to avoid escalating any confrontation with China, which would seem to leave the door narrowly open for negotiations. In light of the fact, however, that a majority of voters in Taiwan does not support Taiwanese independence or China-Taiwan reunification but rather “maintaining the status quo,” the Tsai Ing-wen administration will likely adopt policies aimed at “consolidating” the status quo.

(Author: Rira Momma)

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Chapter 4

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Conclusions

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