

5. The Influence of the United States and Japan

Introduction

The United States and Japan currently wield substantial influence over Taiwan's foreign and defense policymaking. This influence is partly a function of history but also reflects the realities of Taiwan's geographic, economic, political, and military circumstances. Not surprisingly, these two countries also feature prominently in both the theater ballistic missile defense and pragmatic diplomacy issue. This chapter will explore these linkages in greater detail, evaluating the dynamics of past and present trends, and extrapolating those findings for the future.

Historical Progressions

The influence of Japan and the United States upon Taiwan government policy has deep historical roots. For Taipei, the United States has always been its most critical backer, providing political, military, economic and ideological guidance and material assistance of various forms for more than 100 years.¹ Japan, by contrast, was a military opponent of the KMT on the Mainland and a colonial oppressor of the island for fifty years.² Like most post-colonial entities, however, Taiwan still enjoys deep ties to its former master, mainly cultural but also deeply economic and political in nature.³

As such long-standing ties would suggest, Taiwan's relationships with the United States in particular have been extremely complex over the years, marked by significant periods of both cooperation and conflict. In order to understand the dynamic, it is necessary to view the interaction from both directions. For Taiwan, the relationship with the United States has been both a blessing and a curse. On the positive side of the ledger, America has provided political,

¹Hung-mao Tien, *The Great Transition: Political and Social Change in the Republic of Taiwan*, Hoover Institution Press, Stanford, California, 1989, p. 227.

²John King Fairbank, *The United States and China*, 4th edition, Harvard University Press, Cambridge, Massachusetts, 1976, p. 354.

³For a recent discussion of the fascination of young Taiwan citizens with Japanese popular culture, see Philip Pan, "Taiwan's Teens Take Style Cues From Tokyo," *Washington Post*, 27 November 2000, p. A16.

economic, and military support at critical times in Taiwan's history, arguably preventing the island numerous times (1950, 1954, 1958) from being coerced into premature unification with the Mainland. Although less formal than before, various spoken and unspoken commitments continue to this day in the form of the Taiwan Relations Act and annual U.S. arms sales to Taipei. At the same time, U.S. support has not always been consistent, and at key junctures in history (1972, 1978) Taiwan has witnessed dramatic reversals of U.S. policy in the furtherance of such global strategic interests as balancing the Soviet threat. As a result of these perceived "betrayals," Taiwan is understandably paranoid about even the slightest change in U.S. attitudes toward the island, demanding a never-ending series of symbolic and material restatements of support. The situation also leads Taipei to spend an inordinate amount of time trying to divine U.S. strategy, assess the state of Sino-U.S. relations, probe the relative strength of Washington's commitment to Taiwan, and deftly manipulate the American political system to ensure a continued coalition of supporters.

For the United States, diplomatic relations with Taiwan at different times have been shaped by American domestic politics, U.S. ideological currents, changing strategic calculations, and other considerations of U.S. national interest. Psychologically, American attitudes toward Taiwan have been characterized by emotions ranging from sympathy, perhaps even empathy, to frustration. These two poles have resulted in a continuous set of debates within the United States about the utility and risks involved in deep ties between Washington and Taipei. On the positive side, Taiwan has often been portrayed, first by the so-called "China Lobby" and later by Taipei's U.S. government and congressional allies, as an attractive and useful strategic partner for the United States. The Kuomintang government, both on the Mainland and later on the island, was depicted as sharing core American values, including being nominally democratic, Christian, and virulent in its opposition to Washington's enemies (be they the Japanese, Chinese Communists, or others). The press coverage surrounding Madame Chiang Kai-Shek's address to a joint session of Congress was perhaps the most extreme expression of this view, though the capitalist miracle on the island since the 1960s and the process of genuine democratization begun in 1988 have only served to bolster the argument and give it new relevance in the post-Cold War world.

On the negative side, the perceived inadequacies of the various ROC governments and their sometimes desperate and destabilizing actions on behalf of their own perceived security needs have been a source of frustration for some in the United States. This view draws its lineage from General "Vinegar Joe" Stilwell's criticisms of General Chiang Kai-Shek's political, economic, and

military policies, particularly his prosecution of the war (or lack thereof) against the Japanese and the Chinese Communists in the late 1930s and 1940s.⁴ Truman's administration became "disenchanted" with the Chiang regime after the failure of the Marshall Mission in 1947, resulting in the exclusion of Taiwan from the U.S. pre-Korean War "defense perimeter."⁵ During the martial law period, the more unseemly aspects of Kuomintang authoritarianism, such as the suppression of dissent and the government-sponsored murder of Henry Liu in the United States, were criticized but ultimately subordinated to the overall anti-communist effort. More recently, former President Lee Teng-hui's efforts at expanding Taiwan's "international space," often at the direct zero-sum expense of Beijing, and his articulation of controversial formulations for cross-Strait relations were seen by some observers as being overly provocative and endangering to stability in the region.

Thus, both sides are beset by competing visions of the other, with the balance often tipped by outside events, such as the Korean War, the Sino-Soviet split, the end of the Cold War, Tiananmen Square, or the PRC's 1995–1996 missile exercises. The remainder of this section will explore the historical phases of the relationship in more detail, drawing links between the events of each particular period and the dynamics of Taiwan's foreign and defense policymaking.

Pre-1972 Relations with Taiwan

Taiwan's relationship with the United States prior to 1972 was marked by the "overwhelming dependence" of the former upon the latter.⁶ This reliance predated even the founding of the Kuomintang as a formal party—the KMT's founder, Sun Yat-sen, was raising money in Denver when the 1911 Revolution broke out in China. While the Kuomintang in its early years drew inspiration and organizational direction from the Soviet Comintern,⁷ the onset of World War Two witnessed unprecedented levels of official U.S. material support to the Kuomintang and its new leader, Chiang Kai-Shek, epitomized in the aircraft supply of Chiang's forces over the Burma "hump" by General Chennault's "Flying Tigers," and the U.S. logistical sealift and airlift of half a million Nationalist soldiers to Manchuria in 1945.⁸ Despite a brief lull in U.S. support following the humiliating defeat of KMT forces on the Mainland and their retreat

⁴See Barbara Tuchman, *Stillwell and the American Experience in China, 1911–1945*, Bantam, New York, 1972.

⁵Tien, p. 229.

⁶Tien, p. 228.

⁷Fairbank, pp. 238–239.

⁸This support is discussed in Fairbank, pp. 340–344; and Tuchman.

to Taiwan, the outbreak of the Korean War solidified the U.S. defense commitment to the island, and this political, diplomatic, economic, and military assistance grew to “massive” proportions as the Cold War deepened.⁹

In terms of Taiwan’s foreign and defense policymaking, the regime’s clear dependence on Washington resulted in predictable policy distortions, driven by the perception among the Taiwan leadership and general public that the ROC’s survival depended on continued U.S. support. During World War II, the Nationalist government was frustratingly resistant to U.S. advice, ignoring the policy prescriptions of a series of American officials (Stilwell, Hurley, Marshall), while wasting Washington’s generous material support in its eventual failed campaign against the Communist Red Army.¹⁰ After the outbreak of the Korean War and the signing of the 1954 Mutual Defense Treaty, U.S. influence upon Taiwan decision-making was profound, though the relationship reportedly was more cooperative than before, involving some explicit coordination of some diplomatic, intelligence, and military policies.

U.S. Strategic Reorientation Toward China

At the apex of Taiwan’s diplomatic success in 1971, Taipei had formal diplomatic ties with 68 nations, while only 53 recognized Beijing’s primacy. Of the former, the most important was the United States. Between Nixon’s visit to China and normalization of Sino-U.S. relations in 1978, however, U.S.-Taiwan relations could be best characterized as enduring a gradual “strategic and diplomatic disengagement.”¹¹ The reason for this disengagement was the belief that official Sino-U.S. and U.S.-Taiwan bilateral relations were zero-sum in nature. While the United States and China could not agree on the terms of American troop withdrawal from Taiwan in the 1972 Shanghai Communiqué, the language in the text that reaffirmed the “ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan” marked the beginning of the end for the Washington-Taipei alliance. Accordingly, the United States began gradually to cut back its military presence on Taiwan, while simultaneously softening its public stance towards the PRC.¹² Japan, by contrast, broke quickly from Taiwan, shifting diplomatic recognition from Taipei to Beijing in September 1972.

⁹Tien, p. 228.

¹⁰Between 1941 and 1949, American aid to the Nationalist government totaled US\$6 billion in credits, goods, and equipment. See Fairbank, p. 345.

¹¹Tien, p. 228.

¹²Tien, p. 234.

Taiwan's foreign and defense policymaking during this period was deeply affected by America's disengagement. After the shock of "betrayal" wore off, it is likely that senior Taiwan officials began to see the island's extreme levels of dependence on the United States as a liability rather than an asset. Though the 1970s were marked by a series of inconclusive negotiations between China and the United States over establishing full diplomatic relations, the Taipei government began to hedge against the possibility of a complete break of official relations with Washington. Analysts of Taiwan's later political and economic reform policies point to this period as the beginning of the transition to market liberalization and pragmatic diplomacy, both of which were seen as substitutes for American security guarantees. Taiwan's defense policies, by contrast, seem relatively unchanged during this period, reflecting a bureaucratic inertia that has really only been addressed since the PRC's missile exercises in 1995–1996.

De-Recognition and the Taiwan Relations Act

After President Carter's announcement on 15 December 1978 of his decision to establish formal diplomatic relations with the PRC and de-recognize Taiwan, U.S.-Taiwan relations could be characterized as "non-diplomatic but substantive."¹³ They were non-diplomatic in a formal sense, following the closure of the American Embassy, the abrogation of the 1954 U.S.-ROC Mutual Defense Treaty, and the withdrawal of all U.S. military personnel. Yet substantive relations survived, thanks in no small part to the passage of the Taiwan Relations Act (TRA) by Congress in 1979, which Congressman Clement Zablocki, chairman of the House Foreign Affairs Committee, described as "absolutely necessary . . . for continuing, without interruption, our commercial, cultural, and other non-diplomatic relations with Taiwan."¹⁴ Indeed, some senior American politicians asserted that the TRA might actually "enhance" relations, since Taiwan had been removed as a "diplomatic issue between China and the United States."¹⁵

In fact, the TRA immediately became a critical variable in Taiwan's foreign and defense policymaking, since it defined the limits of the possible for U.S.-Taiwan political and security relations. First and foremost, the TRA sought to maintain some semblance of the American security commitment to the island as enshrined in the now defunct Mutual Defense Treaty, though formal relations with the PRC meant that this commitment had to be couched in more ambiguous terms than a

¹³Tien, p. 228.

¹⁴Wolff and Simon, p. 8.

¹⁵Wolff and Simon, p. 1.

direct promise of U.S. intervention.¹⁶ As a result, probing the strength of the U.S. resolve to defend Taiwan at any given time became a key and abiding feature of Taipei's foreign and defense policies.

One principal measure of this commitment was the level of "defensive arms sales" sanctioned by the TRA. The Reagan administration immediately ran into conflict with the PRC over the sale of new fighter aircraft or upgraded aircraft to Taiwan. While the resulting August 17, 1982 Communiqué expressed a desire to gradually reduce arms sales to Taiwan over time, the ROC also received the above-mentioned Six Assurances from Washington that included an assurance that Washington would not consult with Beijing prior to making specific arms sales decisions. Thus, the annual arms sales process became a periodic litmus test of congressional and Executive Branch support for Taiwan. This could change somewhat in the future, however, as a result of the Bush administration's decision in April 2001 to replace the regular annual arms sale deliberation/decision process with a less regularized, "as-needed" approach to arms sales.

In other areas of foreign and defense policymaking, the post-de-recognition period was also fruitful. As Tien Hung-mao writes, the "warming of U.S.-PRC relations enabled the Reagan Administration to help Taiwan with little risk of rupturing its ties with Peking."¹⁷ In the area of foreign policymaking, the number of Taiwan representative offices in the United States, known as the Coordination Council for North American Affairs (CCNAA) and later as the Taipei Economic and Cultural Representative Office (TECRO), continued to expand in numbers from the original ten to twelve in 1987.¹⁸ More important, Taiwan officials found it easier to gain access to U.S. government officials during the Reagan administration than during the Carter years, provided that the meetings did not take place in government offices. These contacts, as well as continuing support from congressional allies, sustained the level of arms sales to the island, though limits on purchases and inability to seek alternative suppliers constrained the procurement aspect of Taiwan's defense policymaking.

From a strategic perspective, the abrogation of ties between Taiwan and the United States and Japan forced the island to change the approach of its campaign

¹⁶In fact, some observers (most notably Doak Barnett) argued that the unilateral defense pledge from the United States ("the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability") went further than the terms of the Mutual Defense Treaty. See Barnett, 1981, p. 5.

¹⁷Tien, p. 239.

¹⁸In Japan, the counterparts to these organizations are the ROC's East Asia Association and Japan's Interchange Association.

for greater international standing, refocusing its attention from the pursuit of formal diplomatic relations to what the ROC called “substantive relations,” including “non-diplomatic links with foreign countries through trade, cultural exchanges, athletic competitions, commercial and economic ties, KMT party-to-party connections, and military cooperation.”¹⁹ The central feature of this strategy was economic relations, and Taiwan’s miraculous economic performance since the late 1970s has formed the basis for a new form of international legitimacy and recognition. These trade ties have allowed Taipei to “offset its diplomatic isolation” and “survive as a political entity in the community of nations.”²⁰

While security relations still make up a significant percentage of U.S. relations with Taiwan, economic ties form the overwhelming share of relations with Japan. Indeed, these relations were solidified long before de-recognition, although they have grown steadily since the breaking of formal ties. Between 1952 and 1986, U.S. investment in Taiwan totaled US\$1.85 billion, compared with US\$1.38 billion from Japan. In the middle 1980s, however, Japanese investment overtook funding from the United States. In 1986 alone, Japan invested US\$253.6 million compared with US\$138.4 million from the United States. By 1999, U.S. investments had reached US\$570 million, compared with US\$525 million from Japan (16.4 percent of the total).²¹

A similar situation exists in trade volume between the countries. By the mid-1980s, the United States and Japan combined for more than half of Taiwan’s trade volume, with Japan exports outpacing U.S. exports by a significant margin (34.2 percent, or US\$8.3 billion, versus 22.4 percent, or US\$5.4 billion). This ranking was still in place in 1999, when Japanese imports accounted for 27.6 percent of the total compared with 18 percent from the United States, but the absolute volume of imports from both countries had increased a dramatic 900 percent in the intervening fifteen years. In terms of markets for Taiwan goods, exports to the United States still make up a dominant share, though this dependence has decreased dramatically from 47.7 percent in 1986 to 25.4 percent in 1999. Exports to Japan are a distant third following Hong Kong, receiving less than 10 percent of the total.²²

¹⁹Tien, p. 250.

²⁰Tien, p. 250.

²¹*Republic of China Yearbook 2001*, Government Information Office, Taipei, May 2001.

²²*Ibid.*

Tiananmen Square and the End of the Cold War

At the close of the 1980s, Taiwan still had limited official contact with the international community, with little hope of overcoming the global strategic logic of the superpower triangle.²³ However, two trends, one domestic and one international, were poised to upset this equilibrium. Domestically, Taiwan had at long last begun to democratize its political system, initiating the process that would eventually discard its authoritarian system and its martial law decree. When combined with its disproportionately impressive economic power, this liberalization of its political system had significant normative reputational effects, particularly with respect to democratic countries like the United States. Internationally, the communist states were beset by a series of rolling internal crises, resulting in the collapse of the Berlin Wall and the Tiananmen Square massacre. For Taiwan, these two events fundamentally changed the internal dynamic of policymaking and the milieu in which those policies were developed and implemented. Overall, they had a mixed effect upon the achievement of Taiwan's security goals, perhaps reflecting the new uncertainties of the times.

As indicated in previous chapters, domestically driven changes increasingly forced Taiwan's foreign and defense policymaking into the open light of nascent democratic oversight, though the continued dominance of the KMT in the government meant that the intrusiveness of this oversight was limited. The lifting of martial law also unleashed an actively free press, whose investigations of corruption surrounding foreign arms purchases and money lobbying in the United States exposed parts of a previously secretive and unaccountable system. International changes increased the uncertainties of Taiwan's position, but the breakup of the Soviet bloc and the concomitant faltering of the superpower triangle also afforded new room for maneuver on the international scene. Lee Teng-hui's policy of "pragmatic diplomacy" explicitly exploited these cleavages, though there is heated debate about whether these measures ultimately enhanced or undermined Taiwan's security.

The 1995–1996 Missile Crisis and the DPP Presidential Victory

The Chinese missile exercises and the election of Chen Shui-bian have had profound effects upon the style and content of Taiwan's foreign and defense policymaking. Beijing's displays of force and the new escalation of bellicosity towards Taiwan and its leaders infused the cross-Strait situation and Taiwan's

²³In 1988, Taiwan was a member of only eight international institutions and was recognized by only 22 of 160 nations in the world.

corresponding policies with a sense of urgency and danger not seen since the 1954 and 1958 crises. While pragmatic diplomacy's gains were largely undone by Beijing's new aggressive pressure on the few remaining diplomatic supporters of Taiwan, the self-evident threat from the PRC allowed Taiwan to make dramatic strides in defense relations with the United States.

Specifically, the missile tests energized advocates of increased arms sales and military exchanges on both sides, politicizing the process in a public fashion and greatly enhancing the role of Congress. As a result, open fissures appeared in the Executive Branch of the U.S. government between the Defense Department, which favored greater sales and interaction, and the State Department and National Security Council, which generally did not want to upset the political and diplomatic dynamic of the U.S.-China-Taiwan triangle. These fissures were particularly visible in the controversial area of BMD systems, which were seen by some as precisely the type of defensive systems mandated by the TRA and by others as unproven systems likely to escalate an arms race between China and Taiwan. Taiwan's foreign and defense policies generally sought to exploit these conflicts without openly appearing to encourage divisions in the U.S. government bureaucracy. This was achieved by rallying public congressional support and legislative assistance to those bureaucracies, particularly the Pentagon, that were more favorable towards the sale of BMD systems to Taiwan.²⁴

The election of the DPP's Chen Shui-bian to the presidency in March 2000 and the retention of control of the Legislative Yuan by the KMT were greeted with a measure of anxiety by the U.S. government, particularly given the DPP's open advocacy of independence in the past. Immediately after the election, the DPP sent a small delegation of well-chosen envoys to Washington to rally its supporters and reassure key elements of the government. Washington's concerns turned out to be unwarranted, since Chen's government has pursued a relatively moderate course in cross-Strait relations. Moreover, the transition of government in the United States has precluded any new initiatives or policies on this topic. In the absence of a formal U.S. policy review, there continues to be reluctance to insert the U.S. government between the two parties as mediator. Instead, Washington is likely to continue with a policy that American Institute on Taiwan (AIT) Director Richard Bush calls "rhetorical even-handedness, creation of a positive context, and focus on process."²⁵ The elements of this approach include the U.S.-Taiwan security relationship, especially arms sales, and encouraging

²⁴Information in this paragraph is derived from interviews conducted in Washington and Taipei with former U.S. and ROC officials in May 2001.

²⁵Speech by Richard Bush, "Cross-Strait State of Play," February 2001.

both sides to resume dialogue. It also includes what Bush terms “intellectual facilitation”—i.e., clarifying for each side the views of the other, but not passing messages. This approach rests on the twin assumptions that the two sides are actually willing to engage each other after a few more signals or concessions and that there is some hope of reconciling the serious substantive differences between the two sides. The advantage of this approach is that it allows both sides to play for time, but PLA modernization and economic growth may make it unsustainable over the long-term.

The United States, Japan, and Pragmatic Diplomacy

While Taiwan’s pragmatic diplomacy policy is aimed at the world, Taipei pays particular attention to the reception of the policy in Washington and Tokyo, since their support for Taiwan’s efforts to enlarge its international space is a key determinant of the policy’s overall success.

The United States and Pragmatic Diplomacy

In its efforts to maximize all possible political and diplomatic assistance and recognition provided by the international community, Taiwan views the United States as the critical anchor, since Washington is best equipped to provide Taipei with sufficient defense commitments and foreign policy support necessary to press the island’s case around the world. Yet the United States has consistently sought to interject ambiguity into these issues, maintaining informal ties with Taiwan and narrowly circumscribing security guarantees in order to achieve an appropriate balance between competing national interests. With respect to former President Lee Teng-hui and current President Chen Shui-bian’s specific policies of pragmatic diplomacy, Washington never actively encouraged Taiwan’s various efforts but did periodically seek to refine certain bilateral arrangements related to transits, meetings, and declaratory policies about Taiwan’s status, especially after the crises surrounding Lee’s transit through Hawaii in 1994 and his visit to Cornell University in 1995.

While many of the restrictions on Taiwan’s activities remained constant during the first Bush administration, the Clinton team during its first term achieved some early success in securing Taiwan’s entry into the ADB and APEC. The new administration sought to address the issue more fully in a Taiwan policy review that was initiated in mid-1993, dropped it to deal with higher-profile China issues, and then re-addressed it with greater vigor in mid-1994. One important impetus for renewal of the discussion was the diplomatic row surrounding Lee Teng-hui’s proposed transit en route to meetings in Central America. After first

being told to transit through Mexico, Lee was permitted to stop over in Hawaii, but he reportedly objected to his reception and refused to disembark his aircraft. Spurred by this embarrassing incident and the resulting congressional pressure, the participants in the Taiwan policy review sought to resolve some of the more onerous aspects of the bilateral relationship, including Taiwan's objections to the name of its quasi-embassy, the Coordinating Council for North American Affairs, and the restrictions on meetings between Taiwan officials and their American counterparts.

The review resulted in a number of specific measures. Both the Chinese and the Taiwan governments reacted badly to the changes, which some in the U.S. government paradoxically took as a sign of a policy success. First, the name of Taiwan's representative office was changed to the Taipei Economic and Cultural Representative Office (TECRO). Second, transits were permitted, though under ad hoc arrangements, and "transits" were explicitly differentiated from "private visits."²⁶ Third, some U.S. officials were allowed to meet with their Taiwan counterparts in their offices, though officials from the State Department and the Executive Office of the President were exempted. Fourth, the Clinton administration declared its intention to support Taiwan's participation in international organizations that did not require statehood for membership, though Washington maintained its opposition to Taiwan's quest for UN membership. Agencies and departments within the U.S. government were tasked with drawing up lists of international organizations that met these criteria. After Taiwan pushed its case too hard by protesting at the World Health Organization (WHO), however, European support for the U.S. policy was significantly reduced, and Beijing began vigorously opposing Taiwan's membership in any international organizations, regardless of entrance requirements.

Despite these changes and clarifications, however, the relative fragility of Washington's policy towards pragmatic diplomacy was exposed by President Lee Teng-hui's request in 1995 to visit his alma mater, Cornell University. At first, the U.S. government turned down the request, and Secretary Christopher communicated this decision to the Chinese government. Under intense congressional pressure, however, the administration reversed itself and issued a visa for Lee to conduct a private visit to the university. This action set off a sequence of escalatory events aimed at affecting Taiwan's presidential election in March 1996, culminating in Chinese missile tests and the U.S. dispatch of two carrier battle groups to the waters near Taiwan.

²⁶As an example of a private visit, Taiwan officials were allowed to visit their children who were studying at U.S. universities.

In the wake of the Lee visit and the resulting crisis, the Clinton administration again addressed the substance of its Taiwan policy, in particular the administration's attitude toward pragmatic diplomacy and the state of U.S.-China relations. The most direct consequence of this internal review appeared in 1998 during President Clinton's summit in China. At a meeting in Shanghai, Clinton publicly articulated the so-called "Three Nos": no support for Taiwan independence, no recognition for a separate Taiwan government, and no backing of Taiwan's entry into international organizations.²⁷ Outside observers interpreted his statement as a concession to his Chinese hosts, though White House officials said Clinton was simply repeating a long-standing informal policy and not signaling a substantive shift in U.S.-Taiwan relations. Interviews with a former administration official confirm that the Three Nos were indeed a public statement of an unofficial policy, but also highlight a subtle change in government policy. Whereas the 1994 policy review concluded that the United States would support Taiwan's efforts to join international organizations that did not require statehood, the later review concluded that the United States would not support Taiwan's efforts to join organizations that did require statehood. To some this may appear to be a semantic distinction only, but in the semantically charged atmosphere of cross-Strait relations the distinction was an important and significant change.

Opposition to the Three Nos in Washington policy circles was immediate, though the criticisms generally took two forms. To one side, the main objection was the lack of a fourth "no," highlighting U.S. opposition to the use of force to settle the conflict. Pro-Taiwan advocates, by contrast, objected to the entire package as an unnecessary tilt towards Beijing's view of the cross-Strait problem. The debate continued through 1999 and became a minor policy feature of the 2000 presidential campaign. Unlike the 1996 platform, which did not mention Taiwan, the 2000 Democratic policy platform promised to continue to engage China and to investigate ways to cooperate across a broad range of issues, while insisting on adherence to international standards on matters including "bellicose threats directed at Taiwan."²⁸ In particular, the Democratic policy statement supported a resolution of cross-Strait issues that is both "peaceful and consistent with the wishes of the people of Taiwan." Moving even closer to the Republican platform in 1996, the Democratic platform asserts America's "responsibilities" under the Taiwan Relations Act, though it remains committed to a "one-China" policy.

²⁷"Clinton's China Policy Dropped," Associated Press, 19 March 2001.

²⁸Nat Bellocchi, "US Parties' Platforms on Taiwan," *Taipei Times*, 24 August 2000.

The 2000 Republican platform, by contrast, was marked by a serious dispute over core policies toward China and Taiwan.²⁹ According to press reports, an early draft of the party's platform asserted that "America's commitment to a one-China policy is based on the principle that there must be no use of force by China against Taiwan." One group of Republicans fought during the drafting of the platform to remove any reference to the one-China policy, a formulation from the 1970s under which the United States severed formal diplomatic ties with Taiwan and established them with Beijing. Former representative Bob Livingston (La.), a member of the platform committee, led a push to change the first draft of the Republican platform. "There is a sloppy tendency in policy to say that our policy in Asia is based on the one-China policy," said Bruce Jackson, chairman of the Republican platform subcommittee on foreign policy and a delegate at the Republican convention.³⁰ "Nonsense. Our policy in Asia is based on freedom, democracy and the peaceful resolution of disputes." But aides close to then-Governor Bush backed a more moderate view. "The United States has a very big interest in continuing the policy that has served everyone well: No one changes the status quo," said Condoleezza Rice, Bush's foreign policy advisor during the campaign and now national security advisor in the Bush administration.³¹

Led by Rice and Robert D. Blackwill, a lecturer at Harvard University and former State Department official, the Republican candidate's campaign forged a compromise that acknowledged the existence of the one-China policy without endorsing it. The final version read: "America has acknowledged the view that there is one China. Our policy is based on the principle that there must be no use of force by China against Taiwan." The platform went even further, arguing that the United States would "honor our promises" and that Taiwan "deserves our support including sale of defensive weapons . . . deserves our support for membership in the WTO, WHO . . . and other multilateral institutions." Moreover, it argued that "all issues regarding Taiwan's future must be resolved peacefully and must be agreeable to the people of Taiwan." If China violates these principles, then the platform concluded that the United States will respond appropriately under the Taiwan Relations Act. Yet criticism continued after the compromise. According to Jackson, "What we wrote is that America acknowledges that there is a view that there is one China. That is China's view."³²

²⁹Steven Mufson, "In GOP, a Simmering Struggle on China Policy," *Washington Post*, 22 August 2000.

³⁰Ibid.

³¹Ibid.

³²Ibid.

After Bush's delayed victory in the presidential race, the Taiwan government immediately asserted the need for reassessment of U.S. policy regarding transits and meetings. In early December, President Chen Shui-bian told a group of visiting U.S. scholars—many of them former officials—that Washington should review what he called unreasonable restrictions on visits by senior Taiwan officials to the United States and vice versa.³³ “We hope U.S. officials responsible for foreign and security affairs don't have to wait until they retire to visit Taipei,” Chen told his guests, including former U.S. assistant secretary for East Asian and Pacific Affairs Winston Lord and President Bill Clinton's former Senior Director for Asia Kenneth Lieberthal. Chen also declared his opposition to the Three Nos.³⁴ “I hope the new U.S. government can avoid mentioning the so-called ‘three nos’ policy,” said Chen, who was especially critical of attempts to block Taiwan's entry into international organizations. “If it really needs to have ‘three nos,’ we suggest that it add a fourth no stating that it opposes Communist China using military force to resolve the Taiwan issue,” Chen said.

By March 2001, key foreign policy officials had begun to reveal features of the Bush administration's Taiwan policy.³⁵ In testimony, Secretary of State Colin Powell confirmed that the “Six Assurances,” first outlined by the Reagan Administration in 1982, remain part of U.S. policy toward Taiwan. As indicated above, the “Six Assurances” made clear that Washington had not agreed to set a date to end arms sales to Taiwan; had not agreed to consult the PRC government before selling weapons to the ROC; had not agreed to revise the Taiwan Relations Act; had not altered its position regarding sovereignty over Taiwan; would not mediate between Taiwan and the Mainland; and would not exert pressure on Taipei to enter into negotiations with Beijing. Moreover, Powell declared his support to Taiwan's participation in the WHO but stopped short of a pledge to push for an observer role for the country in the upcoming meeting of the World Health Assembly. According to Powell, “we believe there are ways—and I have to review this—but the government's position over the years has been

³³“U.S. Told Not To Sacrifice Taiwan's Interest,” Reuters, 6 December 2000. At the time of his statement, U.S. Public Law 103-416, sec. 221, states that whenever the president of Taiwan or any other high-level official of Taiwan shall apply to visit the United States for the purpose of holding discussions with U.S. federal or state government officials concerning trade or business with Taiwan that will reduce the U.S.-Taiwan trade deficit, prevention of nuclear proliferation, threats to the national security of the United States, the protection of the global environment, the protection of endangered species or regional humanitarian disasters, the official shall be admitted to the United States, unless the official is otherwise excludable under the immigration laws of the United States. The “otherwise excludable” phrase refers to illegal conduct or contagious health problems and also includes the phrase, “unless the Secretary of State personally determines that the alien's admission would compromise a compelling United States foreign policy interest.”

³⁴“U.S. Told Not To Sacrifice Taiwan's Interest,” Reuters, 6 December 2000.

³⁵“Six Assurances' Remain US Policy: Powell,” Taiwan Headlines, 9 March 2001, in http://th.gio.gov.tw/show.cfm?news_id=7883.

there should be ways for Taiwan to enjoy full benefits of participation without being a member,” noting that U.S. policy has been that membership in international organizations that require statehood be reserved for Mainland China.³⁶ However, he said, “the past policy has been, which seems to have served the nation well, to find ways for Taiwan to participate without belonging to these international organizations.”³⁷

Less than two weeks later, the State Department made an even more significant change, abandoning Clinton’s controversial “Three Nos” declaration. Asked about a report in a Japanese newspaper account that said the Bush administration had dropped the “Three Nos” policy, State Department spokesman Richard Boucher said, “We adhere to the one-China policy. It’s a policy that we have told the Chinese government directly.”³⁸ To outside observers, Boucher’s deflection of the question strongly implied that the “Three Nos” were no longer an operative feature of U.S. policy, and other officials have done nothing to repudiate this notion. Secretary Powell’s comments and Boucher’s clarifications suggest that the Bush administration might be committed to expanding Taiwan’s international space, in spite of Chinese objections. At the same time, the retention of the one-China principle indicates that there are still limits to possible movement in this area, particularly Taiwan’s efforts at pragmatic diplomacy that are perceived to be unnecessarily provocative.

Japan and Pragmatic Diplomacy

For Taiwan’s efforts to implement pragmatic diplomacy and expand its international space, Japan is perhaps second only to the United States in importance. Because of its own internal legal and political constraints, Japan cannot offer substantial defense commitments or foreign policy support to Taiwan, though its key role in the U.S.-Japan defense alliance does offer indirect defense support. Japan is also an important advocate for Taiwan’s efforts to expand its international economic space, given the fact that Taiwan is one of Japan’s most significant economic partners. Yet for the same reasons as the United States, Japan’s relationship with Taiwan is informal and marked by considerable ambiguity. Like Washington, Tokyo has never actively encouraged Taiwan’s pragmatic diplomacy but has periodically modified its bilateral arrangements to fit changing circumstances and has rebuffed significant efforts by Beijing to further restrict those arrangements.

³⁶Ibid.

³⁷Ibid.

³⁸“Clinton’s China Policy Dropped,” Associated Press, 19 March 2001.

Since 1972, Japan has maintained its relations with Taiwan as an exchange of a private and regional nature, retaining non-governmental, unofficial ties in line with the 1972 Japan-China Joint Communiqué.³⁹ Unlike the United States, Japan has not enacted domestic law to institutionalize its relationship with Taiwan, and has studiously avoided official contact with Taiwan since 1972 to avoid annoying Beijing.⁴⁰ At the same time, Taiwan enjoys powerful support in Japan. Three hundred and twenty Japanese lawmakers are members of a “Japan-Taiwan discussion group” in parliament, according to Taipei’s economic and cultural representative office, the island’s unofficial mission in Japan.⁴¹

Much of this support in Japan is a historical holdover from Japan’s colonization of Taiwan from 1895 to 1945, which forged deep political, economic, and even linguistic ties that have survived de-colonization. Taiwan’s former President Lee Teng-hui, who was a graduate of the University of Kyoto and speaks fluent Japanese, was emblematic of a significant “Japanese-language speaking generation” in Taiwan that reciprocated these ties. Lee in particular cultivated a strong relationship with Japan by alluring many Japanese with his ability to communicate on a wide range of topics in fluent Japanese. While this older cohort of Japanese-speaking officials completely withdrew from the political front-line after Lee lost his presidency, common economic interest continues to solidify the connection. Bilateral Taiwan-Japan trade totaled US\$41 billion in 1997, compared to US\$65.2 billion between Japan and China. Japanese investment in Taiwan totaled US\$550 million in 1997.⁴² For many Japanese businesses, Taiwan was a foothold for the region that largely withstood the Asian financial storm, although its economy has since declined considerably.

In the latter part of Lee’s tenure as president, particularly following the 1995–1996 missile crisis, China placed increasingly greater pressure on Japan to limit its relations with Taiwan, but Japan has consistently rebuffed their entreaties. Upon his ascension to office, former Prime Minister Keizo Obuchi struck Japan’s traditional middle ground on cross-Strait relations, calling on China and Taiwan to settle their sovereignty dispute peacefully. “The problem is one which should be handled by Chinese people,” Obuchi told parliament. “I fervently hope that parties concerned will hold a dialogue over the Taiwan issue and that they will reach a peaceful resolution.”⁴³ In July 1998, Taiwan had officially welcomed the

³⁹Kazuo Kodama, “Why Japan Must Shed Its ‘One-Nation Pacifism Skin,’” Asia-Pacific Media Network, 21 June 2000. Kodama is Minister of Information for the Government of Japan.

⁴⁰“China, Japan Clash Over ‘Three Nos,’” Agence France Presse, 2 November 1998.

⁴¹Ibid.

⁴²*Republic of China Yearbook 1998*, Government Information Office, Taipei, 1998.

⁴³“Japanese Premier Calls for Peaceful Resolution of Taiwan Issue,” Agence France-Press, 10 August 1998.

election of Obuchi, saying it hoped he would promote ties between Taipei and Tokyo. "It is hoped that with Mr. Obuchi as the new prime minister, the ties between the Republic of China (Taiwan) and Japan will improve on the present basis," Foreign Ministry spokesman Roy Wu said.⁴⁴ During the parliamentary session, Obuchi declined to specify areas to be covered under new Japan-U.S. defense guidelines signed in April. The guidelines expand military cooperation to cope with conflicts in the region. The revision of the 1978 guidelines has been intensely criticized by China, which fears it could lead to interference in its affairs with Taiwan. "Regional conflicts mean events which can affect Japan's peace and security seriously and the guidelines do not include a purely geographical definition of the conflicts," Obuchi said.⁴⁵ Under the guidelines Tokyo can provide support, including the supply of fuel and the transport of soldiers, for U.S. forces in "areas surrounding Japan" when the country's peace and security is threatened.⁴⁶

For China, however, Obuchi's comments were inadequate. As both sides began their preparations for Jiang Zemin's visit to Japan in November 1998, the level of rhetoric about Japan-Taiwan relations increased markedly. In the run-up to the meetings, Chinese Foreign Minister Tang Jiaxuan laid down markers on the question of an apology for Japanese wartime atrocities in China and Japan's relations with Taiwan, warning: "We believe if both sides . . . deal appropriately with some issues existing, especially the two principle issues of history and Taiwan, the relationship between China and Japan will develop continuously, stably and soundly," he said.⁴⁷ Tang's remarks were seconded by Chinese Premier Zhu Rongji, who expressed concern that Taiwan is gaining encouragement from conservative Japanese politicians who want closer ties between Japan and Taiwan. In a press conference, Zhu pointed out that Japan agreed in two pacts—1972 and 1978—to recognize China's claim to sovereignty over Taiwan. As a result, he argued that "the Japanese side should adhere to such principles, honor their commitments and do some real deeds to safeguard the friendly relationship," he said.⁴⁸

By "real deeds," Zhu referred to China's pre-summit demands that Japan publicly state its own version of the U.S. "Three Nos," declaring that Tokyo does not support Taiwan independence, recognition of two Chinas or Taiwan

⁴⁴Ibid.

⁴⁵Ibid.

⁴⁶Interview with Japanese defense attaché to the United States.

⁴⁷"China Says Taiwan Central to Sino-Japanese Ties," *Agence France-Presse*, 10 November 1998.

⁴⁸"Jiang Wants 'Real Deeds' on Taiwan Issue," *South China Morning Post*, 6 November 1998.

membership as a sovereign nation in any international organization.⁴⁹ Beijing sought to enshrine this declaration in a joint statement with Tokyo at the conclusion of the Obuchi-Jiang summit. To spur Japan, Chinese interlocutors reportedly reminded their Japanese counterparts of the fact that U.S. President Bill Clinton declared the same “Three Nos” policy during a speech in Shanghai in June 1998. One press report even suggested that Beijing might be willing to “reciprocate” yen loans by agreeing to commit investments in Japan in exchange for greater Japanese concessions on Taiwan.⁵⁰ Much to the chagrin of Beijing and delight of Taipei, however, Japanese interlocutors reportedly countered that Clinton’s Shanghai speech did not carry the same weight as a written document, and therefore Japan refused to place such a declaration in a joint statement. If Japan did agree to mention Taiwan in the joint statement, officials reportedly told the Chinese that Tokyo would not go beyond the language of the 1972 Sino-Japanese Communiqué, in which Japan offered that it “understands and respects” the Chinese position over the Taiwan issue.

Japan steadfastly maintained this position through the course of the summit, which was widely regarded by outside observers as a disaster for Sino-Japanese relations.⁵¹ According to a Japanese official speaking on background, Prime Minister Keizo Obuchi reiterated Japan’s policy of recognizing Beijing while maintaining only unofficial relations with Taiwan.⁵² Obuchi then reportedly told Jiang that Japan’s stance over Taiwan remained unchanged from a previous joint statement with China in 1992.⁵³ According to a Foreign Ministry official, Obuchi confirmed to Jiang that Tokyo was still opposed to independence for Taiwan, asserting “our stance of not supporting Taiwan’s independence remains unchanged.”⁵⁴ Yet the Japanese government refused to publicly declare this or any other principle governing its relations with Taiwan in the form of “Three Nos,” much less put them in writing in a Sino-Japanese joint statement.

Predictably, Taiwan was heartened by Japan’s refusal to accede to additional Chinese demands. According to Sheu Ke-sheng, then–deputy chairman of the Mainland Affairs Council, Taiwan was “happy to see Japan pragmatically deal

⁴⁹“China, Japan Clash Over ‘Three Nos,’” *Agence France Presse*, 2 November 1998.

⁵⁰Willy Wo-Lap Lam, “Jiang to Warn US, Japan over Taiwan,” *South China Morning Post*, 24 November 1998.

⁵¹Interviews with Japanese officials and China experts, Tokyo, January 2001.

⁵²“Obuchi: Japan Still Opposed to Taiwan Independence,” *Agence France-Presse*, 27 November 1998.

⁵³*Ibid.*

⁵⁴*Ibid.*

with reality” in not altering its position toward Taiwan.⁵⁵ Taipei also seized on the discord to attack China’s strategy of pressuring the United States, Japan, and other powers to support its diplomatic embargo against Taiwan, warning that Beijing was using “big-power diplomacy” to get its way in Asia and attempting to draw overseas Chinese community groups away from supporting the island. According to then-Taiwan Foreign Minister Jason Hu, referring to Clinton’s June summit in Beijing, “the Chinese communists evidently feel their international image has improved since the visit by U.S. President Clinton.”⁵⁶ “They are wooing influential countries with the aim of establishing superpower status and becoming the region’s next overlord,” Hu said, adding that Taipei was forming a task force to study Beijing’s big-power diplomacy.⁵⁷ In particular, he argued that Taipei was on guard against attempts by Beijing to engineer a worldwide boycott of Taiwan’s Double Tenth celebration on next year’s 50th anniversary of the founding of the People’s Republic of China on the Mainland.⁵⁸

Other analysts in Taiwan also expressed satisfaction with Japan’s response to China’s demands. “I think Taiwan must be relieved about the outcome,” said Andrew Yang, an expert on Taiwan-China military strategies.⁵⁹ “Tokyo is very much in line with current U.S. policy—no support for Taiwan’s independence but no real support either for its reunification with the Mainland,” Yang said. “But China will try again and again. They won’t give up.”⁶⁰ Taiwan media cautiously hailed Japan’s refusal to let Beijing dictate the terms of its Taiwan policy. “The unwillingness of Tokyo to officially state the ‘three noes’ . . . can be read as the Japanese government’s reluctance to go along with Beijing in its intensified efforts to isolate Taiwan internationally,” the *China Post* said in a commentary.⁶¹ But Taipei political analyst Tim Ting said Beijing’s unrelenting squeeze nonetheless was wearing down support for Taiwan, with major powers gradually accepting its view that Taiwan must bow to the Beijing’s government’s sovereignty. “This will give Taiwanese diplomatic policy a very difficult environment to continue to struggle against Chinese pressure,” Ting said.⁶²

The same issues were revived again during Obuchi’s trip to China in July 1999. The May 1999 passage of the revised U.S.-Japan Defense Guidelines in the

⁵⁵Jeffrey Parker, “Wary Taiwan Tight-Lipped on Japan-China Discord,” Reuters, 27 November 1998.

⁵⁶Ibid.

⁵⁷Ibid.

⁵⁸Ibid.

⁵⁹Ibid.

⁶⁰Ibid.

⁶¹Cited in *ibid.*

⁶²Ibid.

Japanese Diet intensified the discussion, since China fears these military arrangements are designed to protect Taiwan in the event of Chinese military action against the island.⁶³ The pact allows Japan for the first time to provide logistical support for U.S. forces, including use of civilian airports and seaports, as well as transporting food, fuel, and other nonmilitary items in the event of an Asian crisis. During his visit, Obuchi reportedly told the Chinese leadership that the new defense pact will by no means pave the way for a revival of Japan's wartime militarism.⁶⁴ Again, Obuchi faced demands from Beijing to issue an explicit "Three Nos" statement denying support for Taiwan. Obuchi, however, stuck firmly to Japan's stance of adhering to the 1972 joint declaration stipulating that Japan recognizes only "One China."

While Tokyo's policies have not changed with the transition from Obuchi to Mori to Koizumi, there are concerns that the election of Chen Shui-bian to the presidency of Taiwan could eventually inject new tension into the Taiwan-Japan relationship. Some DPP members believe that, despite its strong economic presence in Asia—which until the 1997 Asian financial crisis rivaled or surpassed that of China—Japan has hesitated to support Taiwan, fearing a troubled relationship with China. With the election of Chen, the criticism is coming from those in charge of the government administration. While the Japanese private sector shows general support for Taiwan's democratic achievement, some Taiwan officials criticize the Japanese government for continuing to act with excessive caution. Yet Taiwan's pragmatic diplomacy cannot push too hard on Japan, given the general weakness of the Japanese government, the nearly-decade-long stagnation of the Japanese economy, and the danger that too much pressure might reduce Japan's willingness to provide logistics support to the United States in the event of a Taiwan conflict.

The United States, Japan, and Taiwan Theater Missile Defense

The United States and Japan have a profound, perhaps even predominant influence over Taiwan's decision-making for theater ballistic missile defense, shaping the pace, trajectory, and ultimate composition of Taiwan's BMD programs. Before discussing the relative influence of these two countries, it is necessary to explore the historical background of Taiwan's interest in BMD.

Taiwan's interest in missile defenses predate the 1995–1996 missile tests. Instead, Taiwan was impressed by the touted performance of the Patriot batteries during

⁶³"Japan PM to Sidestep Sticky Issues In China," Reuters, 7 July 1999.

⁶⁴Ibid.

the Gulf War. At first, carefully controlled Pentagon reports about the effectiveness of the Patriot strongly suggested that the systems had achieved a high level of success against the Scud-based missiles of Iraq. Over time, however, the analyses of Ted Postel at MIT and the internal assessments of the Israeli military began to chip away at the official story. Eventually, it was revealed that the Patriot batteries had not actually been as successful as advertised, but in fact had achieved a very low rate of success against Baghdad's attacks.⁶⁵

Despite these concerns, however, Taiwan purchased three batteries of the PAC-2 missile system in 1993, with an initial order of 200 missiles at the cost of US\$706 million,⁶⁶ US\$385 million,⁶⁷ and US\$1.3 billion. The 1995 and 1996 Chinese missile tests, however, dramatically increased the salience of BMD for Taiwan's political and military leadership. Before the crisis, BMD had been dismissed by some because of the unproven and expensive nature of the technologies, as well as skepticism about their military effectiveness against a differentiated ballistic missile attack by the Mainland. Instead, emphasis seemed to be placed on the acquisition of advanced conventional weapons systems, such as submarines, to blunt a potential invasion of Taiwan, as well as the strengthening of political ties with the United States, to ensure ready defense of Taiwan in a future conflict with China. After the crisis, however, BMD systems became more attractive in some quarters in Taiwan, as they were increasingly seen as potent political symbols of enhanced U.S.-Taiwan defense cooperation.

The PAC-2 systems first arrived in Taiwan in 1997, and the three units, comprising missiles, wheeled vehicles, and multifunctional radar, were deployed in and around the capital city of Taipei. Two of the sites were designated as operational units and a third site was reserved for training, though it could be made operational in a crisis.⁶⁸ For a variety of political and commercial reasons, these missile batteries were called Modified Air Defense Systems (MADS) instead of PAC-2 Plus. The actual capability level of the systems on the ground in Taiwan is somewhat under dispute, with different messages coming from the lead contractor Raytheon and U.S. government representatives overseeing the project. Some reports claim that Taiwan's systems are in fact equal to the best Patriot systems fielded by the U.S. Army, including the PAC-3 Configuration 2 Guidance Enhanced Missile (GEM) and upgraded battle management (BM)/C3I support systems. Other informed sources dispute this claim, asserting that the contractor has overstated the capabilities of the delivered equipment. At an

⁶⁵GAO reports.

⁶⁶"Taiwan to Expand Anti-Missile Capabilities," Agence France Presse, 2 February 1999.

⁶⁷"Taiwan Developing Missile Defense Alternative," Associated Press, 7 February 1999.

⁶⁸Interviews, Taiwan, 1998.

annual news conference in August 2000, for example, Defense Minister Wu admitted that the Hankuang #16 exercise exposed the low interception rate of the MADS against the DF-15.⁶⁹ Since the delivery of the initial MADS batteries, however, Taiwan has continued to request additional systems. In 1999, the United States agreed to sell three more MADS batteries to Taiwan. Moreover, Taiwan has reportedly requested follow-on systems to protect other cities, including Taichung and Kaohsiung.

After the 1995–1996 crisis, some in Taiwan began to examine some of the other, more advanced theater ballistic missile defense systems under development, such as Navy Area Wide (NAW), Theater High-Altitude Air Defense (THAAD), Navy Theater Wide (NTW), and Airborne Laser (ABL). Unlike with MADS, however, Taiwan interlocutors inquired not only about the possibility of purchasing the systems, but also about participating in their research and development. Taiwan did not publicly express its interest until 1998, when then-Chief of the General Staff Tang Fei clearly suggested that Taiwan would be interested in selectively joining some of the programs currently under way.

At first, the BMD programs were not attractive to Taiwan, primarily because of the extremely high cost of developing the various proposed systems, which were expected to be borne largely by Japan and other participants, possibly Taiwan. Faced with prospect of spending billions of procurement dollars on unproven systems of dubious utility, the Taiwan government initially balked at entering the program, choosing instead to mirror the slow, gradualist, “wait-and-see” approach adopted by Japan. The Ministry of National Defense reportedly wanted to conduct a comprehensive review and careful evaluation of the cost and effectiveness of BMD. Moreover, the top leadership knew there were political costs to discussing interest in BMD without the protection of the systems themselves, including pressure from both the Mainland and the U.S. government. Under pressure from Washington, President Lee Teng-hui reportedly instructed government leaders in 1998 to restrict themselves to brief policy statements about BMD, designating the Ministry of National Defense as the only institution allowed to address the issue in any detail.⁷⁰

More recently, however, the Taiwan government’s noncommittal attitude appears to have been replaced with a greater desire to pursue a variety of BMD options, ranging from indigenous systems to purchase of foreign systems. This

⁶⁹Fang Wen-hung, “DefMin Wu Shih-wen Says Taiwan to Continue to Try to Obtain Early Warning System,” Central News Agency, 31 August 2000; Brian Hsu, “Cash Crunch Halts Anti-Missile Plan,” *Taipei Times*, 31 August 2000.

⁷⁰Lu Te-yun, “Li Teng-hui Limits Officials’ Comments on TMD Issue,” *Lianhebao*, 29 March 1999, p. 4.

change of heart is directly linked to trends on the Mainland. Even before Chen Shui-bian's victory, senior Taiwan officials pointed to increases in Chinese missile deployments as justification for the deployment of BMD. Former Defense Minister Tang Fei testified before the Legislative Yuan in February 1999 that "how to counter China's missile threat has been given top priority among the military's ongoing arms buildup plans."⁷¹ Around the same time, the Ministry of National Defense issued a statement asserting that "Beijing's past actions showed that countermeasures to missiles were vital."⁷² As a result, General Tang and others asserted that Taiwan was interested in any defensive system available on the international market, though they were unwilling to commit any specific system, either foreign or domestic.⁷³

Instead of locking the ROC military into any particular future system, Taipei has gradually revealed the outlines of a general development plan for BMD. In the first stage, the island seeks to procure a low-altitude defense and interception system, in conjunction with long-range early warning radar to minimize damage from PRC missiles.⁷⁴ At the heart of this strategy is a desire to keep Taiwan's options open by not confusing questions about U.S. arms sales of BMD components with the plan to build a missile defense system, which could be done indigenously. The government maintains that it is inclined to join a U.S.-led BMD effort, and will continue to make a serious study and appraisal of the progress of system programs in the United States. Until the technology is available, however, Taiwan will probably continue to take a wait-and-see attitude with regard to PAC-3, NAW, or NTW.⁷⁵ Meanwhile, research institutions like Chungshan have moved forward with basic projects that can be incorporated with the traditional weaponry systems.⁷⁶

Japanese Influence on Taiwan and BMD

Japan enjoys indirect influence over Taiwan's decision-making about theater ballistic missile defenses. This influence is felt in mainly two areas: political/security affairs and military affairs. In the political/security arena,

⁷¹"Taiwan to Expand Anti-Missile Capabilities," Agence France Presse, 2 February 1999.

⁷²Mure Dickie and Stephen Fidler, "Taiwan Voices Fears Over Arms Buildup," *Financial Times*, 11 February 1999.

⁷³Taiwan to Expand Anti-Missile Capabilities," Agence France Presse, 2 February 1999.

⁷⁴Yang Hsiu-feng, "Defense Minister Tang Fei on Missile Pre-Warning System," *Zhongyang ribao*, 3 March 1999, p. 3.

⁷⁵Lu Te-yun, "Li Teng-hui Limits Officials' Comments on TMD Issue," *Lianhebao*, 29 March 1999, p. 4.

⁷⁶Luo Hsiao-he, "Defense Minister Tang on Starting 'Basic' TMD Projects," *Lianhebao*, 10 March 1999, p. 2.

Japan has an active defense treaty and security alliance with the United States. In terms of status, therefore, Japan occupies a position in a ring much closer to the United States than Taiwan, though both countries could be said to be actively engaged in various forms of alliance building and alliance maintenance with Washington. As a result, Taiwan closely analyzes Tokyo's policies towards Washington. This is especially true in the context of theater ballistic missile defenses, where Japan is assumed to have right of refusal on BMD whereas Taiwan is still an aspirant. Although the Department of Defense is correct to deny the existence of an "Asian BMD network," Taiwan nonetheless views inclusion in BMD cooperation with the United States as "joining" an effort in parallel with the Japanese. Thus, Taiwan carefully observes Japanese moves in the BMD area for signals about American commitment to regional deployment, regional assessments of the Chinese missile threat, and regional calculations of PRC reactions to potentially destabilizing modernization programs. Evidence of increased American commitment to deployment in Japan, explicit identification of the Chinese missile threat by Japanese analysts, and willingness on the part of Japan to pursue BMD programs despite the expected PRC objections all would tend to encourage Taiwan's enthusiasm for BMD cooperation with the United States, whereas trends in the opposite direction might serve as disincentives for participation.

On the military side of the equation, particularly questions of BMD procurement and operations, Japan also offers some guidance and lessons for Taiwan, though players in Taipei appear to understand that U.S.-Japan BMD cooperation is not a realistic road map for Taiwan's theater ballistic missile defense efforts. At the level of military strategy, for instance, it is notable that both Japan and Taiwan share a similar mission (island defense) and similar constraints (procurement within a defensive orientation), while facing a similar threat (stand-off weapons—principally ground-to-ground ballistic missiles—with little credible fear of triphibious assault). Additional links are possible at the operational level. Since Tokyo is already actively engaged in the beginning of joint research and development of some BMD systems, Taiwan might view Japan as a testbed for systems that the ROC military might want to acquire.⁷⁷ Japan already possesses some of the requisite conventional platforms for BMD, particularly in the naval realm. For example, Japan's Kongo-class destroyers with the AEGIS combat system are readily upgradable for either the proposed NAW or NTW systems. It should come as no surprise, therefore, to hear persistent rumors in Taipei about a group of retired Japanese admirals visiting then-President Lee Teng-hui and

⁷⁷Unfortunately, the timelines for these systems mean that decisions often need to be made years in advance with little foreknowledge of eventual technological successes or failures.

extolling the virtues of the AEGIS system, and subsequent official Taiwan interest in acquiring Arleigh Burke-class destroyers armed with AEGIS.⁷⁸ Finally, the Japanese experience presents Taiwan with a foreshadowing of some of the difficult military, bureaucratic, and operational challenges that BMD will present, such as the need for enhanced C3I and joint operations reform.⁷⁹

U.S. Influence on Taiwan and BMD

Of the external influences on Taiwan's decision-making about theater ballistic missile defenses, the United States is clearly dominant. This suasion is exercised informally through advice and support from pro-Taiwan elements inside and outside of the U.S. government, including former officials, think tankers, industry representatives, and congressional members and staffers. Since the informal channels of influence are largely opaque by design, this analysis will focus on formal channels of influence, including unofficial government-to-government contacts through the AIT, the BMD-related arms sales process, the military-to-military exchange process, and formal congressional legislation. It is important to note that Taiwan does not receive a consistent set of messages from this wide-ranging set of interlocutors, which includes opponents, advocates, and agnostics on the issue of missile defenses. Moreover, Taiwan authorities, both military and civilian, occasionally express resentment of American influence, due to what they perceive as arrogance, smugness, inattention to Taiwan's needs, and lack of understanding of Taiwan's complexity.

Unofficial Government-to-Government Relations

The designated U.S. organ for unofficial commercial, diplomatic, and military relations between the United States and Taiwan is the AIT. In the area of theater ballistic missile defense, AIT officials do not see their role as actively shaping the Taiwan policy community's attitudes about BMD, given the general reluctance of the State Department and its related institutions to destabilize the cross-Strait situation by forcing Taiwan to make a premature decision about an unproven system.⁸⁰ Instead, AIT provides BMD information and source documents to the relevant Taiwan military offices, sometimes even attempting to provide classified information via the ENDP (Exception to National Defense Policy) process.

⁷⁸This rumor was ubiquitous in Taipei during field interviews in May 1999.

⁷⁹Some Japanese have already begun to work through these problems. As an illustration, see Masahiro Matsumura, "Redesigning Japan's Command and Control System for Theater Missile Defense," *Defense Analysis*, Vol. 16, No. 2, 2000, pp. 151-164.

⁸⁰This analysis is based on interviews with AIT officials from 1998 to 2001.

According to AIT officials, the purpose of this information dissemination is to point the relevant Taiwan officials in the “right direction,” and prevent them from making ill-informed decisions. Of course, this process involves far more than simply the dissemination of technical information, since the information itself is the product of U.S. policy decisions and therefore likely helps shape Taiwan thinking about BMD in ways consonant with U.S. interests and goals.

A second major source of influence over Taiwan’s foreign and defense policymaking is the military-to-military exchanges between the two countries. The abrogation of the 1954 Mutual Defense Treaty and the transfer of diplomatic recognition to Beijing effectively ended the close military coordination between the United States and Taiwan. The Taiwan Relations Act mandated that military-to-military exchanges should continue, legislating that “determination of Taiwan’s defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress.”⁸¹ Military-to-military contacts continued through the 1980s and early 1990s, but never again reached the same level of closeness, despite repeated complaints that the lack of contact had hurt the ability of Taiwan’s military to defend the island. Specifically, advocates for reenergized ties argued that Taiwan’s military was becoming extremely insular in the absence of fuller exchanges, and was having difficulty upgrading its strategy, tactics, and training without coordination with the U.S. military.⁸² In 1994, President Clinton initiated a policy review that expanded non-hardware programs with Taiwan, including exchanges on defense planning, C4I, air defense, maritime capability, antisubmarine warfare, logistics, joint force integration, and training.⁸³ According to official DoD sources,

These non-hardware programs serve multiple purposes. Functional non-hardware initiatives address many of the shortcomings in Taiwan’s military readiness that were identified in the February 1999 *DoD Report to Congress on the Security Situation in the Taiwan Strait*. They allow Taiwan to better integrate newly acquired systems into its inventory and ensure that the equipment Taiwan has can be used to full effectiveness. These initiatives provide an avenue to exchange views on Taiwan’s requirements for defense modernization, to include professionalization and organizational issues, and training. Exchanges and discussions enhance our ability to assess Taiwan’s longer term defense needs and develop well-founded security assistance policies. Such programs also enhance Taiwan’s

⁸¹Department of Defense, “Executive Summary of Report to Congress on Implementation of the Taiwan Relations Act,” 18 December 2000.

⁸²To fill the gap, the Taiwan military reportedly tried using retired U.S. military officers with mixed success. See Philip Finnegan, “Taiwan Seeks Tighter U.S. Military Relations, Increased Pressure From China Drives Taipei Strategy,” *Defense News*, 27 March 2000.

⁸³Department of Defense, “Executive Summary of Report to Congress on Implementation of the Taiwan Relations Act,” 18 December 2000.

capacity for making operationally sound and cost effective acquisition decisions, and more importantly, to use its equipment more effectively for self-defense.⁸⁴

In the fall of 1997, Undersecretary of Defense for Policy Walter Slocombe and Deputy Assistant Secretary of Defense for Asia-Pacific Kurt Campbell insisted that the United States should continue its arms sales to Taiwan and simultaneously expand and diversify the military relationship with Taiwan.⁸⁵ The enhanced program, which focused on “helping Taiwan help itself,” has proceeded quietly since 1997. While officers on active duty were not allowed to visit Taiwan until 1992, there are now reportedly more than 100 visits per year, almost 10 times the number in 1994.⁸⁶ A significant portion of these exchanges are sub rosa by design, and are therefore easier to manage than the public arms sales process. Despite the increases, however, it is important to note that elements in Taipei and Washington (e.g., members of both defense establishments, pro-Taiwan legislators in the U.S. Congress) desire to expand military-to-military contacts even further, proposing to raise the bar on the rank of visiting officers to allow one-star generals to visit the island; to establish a secure communications link between Pacific Command in Hawaii and the General Staff Headquarters in Taipei; and to conduct joint interoperability exercises between American and Taiwan forces.⁸⁷

The ongoing set of contacts between mid-level officers from the Department of Defense are also likely to be an additional source of information about BMD systems under development, as well as a source of expert advice about necessary changes in Taiwan’s military system to accommodate elements of a possible BMD architecture. For example, the various DoD study teams sent to Taiwan to assess BMD-related areas, particularly the recent air defense, battle management/C4I, and naval defense groups dispatched by the Joint Staff, likely do more than simply observe the situation in Taiwan, but probably engage in interactive discussions with their Taiwan counterparts about the issues under review. The Taiwan side likely benefits from these discussions and resulting reports, garnering a better sense about the needed policy reforms in its own system. For example, the battle management/C4I delegation reportedly expressed concern about Taiwan’s ability to survive a “first strike” of Chinese missiles, suggesting that the island’s forces harden its C4I infrastructure and

⁸⁴Ibid.

⁸⁵Nadia Tsao, “US Strikes Balance with Taiwan Arms Sales,” *Taipei Times*, 7 November 2000.

⁸⁶Ibid.

⁸⁷Interviews in Taipei and Washington.

enhance the protection of its important military installations.⁸⁸ In September 1999, a field study of Taiwan's air defense capabilities concluded that Taiwan was vulnerable to missile attack as well. In October 2000, one U.S. military officer involved in the arms sales process remarked at a Washington meeting that "the most important countermeasure [to Chinese missiles] is a survivable C4I architecture and robust passive defenses."⁸⁹ From these exchanges, the Taiwan side also develops a keener understanding of the BMD-related acquisitions required to carry out these reforms, and the relative likelihood of the approval of these acquisitions by Washington.⁹⁰ For example, the naval defense assessment ordered after the deferral of the AEGIS request in 1999 reportedly recommended the future sale of AEGIS to Taiwan, concluding that Taiwan had a clear need for the ships and would have no difficulty operating and integrating them into the ROC Navy.⁹¹

Perhaps the most important channel of influence, therefore, is the arms sales process. Active or residual American influence can be seen at every level of the process on the Taiwan side. First, Taiwan's defense planning and budgeting systems have been loosely based since 1975 on the Planning, Programming, and Budgeting System (PPBS) originally developed by the U.S. Department of Defense under former Defense Secretary McNamara. The inputs into this process are provided by the planning offices of the individual service headquarters, each of which maintain some ties with their American counterparts. These plans are regularly distorted by unexpected changes, particularly the sudden availability of previously unobtainable foreign weapons, which leads to a situation aptly characterized as "procurement directed planning and budgeting."⁹² As one of Taiwan's only arms suppliers, for example, U.S. government decisions about the availability of individual weapons systems and components for sale to Taiwan can dramatically alter the latter's defense planning process and the security-related aspects of its foreign policy. Former President Lee Teng-hui, for instance, reportedly viewed U.S. arms sales as symbols of reassurance and resolve, not as key components of a larger force structure designed to attain genuine warfighting objectives, and valued U.S.-supplied systems in particular as critical indicators of greater U.S. support for Taiwan. An example of an unexpectedly

⁸⁸Interviews with Taiwan military officers.

⁸⁹Major Mark Stokes at the American Enterprise Institute, October 2000.

⁹⁰These exchanges has also possibly had some potentially negative influences on the Taiwan military, encouraging them to pursue the BMD option preferred by U.S. forces; namely, attack operations against the missile sites themselves. This development, combined with rumors of interest in Taiwan of developing an MRBM capable of striking countervalue or counterforce targets on the Mainland, could be highly destabilizing.

⁹¹Nadia Tsao, "US Strikes Balance with Taiwan Arms Sales," *Taipei Times*, 7 November 2000.

⁹²Huang (1997), p. 290.

pleasant surprise was the approval of the sale of F-16s to Taiwan, even though the Ministry of National Defense was then presented with the difficult logistical challenge of integrating this complex aircraft with the product of an indigenous fourth generation program (IDF) and a completely separate fourth generation import (Mirage 2000-5). By contrast, the ROC Air Force (ROCAF) originally resisted the unexpected offer of air-launched anti-ship Harpoons, which represented a dramatic improvement of Taiwan's ability to interdict Chinese naval assets. The ROCAF responded initially with a parochial argument that exposed the lack of jointness in the Taiwan military at that time, asserting that interdicting ships was a "naval mission" and that the ROCAF really wanted Maverick missiles for ground attack missions. These types of attitudes and the variability of weapons availability make it difficult if not impossible for the Taiwan defense establishment to carry out meaningful long-range planning.

Patterns of U.S. influence are especially visible in the context of theater ballistic missile defense systems. Since the mid-1990s, BMD-related systems have dominated most of the public debate over the Taiwan arms sales issue in the United States and Taiwan, especially long-range, early-warning radars, Patriot batteries, and destroyers equipped with the AEGIS combat system. Other, less publicized systems, particularly those related to the ongoing C3I modernization of the Taiwan military, have also been an important part of the process. The influence of the United States in Taiwan's decision-making about BMD systems comes from primarily two sources: (1) meetings between U.S. Department of Defense or diplomatic officials and ROC representatives or military officers, and (2) unofficial interactions between U.S. politicians and private businessmen and ROC government officials and politicians. The former set of interactions includes both informal ad hoc meetings during the early stages of the procurement process at which ROC officials have sought to inform U.S. officials which existing BMD-related systems (such as additional Patriot batteries) would likely be requested by Taiwan in a given year, and formal annual meetings at which U.S. officials inform ROC officials of their decisions about these sales.

But the latter set of interactions reportedly exerts a greater influence on ROC procurement decisions related to BMD, since the development of BMD is still a subject of ongoing debate within the U.S. government and some bureaucracies are therefore understandably reluctant to make promises about systems that are not yet proven. Members of Congress and defense industrial representatives, by contrast, are not constrained by programmatic considerations, and indeed some likely see the stoking of Taiwan's interest in these systems as providing additional justification for aggressive development of BMD by the Pentagon. The reasoning behind these strategies varies, depending on the source. Many U.S.

members of Congress have a very strong interest in Taiwan security affairs, responding to national security, ideological (i.e., support of democracy, opposition to the PRC), and parochial (narrower political and economic interests of their constituencies) reasons. Some members of Congress feel especially passionate about the provision of theater ballistic missile defenses to Taiwan, given the vulnerabilities of the island that were exposed during the 1995–1996 missile crisis. In addition, many U.S. defense industries, including those involved in BMD-related systems, have an obvious financial interest in expanding their levels of business with Taiwan through increased military sales to the island. Congress and defense industries also maintain a somewhat symbiotic relationship. For example, defense-industrial production of high-profile BMD-related weapons systems, including AEGIS-equipped destroyers and Patriot missile batteries, is spread among many states so as to broaden the basis of political support for greater arms sales, both foreign and domestic. Thus, U.S. political representatives and businesses often take an active interest in the type and origin of various weapons systems available to Taiwan and will at times express their preferences regarding such systems to ROC officials. In general, this type of informal and indirect U.S. involvement has frequently influenced the procurement process, according to knowledgeable individuals, including the planning and budgeting related to BMD.⁹³

Congressional Intervention

While Congress has been a periodic participant in U.S.-Taiwan relations, it has been a key driver of the arms sales process from the beginning, primarily through such legislation as the Taiwan Relations Act and the aborted Taiwan Security Enhancement Act. An analytic chronology of Capitol Hill's measures reveals an increasingly activist agenda, emboldened by perceived splits in the Executive Branch between those wishing to delay or deny arms to Taiwan, and those seeking to accelerate Taiwan's acquisition of arms and expand the U.S.-Taiwan military relationship. In recent years, theater ballistic missile defenses have become a central focus for Congress, despite the paucity of available systems for sale to Taiwan.

In November 1997, the U.S. House of Representatives passed the "United States-Taiwan Anti-Ballistic Missile Defense Cooperation Act" (H.R. 2386). The act declares that it is in the national interest of the United States that Taiwan be included in any effort at ballistic missile defense cooperation, networking, or

⁹³Interviews with DoD officials and industry representatives.

interoperability with friendly and allied nations in the Asia-Pacific region. The act's findings state that

The People's Republic of China is currently engaged in a comprehensive military modernization campaign that is enhancing the power-projection capabilities of the People's Liberation Army, including the introduction of advanced ballistic and cruise missiles that could alter the current balance of power in the Taiwan Strait and in the greater Asia-Pacific region;

the early development and deployment of an effective United States theater ballistic missile defense system to the Asia-Pacific region, and the adjustment of United States policy to include Taiwan, including the Penghu Islands, Kinmen, and Matsu, under the protection of such defense system; and

the early deployment of a United States theater anti-ballistic missile system in the Asia-Pacific region would maintain a balance of power in the Taiwan Strait and deter the People's Republic of China from resorting to military intimidation tactics to coerce or manipulate the people and freely-elected Government of Taiwan in the future.

Based on these findings, the proposed act required the Secretary of Defense to carry out a study by July 1, 1998, of the architecture requirements for the establishment and operation of a theater ballistic missile defense system in the Asia-Pacific region that would have the capability to protect Taiwan from ballistic missile attacks. Finally, the act contained a non-binding "sense of Congress" that the President, if requested by the Government of Taiwan and in accordance with the results of the DoD study, should transfer to the government of Taiwan appropriate defense articles or defense services for the purpose of establishing and operating a local-area ballistic missile defense system to protect Taiwan, including the Penghu Islands, Kinmen, and Matsu, against limited ballistic missile attacks. The bill was never acted upon in the Senate.⁹⁴

During March 1999, the Senate passed the "Taiwan Security Enhancement Act" (S.693), jointly sponsored by Senate Foreign Relations Chairman Jesse Helms, (R-North Carolina) and Sen. Robert G. Torricelli (D-New Jersey). In May, Benjamin Gilman, Chairman of the International Relations Committee of the U.S. House of Representatives, and Thomas Delay, Majority Whip of the House, jointly initiated a similar bill (H.R. 1838) in the House. The bill sought to increase military cooperation with Taiwan, including introduction of additional missile defense systems. In particular, it authorized the sale of a broad array of BMD-related defense articles, including missile defense systems, satellite early warning data, and appropriate platforms for naval-based missile defense, such as

⁹⁴ Based on entries in THOMAS, the Library of Congress's online database for legislative information (<http://thomas.loc.gov>).

destroyers equipped with the AEGIS combat system. The bill passed in the House on 1 February 2000 by a vote of 341-70, but was not voted upon in the Senate. A revised version later passed that did not include weapons.

Congress has also indirectly strengthened the justification for BMD in Taiwan by mandating a number of Pentagon reports on cross-Strait issues, including assessments of Chinese military modernization, the security situation in the Taiwan Strait, and the implementation of the Taiwan Relations Act. The published, unclassified versions of these studies have had an important impact on Taiwan's foreign and defense policymaking, and in some cases have refocused the public line of the Ministries of Foreign Affairs and National Defense in Taipei. In February 1999, for instance, the Pentagon released a congressionally mandated report entitled "The Security Situation in the Taiwan Strait." The report stated that the PLA could attack Taiwan by air, by a blockade, or by full-scale military operation, and identified shortcomings in Taiwan's military readiness that the military-to-military programs were attempting to address. The study also asserted that "exclusive reliance on active missile defenses and associated BMD C4I will not sufficiently offset the overwhelming advantage in offensive missiles that Beijing is projected to possess by 2005." A leaked press account of the classified version of the report claimed that China would be able to field 650 missiles by 2005, a figure that immediately became the focus of the Taiwan government's public description of the China missile threat.⁹⁵

In terms of theater ballistic missile defenses, the Department of Defense in May 1999 provided a "Report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region." The report responded to Congress' FY1999 National Defense Authorization Act, which directed the Secretary of Defense to "carry out a study of the architecture requirements for the establishment and operation of theater ballistic missile defense (BMD) systems for Japan, the Republic of Korea (ROK)⁹⁶ and Taiwan that would provide for their defense against limited theater ballistic missile attacks."⁹⁷ The report was carefully caveated, explicitly excluding discussions of the criteria (U.S. foreign policy interests, economic, domestic) for arms transfers to Taiwan and other countries in the region. It also avoided recommendations to any of the countries under review. Nonetheless, the technical analyses of "hypothetical options" were not

⁹⁵Mure Dickie and Stephen Fidler, "Taiwan Voices Fears Over Arms Buildup," *Financial Times*, 11 February 1999.

⁹⁶Since South Korea has not expressed an interest in BMD, the study focused primarily on Japan and Taiwan.

⁹⁷"Report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region," May 1999, p. 1.

viewed as neutral number-crunching by Taiwan, which closely examined the DoD evaluation for operational guidance as well as possible clues about U.S. willingness to sell particular BMD-related systems. In particular, Taiwan analysts noted the assessment in the report that early warning surveillance assets for cueing purposes were “essential” for an effective missile defense, as well as the assertion that China’s growing medium-range ballistic missile force would “preclude a high probability of intercept by lower-tier systems.”⁹⁸ Though the report presented all of Taiwan’s BMD options without bias in favor of one or the other, the prior analysis of the threat clearly implied that a system based solely on land-based, lower-tier systems would not be sufficient to meet the threat. It is not surprising, therefore, that Taiwan acquisition concerns since the issuance of the report have focused on AEGIS-equipped destroyers, which could theoretically be the base platform for a UT Navy Theater Wide System.

In February 2001, Congress began to prepare the political battlefield for the April 2001 arms talks between Washington and Taipei. A bipartisan letter, endorsed by members of both the House of Representatives and the Senate, urged President Bush to sell AEGIS-equipped destroyers, P-3 antisubmarine aircraft, and diesel-powered submarines to Taiwan.⁹⁹ The letter was drafted in January 2001 by Senator Jesse Helms, Chairman of the Senate Foreign Relations Committee, and Senator Robert Torricelli, both of whom are long-time supporters of Taiwan. The letter was co-signed by Senate Majority Leader Trent Lott and Senators Jon Kyl and Frank Murkowski. In the House, Representatives Chris Cox and David Wu were reportedly preparing a similarly worded document.

Postscript: The April 2001 Arms Decision

When the arms sales decision was finally announced in April, Taiwan received the most “robust” package of arms in years, although the Burke-class AEGIS ships were deferred for another year. Taiwan was approved to purchase four Kidd-class destroyers (previously built for the Shah of Iran and known as the “Ayatollah-class”), diesel submarines, P-3s, and artillery. Most of the debate over the decision centered on the decision to sell Kidds in lieu of AEGIS and the break with the past in the area of submarines. Clearly, there are groups in Taiwan who were disappointed with the decision to sell Kidds, which some viewed as another American “cast-off.” Yet the Kidds, which were suggested by the U.S. side in the December 2000 round of the pre-talks, are highly capable ships, armed with some of the most advanced sensors and weapons systems in the U.S. Navy.

⁹⁸Ibid.

⁹⁹Nadia Tsao, “Arms Sales Find Support in US Capitol,” *Taipei Times*, 18 February 2001.

Their addition could dramatically improve the Taiwan Navy's fleet air defense and antisubmarine capabilities. Second, the Kidds were an attractive choice because they would be available in 2003, while the earliest date for the Burkes would be 2007–2009. Some in the United States did not see the logic of paying the strategic costs with China of a Burke decision, while not providing Taiwan any real defensive benefit for more than a decade. Instead, it appears that the U.S. Navy will add four Burke-class ships to its order book, preventing any production delays should the United States in the future decide to sell the Burkes to Taiwan. Finally, it is important to note that most participants on the U.S. side do not view Kidds versus AEGIS as an either-or proposition, but instead see the ships as potentially complementary, with the Kidds replacing the ancient Gearing-class destroyers and the Burkes replacing the Knox-class ships in the future.

Submarines had long been rejected by the U.S. government as an inherently “offensive” system, and therefore excluded under the terms of the Taiwan Relations Act. Specifically, there were some who feared that the Taiwan side would not use the subs to run counter-blockade operations as they claimed, but would in fact be unable to resist the temptation to interdict Chinese naval forces in their bases on the Mainland. Yet the buildup of Chinese submarines, Sovremenny-class destroyers, and long-range cruise missiles like the SS-N-22 Sunburn was beginning to convince some participants in the debate that the advantage in the naval balance of forces was shifting to the Chinese side, requiring a rethinking on the issue of submarines. The April 2001 decision to approve the sale of eight diesel submarines to Taiwan was the final manifestation of this evolution in thinking. At the same time, it is difficult to ignore the possibility that part of the rationale for the submarine sale was to compensate for the deferment on the Burke-class destroyers. Yet at the time of this writing, it is not clear that Taiwan will ever receive any submarines. For a variety of political, bureaucratic and industrial reasons, the United States cannot autonomously build nonnuclear submarines. Instead, the U.S. side needs to implement one of the multiple existing license contracts with foreign submarine producers, but the representatives of the governments of the main candidates (Germany, Netherlands, Australia) have all publicly declared their unwillingness to sell submarines to Taiwan. Moreover, it is unlikely that a Taiwan shipyard could or would be allowed to produce the subs in Taiwan. This episode highlights the political difficulties inherent in the arms sales process with Taiwan, as well as the constraint imposed on Taiwan in having to rely on a limited number of arms suppliers.

Conclusions

This chapter has argued that the United States and Japan currently wield substantial influence over Taiwan's foreign and defense policymaking. This influence is partly a function of history, but it also reflects the realities of Taiwan's geographic, economic, political, and military circumstances. For Taipei, the United States has always been its most critical backer, providing political, military, economic and ideological guidance and material assistance of various forms for more than 100 years. Japan, by contrast, was a military opponent of the KMT on the Mainland and a colonial occupier of the island for fifty years. Like most post-colonial entities, however, Taiwan still enjoys deep ties to Japan, mainly cultural but also deeply economic and political.

The United States employs a mixture of encouragement and restraint in its interactions with the Taiwan defense policymaking apparatus. On the one hand, the Taiwan Relations Act encourages elements of the U.S. government to take an active interest in Taiwan's defense plans, requirements, and programs. The actual level of assistance and coordination, however, has varied widely over time. In recent years, the expansion of the military-to-military relationship with Taiwan suggests that the increased threat from China has indeed brought Taipei and Washington closer together, though there is still significant reluctance to re-initiate a full-blown, quasi-alliance relationship with joint interoperability and planning. Nonetheless, interviews in Taiwan suggest that the enhanced level of exchange between the two militaries may be encouraging some of the DPP policy initiatives, particularly with regard to offensive operations against the Mainland. One illustrative example is theater ballistic missile defense, where Taiwan interlocutors point out that the U.S. Air Force's preferred method of BMD is "attack operations," not active defenses like PAC-2 or passive defenses like hardening of facilities. On the other hand, U.S. policy tends to discourage the Chen government from pursuing some policies. For example, it is likely that the U.S. government would oppose the deployment of an MRBM or similar offensive-oriented weapon, for fear that such weapons would have little strategic utility and would in fact further exacerbate tensions with the Mainland.

Japan and especially the United States exercise considerable influence over Taiwan decision-making about BMD acquisition and deployment. Since Japan is a close ally of the United States and is widely believed to have the right of first refusal on BMD, Taiwan carefully observes Japanese moves in the BMD area for signals about American commitment to regional deployment, regional assessments of the Chinese missile threat, and regional calculations of PRC reactions to potentially destabilizing modernization programs. Taiwan might

also view Japan as a testbed for BMD and BMD-related systems that the ROC military might want to acquire, including conventional platforms and C3I systems.

The United States is clearly the dominant influence on Taiwan's decision-making about theater ballistic missile defenses. This suasion is exercised informally through advice and support from pro-Taiwan elements inside and outside of the U.S. government, including former officials, think tankers, industry representatives, and congressional members and staffers. Despite the constraints of de-recognition, there are also formal channels of influence, including unofficial government-to-government contacts through the AIT, the BMD-related arms sales process, the military-to-military exchange process, and formal congressional legislation. These official and quasi-official government channels provide BMD information and source documents to the Taiwan government and are a source of expert advice about necessary changes in Taiwan's military system to accommodate elements of a possible BMD architecture. Non-Executive Branch channels, including Congress, outside experts, and the defense industrial base, lobby both sides on behalf of political, ideological, and financial interests.