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TAIWAN:
CHINA'S FIRST STEP IN THE DOMINATION OF EAST ASIA

BY

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LIEUTENANT COLONEL JOSEPH M. WELLS
United States Army

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USAWC STRATEGY RESEARCH PROJECT

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by

LTC Joseph M. Wells
U.S. Army

LTC Debra R. Little
Project Advisor

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013
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ABSTRACT

AUTHOR: LTC Joseph M. Wells

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The focus of this study is to analyze the various conditions that will cause China to become more aggressive toward the Taiwan reunification issue. Through a variety of historical analyses, an evaluation of specific issues may indicate the most likely future for the China-Taiwan situation. Beijing has threatened on several occasions that war would follow if Taiwan declares independence from the Chinese mainland. These threats have invited harsh reactions from across the Pacific, and may entangle the United States in military conflict with China. Through an analysis of possible futures for the China-Taiwan situation, this study will delineate various circumstances that may cause China to act upon its threats to attack and reclaim Taiwan.

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TAIWAN: CHINA'S FIRST STEP IN THE DOMINATION OF EAST ASIA

"Once China becomes strong enough to stand alone, it might discard us. A little later it might even turn against us, if its perception of its interests requires it."

—HENRY KISSINGER

As the People's Republic of China (PRC) emerges onto the world stage of the 21st Century, it is rapidly growing in both confidence and its ability to exert various aspects of national power. Many Westerners, especially Americans, feel a deep unease about the kind of world China, as a great power, would ultimately shape. China is not only burgeoning with economic possibilities, but also with military potential. The communist regime in Beijing is under no illusion about the difference in ideology with the United States and routinely refers to the United States as "the main enemy."[1] China will witness a significant leadership shift with the accession to power of the "Fourth Generation" of leaders in 2002. These new leaders will have the difficult task of pushing forward economic and structural reforms, while moving forward with the development of China's western region. They will also face the growing internal problems plaguing the Chinese Communist Party (CCP) and the management of issues related to its recent entry into the World Trade Organization (WTO). Still of paramount concern is the issue of Taiwan, which China views as a renegade province that must someday reunify with the mainland, by force if necessary. Settlement of the Taiwan issue and realization of the complete reunification of China embodies the fundamental interests of the Chinese nation. Beijing wants Taiwan to rejoin the mainland under a so-called "one country, two systems," model. China used the two-system model as it reclaimed the financial center of Hong Kong from Britain in 1997 and the gambling enclave of Macau from Portugal just recently.[2] The focus of this study is to delineate various circumstances that may cause China to act upon its threats to attack and reclaim Taiwan.

THE ORIGIN OF THE TAIWAN ISSUE

Japan occupied Taiwan from April 1895 until July 1937, after forcing the Qing dynasty to sign the Treaty of Shimonoseki. During that same period, the Chinese government issued a Declaration of War against Japan, abrogating all treaties, agreements and contracts concerning Sino-Japanese relations, including the Treaty of Shimonoseki.[3] Later, in December 1943, the Chinese, U.S. and British governments issued the Cairo Declaration, stipulating that Japan

should return to China all the territories it had seized from the Chinese, including Northeast China, Taiwan and the Penghu Archipelago. Toward the end of WWII and eventually surrendering to the Allies, Japan promised to fulfill the obligations laid down in the Potsdam Proclamation. [4] On October 25, 1945, the Chinese government reclaimed Taiwan and the Penghu Archipelago, exercising its sovereignty rights over Taiwan. On October 1, 1949, the communist-lead PRC replaced the government of the Republic of China to become the legal government of the communist China and its legal representative in the international arena.[5]

THE CHINA-TAIWAN DEBATE:

In specifying the national actors involved in this conflict, it is clear that a defiant China has unsettled the waters with its rhetoric and threats. The Chinese provocation undercuts a delicate United States policy of "strategic ambiguity" that helped revive United States – China relations in 1979 and that has served to avoid confrontation since. Under the policy, the United States supports the one China principle, but leaves ambiguous the terms of Taiwan's reunification. The United States also leaves pointedly unanswered the question of whether it would ever protect Taiwan militarily.[6] In order to determine how each national actor perceives the China-Taiwan situation, it is necessary to first look at China's perspectives.

CHINAS' POSITION

China is situated in eastern Asia, bounded by the Pacific in the east. It is the third largest country in the world, after Canada and Russia. China's population is approximately 1.3 billion and by 2020 this number is expected to exceed 3 billion. There are 56 ethnic groups in China, and the Han people represent the largest, totaling over 1.1 billion. All nationalities are considered equal and therefore have like representation in the National People's Congress, which is controlled by the Communist Party. China has a long history spanning over 5,000 years. The Chinese people lived on their land — cultivating their values, while also cherishing and safeguarding their unity; where all ethnic groups have mixed together to develop a powerful cohesive nation. The Chinese nation witnessed changes of dynasties, transfers of governments, local separatist regimes, and foreign invasions, especially the untold invasions and dismemberment by foreign powers in modern history. However, their unity has always been the mainstay in the development of Chinese history. After every separation, their country was reunified, however, only to experience other turmoil associated with rapid political, economical, cultural, scientific and technological development.[7]

Pro-independence advocates suggest that China is an unsatisfied and territorial power whose primary goal is to dominate East Asia and reclaim its renegade provinces. China's pro-unification advocates believe that the growth of China's power and the aggressive pursuit of its interests conform to the country's sense of its historic role and to the psychological well-being of the nation. It is crucial to China's pride to safeguard its sovereignty and territorial integrity. China's pro-unification advocates also believe that the United States has pursued a prolonged and consistent goal in East Asia, which is to prevent any single country from dominating that region. China is actively seeking ways to intimidate the United States away from East Asia and to end the United States military and political predominance in the region. Considering the fact that pro-unification advocates believe China should dominate East Asia, China's goals and American interests are bound to conflict. The opposing agendas of China and the United States hinder any negotiation as China and the United States both want to control the region's political and strategic choices. The Asia-Pacific region is rapidly rivaling Europe in economic and strategic importance.[8] As a consequence, China's view of the United States has become more negative recently. Staunch Communist leaders have resented and resisted United States pressure to change its domestic policies and international position.

The main goal of the pro-unification advocates is for China to reclaim Taiwan, and to deter the United States from intervening militarily. China's pro-unification advocates want to prevent the United States from protecting the island through political maneuvering designed to cripple Beijing's already weak diplomatic position, by influencing and persuading China's and Taiwan's party leaders. Beijing continues to assert that Taiwan remains a part of one-China, and has warned Taipei against any designs on declaring independence. The one-China principle states:

> This government is the sole legitimate government representing the entire people of the People's Republic of China. It is ready to establish diplomatic relations with all foreign governments that are willing to abide by the principles of equality, mutual benefit and mutual respect for each other's territorial integrity and sovereignty.[9]

The one-China principle is designed to encourage normal diplomatic relations from other countries, and provide China the precept to affirm their state sovereignty and territorial integrity claims. "White papers issued by the Chinese government have warned that Taiwan could be subject to military action if Taipei delays 'indefinitely' the reunification of Beijing and Taiwan."[10]

In October 1949, the PRC informed the United Nations that the Kuomintang (KMT) had "lost all basis, both *de jure* and *de facto*, to represent the Chinese people".[11] The one-China principle established the prerequisite that if a foreign country is seeking diplomatic relations with China, the government of the PRC will be recognized as the sole legitimate government

representing the whole of China (which includes Taiwan) before any relationship consummation.[12] China asserts that foreign countries must refrain from establishing separate diplomatic relations with Taiwan, because it is not a sovereign state and, therefore, not eligible for membership in the United Nations and other international organizations.[13]

China further asserts that when the Korean War broke out, the United States started an armed intervention in the Taiwan Strait, which at the time was a Chinese internal affair. The United States could have extracted itself from China's civil war, but it adopted a policy of isolation and containment of the Communist China instead.[14]

> On 27 June 1950 President Truman announced: "I have ordered the Seventh Fleet to prevent any attack on Formosa." Thus the Seventh Fleet occupied the Taiwan Straits and the U.S. 13th Air Force set up base in Taiwan. In December 1954 the U.S. concluded with the Taiwan authorities a so-called mutual defense treaty placing China's Taiwan Province under U.S. "protection". The erroneous policy of the U.S. government of continued interference in China's internal affairs led to prolonged and intense confrontation in the Taiwan Straits area and henceforth the Taiwan question became a major dispute between China and the United States.[15]

Following this, the Chinese Government started a dialogue with the United States from the mid-1950s onward, to try to lessen the tension in the Taiwan Strait. It was not until the late 1960s and early 1970s when the international situation had undergone changes and as Communist China had gained strength that the United States began to readjust its China policy and the relations between the two countries started to soften. In October 1971 the United Nations General Assembly adopted the 26th session Resolution 2758, which restored all the lawful rights of the PRC in the United Nations and expelled the "representatives" of the Taiwan authorities from the United Nations.[16] The United States and China issued a joint communiqué at this time stating that:

> The U.S. side declared: the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position.[17]

Later, in 1978 and after issuing the joint communiqué, the United States agreed to three principles for the establishment of diplomatic relations between the two countries. First, the United States should sever diplomatic relations with Taiwan; second, the United States should abrogate the mutual defense treaty established with Taiwan; and third, the United States should withdraw military forces from Taiwan. Following this agreement, China and the United States formally established diplomatic relations on January 1, 1979.[18]

Pro-independence advocates suggest an opposing view, and believe the reason the propositions of the Chinese government met with obstacles is because the United States government had on January 5, 1950, recognized Communist China's exertion of sovereignty over Taiwan Island. Thus, after the start of the Korean War in June 1950, the United States government sent troops to occupy Taiwan to isolate and contain China. The United States determined that "the status of Taiwan has yet to be determined" and lobbied for "dual recognition" among the international community in order to create "two Chinas." As a result, the Chinese government firmly opposed this, insisting that there is only one China in the world, Taiwan is a part of China and the government of the PRC is the sole legal government representing the whole of China. At this pivotal point, China's pro-unification advocates asserted that the most important issue was to reunify the motherland. All descendants of the original Chinese nation wished to see China reunified. It was perceived against the will of the Chinese people to see it divided.

China's pro-unification advocates believed that there are only two ways to settle the Taiwan question – by peaceful means through negotiations or by non-peaceful means through force.[19] China's pro-unification advocates suggested that after Taiwan was reunified with the mainland, China would pursue the policy of "one country, two systems." [20] Under two systems, the majority of China will remain socialist, while Taiwan will keep its current market system. The reunification of Taiwan does not mean that the mainland will swallow up its system; nor does it means that Taiwan will swallow up the Chinese system. After the reunification of Taiwan, its social structure, economic system, non-governmental relations and, foreign investment relationships will not be affected. As a special administrative region, Taiwan would exercise a high degree of autonomy and enjoy legislative and independent judicial power, including that of final adjudication.[21]

Another concern of China's pro-unification advocates was the United States' withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty. These advocates feared that tossing aside the treaty would upset the global balance of power. China's pro-unification advocates believed that the withdrawal from the ABM Treaty assured that the United States would press ahead with plans for a controversial, multi-billion dollar defense system to shoot down incoming ballistic missiles. These advocates were not in favor of missile defense systems because they could provide an umbrella for United States troops in South Korea and Japan and could eventually be extended to cover its archrival, Taiwan. China also fears that a missile defense system would neuter its modest nuclear arsenal and set off an expensive arms race.[22]

TAIWAN'S POSITION

China's mainland and the island of Taiwan have been ruled separately since Chinese nationalists fled to Taiwan in 1949 to avoid the communist takeover in China. Since the establishment of the communist-led PRC, the two sides of the Taiwan Strait have maintained separate governments, neither of which is subordinate to the other. The Republic of China (ROC) has a population of 23 million and a defined territory consisting of Taiwan, Penghu, Kinmen, Matsu, and other islets under its hegemony. Taiwan's hardworking and technically proficient people have changed the country's economy, and achieved international successes that are recognized as the "Taiwan experience."[23] Taiwan's phenomenal economic performance is far above what might be expected for its size and population. Taiwan further sustains provincial prosperity through its economic growth, and it now has the world's 17th largest economy, 15th largest trade volume, eighth largest outward investment, and third largest export of information technology products.[24]

Taiwan has continually evolved toward democracy by promoting open elections, competitive multiparty politics, direct presidential elections, constitutional guarantees of civil liberties, and an independent and vibrant mass media. "These developments culminated in the election of a new governing party in 2000, which made Taiwan a powerful working model for democracy."[25] Taiwan is an independent and sovereign nation, which enjoys the fruits of democracy and individual freedoms as well as the prosperity it brings. Therefore, Taiwan pro-independence advocates suggest that the majority of Taiwanese do not want to reunify with China unless it moves toward democracy and a market economy.

Because of Taiwan's infusion of new leadership and the independence stance that was espoused as an election platform, Beijing has renewed its demands that Taiwan accept the "one-China" principle. China fears the strong performance by President Chen Shui-bian of the Democratic Progressive Party (DPP) would embolden those advocating statehood for the island of 23 million. By advocating independence, Chen came into national power with his win in the most recent presidential election, which irritated Beijing. Chen became even more of an irritant last summer when he insisted that the two sides deal with one another on a "state-to-state" basis.[26] Chen Shui-bian promised to "protect peace in the Taiwan Strait and protect sovereignty." Chen has had to back off from his party's independence stance to maintain popularity in the polls, by saying that he would declare independence only if China attacks. Chen's actions since his election regarding the influence of special interest, public confidence in

law enforcement, and the restoration of the environment indicates that these salient domestic issues will be his focus. [27]

Whoever maintains power in Taiwan has to determine what the relationship with China will be. The outgoing parliament was the Nationalists' final redoubt after losing the presidency to Chen. The Nationalists had governed the island for 55 years since fleeing China at the end of the Chinese Civil War in 1949. Lien Chan (chairman of the recently defeated Nationalist Party) has been criticized for lacking popularity. He is struggling to hold together the 107-year-old group after winning just 68 seats in the last presidential election. James Soong, chairman of the splinter Peoples First Party, a long time Chen nemesis, made impressive gains politically in the last election.[28] Since both Lien and Soong are eyeing the 2004 presidential elections, the probability of consolidating into a single party appears to be unlikely at the moment as the foundation for cooperation is not there. Soong and Lien finished second and third respectively in the presidential elections of 2000 after splitting the Nationalist vote. The Nationalist Party and the People First Party have more parliamentary seats. However, it is a fragile majority that could break up at any moment. Together, the Nationalists and the Peoples First Party, which share a dream of reunifying with a democratic China, have 114 seats in the new legislature, or a majority.[29] Understandably, Taiwan's pro-unification advocates feel the majority of Taiwanese believes that a unified China is inevitable based upon the mood and direction of its political parties' agendas.

> Now there are people saying that the three political parties in Taiwan have developed a consensus, that is, "there is one-China, with each side having its own interpretation." This is only Taiwan's view point, not a viewpoint shared by the Mainland."[30]

The DPP's crushing defeat of the Nationalists, who favor eventual reunification, surprised pro-unification advocates and undermined their strategy to cold-shoulder Chen, while cozying up to his opposition. Chen is now under pressure to improve relations between China and Taiwan, as he struggles to provide leadership through Taiwan's worst economic recession in three decades. Chen stated in his inaugural address: "Cross-strait economic and cultural integration could serve as a starting point for building mutual trust, confidence, and permanent peace."[31] Taiwan pro-unification advocates do not think independence forces are getting stronger, nor do they believe the overall political situation has changed since the election. Despite a 29-month freeze on reunification talks, Taiwan pro-unification advocates believe the mainland wants to continue to boost economic ties with Taiwan, and provide them a stable, more congenial economic trade relation, especially through these difficult times.

UNITED STATES' POSITION

For more than 20 years, the United States has adhered to a policy that recognizes one-China and discourages China using or attempting to use force to reunify Taiwan with the mainland. China is in direct challenge to this policy by asserting [what it believes is] rights to that province. The United States interest in the cross-strait relationship between China and Taiwan does not mean that the United States simply supports a status quo peace and stability, or even simply a dynamic status quo.[32] The United States position is to discourage any challenges to the status quo by force, and to discourage Taiwan's declaration of independence, while leaving it to Beijing and Taipei to find solutions necessary to entice a peaceful unification.[33]

Some United State pro-unification advocates believe that Washington sells arms to Taiwan to help defend the island if attacked, and at the same time, reject the notion of the use of force as a means to resolve the Taiwan question.[34] Beijing, in turn, has threatened non-compliance on proliferation issues if United States and Taiwan Theater Missile Defense (TMD) association expands.[35] The United State pro-independence advocates think that Washington should negotiate WTO and TMD issues separately. China's policy toward Taiwan was also a major obstacle for passage of permanent normal trade relations for China last year. The many Chinese who would like to have a free, democratic society and market economy, just like Taiwan, may now temper their leaders' reunification threats with a more amicable solution.[36]

The United States has equal interest in shaping Asia-Pacific's overall political, economic, and security intent as it relates to the idea of a peaceful, stable, and prosperous Asia-Pacific. This includes helping a modernizing and democratizing China make and keep obligatory commitments as a responsible member of the international community and "a fully vested member of its main regional and global institutions, adhering to bilateral and global standards in trade, non-proliferation, and human rights."[37] United State pro-unification advocates also see China as a responsible member of the international community, belonging to the major regional and global institutions.

The inclusion of China will not be easy for Taipei, in part because of the challenge of linking the specifics of Taiwan's immediate cross-strait objectives of peace and increased understanding and its long-term objectives of unification with a democratized China.[38] Beijing has broadening and deepening experiences with democratization according to its own circumstances; thus, Beijing considers Taipei's references to a democratic China as an excuse to postpone meaningful cross-strait discussions. Squaring immediate and long-term objectives for both Taipei and Beijing regarding cross-strait dialogue within the larger context of their

respective strategic objectives will seemingly be easier for a more authoritarian as opposed to a more popularly democratic system. These tactical and strategic asymmetries across the Taiwan Strait will likewise make it important but difficult for Washington to help maintain the cross-strait equilibrium of confidence, which defines its interests.[39]

The United States has deep interest in the security of Taiwan. Taiwan has proven to be a model for democracy and market-oriented economy, and it invests significantly into China's economy.[40] According to many United States pro-independence advocates, "the longstanding American commitment to a one-China policy that leave to a future date the resolution of the relationship between Taipei and Beijing is wise."[41] China's increasingly combative rhetoric toward Taiwan, however, has become a hot political issue in the United States. Republicans and Democrats in Congress have called for stronger United States support for Taiwan as both houses have ratified the Taiwan Security Enhancement Act, which deepens United States military commitments to Taipei.[42]

Taiwan is actively researching a ballistic missile that could strike China, a weapon that could radically alter the military balance in one of the world's most dangerous hotspots. Policy-makers in Washington must be alert to the possibility that the program could be a 'trump card' to be dealt away in exchange for specific weapons systems or enhanced defense commitments. The Taiwanese military has long focused on maintaining a modern arsenal of defensive weapons to stop a Chinese invasion.[43] Taipei has shunned major weapon systems (such as long-range missiles), in part, because it believes that armed with such weapons, America and other nations would be less likely to assist in a war with China. However, by developing medium-range missiles as a deterrent to a first strike by China, these missiles could help stop a second or third wave of attacks by Chinese forces.[44] Left to itself, China might use military force to reclaim Taiwan, dominate the South China Sea, and be recognized as the primary state in the East Asian region, but Chinese leaders will have to contend with the price imposed by the international community reactions and the constraints created by this action. Undoubtedly, this would damper China's objectives of economic growth and the need for external markets and resources.

COURSES OF ACTION FOR EACH ACTOR

It is evident, based on China rhetoric toward Taipei that it will use military force, if necessary, to persuade Taiwan to begin serious talks leading to reunification. China will also continue its commitment to developing a high-tech force capable of projecting power beyond its shores and developing relationships with rogue states for ballistic-missile technology to enhance

its ability to achieve increasingly ambitious objectives. Further, China will also use diplomatic means to intimidate or influence Taiwanese voters away from supporting the DPP, thereby influencing the outcome of upcoming political elections.

It is also clear that Taiwan will use military force and diplomatic means to counter China's aggression while continuing to strengthen itself economically and militarily. Taiwan will also continue to use diplomatic means and the informational element of national power to improve and nurture relationships with other democratic states to increase its support base.

In response, based on current political positions of the pro-independence advocates, the United States will use military force only when necessary, to counter China's aggression toward Taiwan. The United States will continue to use the diplomatic and economic issues of normalized trade to influence China to move toward a democratic state. It will increase informational propaganda and economical sanctions against China to pressure it toward a more amiable solution to the cross-strait situation.

THE ANALYSIS

In this analysis each alternate future will be analyzed in terms of its consequence. Each alternate future will be analyzed using relevant diplomatic, informational, military, and economic factors that might affect the China-Taiwan situation. This analysis assumes the continuation of the anti-democratic sentiments of the "guardian of order" mentality of the Chinese Communist Party. The analysis also considers whether or not Taiwan declares independence.

ALTERNATE FUTURE 1

China uses military force and informational means to minimize DPP influence. Taiwan uses diplomatic and informational means to foster DPP influence. United States uses diplomatic and economical means to foster DPP influence.

This future will occur if the anti-reunification rhetoric espoused by DPP continues and fuels an attack of China against Taiwan. The United States will intervene militarily if China decides to launch a long-range missile attack or try to establish a military blockade to prevent the use of the Taiwan Strait. United States military planners realize that China would need a three to one manpower advantage to successfully invade Taiwan by sea.[45] Therefore, the United States can successfully interdict China's forces with long-range bombers and carrier battle groups, preventing China access to the Taiwan Strait. However, if China persists with its initiative to develop long-range missile capabilities to counter the United States' ability to project power, then Congress because of concerns for Taiwan sovereignty, will provoke new legislation

aimed at increasing military aid to Taiwan. These actions by China toward developing long-range missile capabilities will further spur Taiwan's "peace through strength" strategy, and continue to encourage the United States to increase its military aid to this region. This will also support Taiwan's aim to be a part of the national missile defense initiative that the United States and Japan are developing.

This future will further manifest itself if the feelings throughout China concerning its desire to protect its territory and (dismisses western military analysts who say China is years away from having the ability to) invade Taiwan persist. Beijing may attempt to influence future elections with an informational show of power, but this may backfire, just as those tactics did in 1996 when China fired a long-range missile toward the Taiwan Strait. This was a failed attempt to pressure the voters in the last election.[46] The DPP is countering Beijing by using informational propaganda to promote national pride to influence voters. However, since the opposing party's KMT record in ruling Taiwan has been less than stellar, the DPP is not having any trouble in promoting its party. The U.S. in turn may use economical means to manipulate China's desire to remain a part of the global financial community, and by planting the seeds of normalized trade relations in Beijing's consciousness – may also help stabilize the region. This inclusion to the global financial community has already prevented some anti-independence rhetoric toward Taiwan.[47]

Now, if Beijing realizes that a war would devastate its already fragile economy and decides to seek a diplomatic solution, then this future will again shift to reflect a peaceful resolution to the cross strait situation. After the missile attack in 1996, foreign investment fell by nearly 10 percent. China depends on foreign investors to finance ventures and create jobs. This is especially important at a time when its own inefficient government-owned companies are shedding millions of workers in an effort to be competitive. Beijing knows that foreign firms and other joint ventures account for nearly half of China's exports, and is not about to do anything rash to jeopardize this. The United States realizes the economical potential that China possesses, and with its entrance and complete assimilation into the WTO, the U.S. will benefit significantly.

ALTERNATE FUTURE 2

China uses diplomatic means and military force in reaction to Taiwan declaring independence. Taiwan uses diplomatic means and military force after declaring independence. United States uses diplomatic means and military force in reaction to Taiwan declaring independence.

This alternate future represents the most likely future if or when Taiwan declares its independence. The platform of the DPP calls for Taiwan to declare its independence. The Taiwanese people do not want to reunify with an economically backward and repressive China. Taiwan has grown from an authoritarian regime into a flourishing democracy.[48] China considers Taiwan a breakaway province and wants to bring Taiwan under its control. China has repeatedly stated it would consider Taiwan's declaration of independence an act of war and would respond forcefully. Beijing has become more assertive as it embarked on a program to develop an offensive capability against Taiwan, underpinned by major increases in defense spending. The United States is prepared to meet it responsibilities to Taiwan under the 1979 Taiwan Relations Act that stipulates, "that any effort to forcibly determine Taiwan's identity is of grave concern to the United States."[49]

This alternate future will ensue if the Taiwanese are capable of defending themselves. Taipei is hoping that the United States Congress will approve its request for military hardware such as air defense missiles, submarines, and destroyers equipped with long-range radar. Taiwan's leaders say they speak with one voice on the subject of its defense, and to gain peace – it must be through strength.[50] This future will more likely become reality if the United States political leaders succeed in rescinding and/or preventing normal trade relations with China.

This future can transpose if Beijing realizes that a war would devastate its already fragile economy. With China making substantial trade concessions with the United States, in the hope of winning Congressional approval for normalized trade relations, Congress might be prepared to deal with these issues diplomatically.[51] The present administration is doing everything it can to persuade the world community to allow China access to the global economic system.

THE CULMINATION OF THE CHINA-TAIWAN ISSUE

China's culmination: with China's slow emergence as a great power and as a central feature of the new global system, the United States interests are best served by China's stable evolution toward a more open, democratic system based on the rule of law. First, China seeks to maintain minimal strategic deterrence with the United States. This is not strategic parity, only the ability to deter United States strategic nuclear pressure. [52] It is for the purpose of maintaining its minimal strategic deterrence with the United States that Beijing has strong reservations about the United States establishing a national missile defense system. Such a system could degrade Beijing's strategic deterrence and require substantial strategic force modernization. Second, China seeks to build regional military superiority in doctrine and deployments' in part to deter the United States, Japan, or others from intervening should conflict

arise with Taiwan. Particularly if the PRC can successfully deter external involvement, or if it can win decisive accommodations from Taiwan before external involvement can be mobilized, it can, if necessary, exploit what it then conceives as local superiority in high-intensity and high technology conditions. Third, China seeks to establish a diplomatic strategy based on comprehensive national strength to persuade Taiwan and any of Taiwan's friends and allies that a Taiwan unified with the PRC is inevitable and desirable.[53] " This effort is to develop acceptance for a unification framework and timetable within Taiwan and among Taiwan's external supporters which is more in the spirit of Sun Tzu than Clausewitz."[54] Beijing's strategies are directed at Taiwan's most important strategic centers of gravity – which are psychological and, eventually, financial. This strategy will use asymmetric tactics across all the elements of national power, employing military force only when they can maximizes the chance for decisive psychological victory as well.[55]

Taiwan's culmination: with Beijing continuing to use long-range missiles as its key Chinese weapon for intimidating, and perhaps attacking, Taiwan is eager to develop a missile defense system (with the help of the United States) to protect its shores. There is no question that now or even years from now, the United States and Taiwan would defeat the poorly prepared Chinese military. The risks of a United States involvement in a dangerous conflict, where China could be at a substantial disadvantage, would seal China's determination to build a larger military. This would probably be the catalyst that sets off an expensive arms race in Asia.

To compensate, Taiwan would have to develop a ballistic-missile defense system to enhance its ability to protect its sovereignty. Also, the United States will be forced to use all necessary economic means to support Taiwan's commitment to developing a high-tech force and help it strengthen itself economically and militarily. This strategy will give Taiwan the capability of projecting power beyond its shores, and in turn enhance its strategic position in the region. To further solidify their position and with the addition of normalizing trade with China and using political means to shore up Taiwanese voters' support of the DPP, Taiwan would use informational propaganda to influence the outcome of upcoming political elections. Taiwan would then continue to enhance and nurture relationships with other democratic states to increase external support as a final step in preventing China from doing anything impulsive.

United States' culmination: the United States faces a great challenge with China, and mishandling it politically or socially will cost America dearly in the future. The United States must be realistic about the prospects of China and slowly integrate it into the economic, security, and political arrangements that America advocates. China is a work in progress and the United States must be prepared to shield itself against it if the above integration is not

possible. The United States must somehow convince China of the great opportunity that lies before it by building on shared interest and attempting to lessen differences. The United States will need to focus on preserving the strategic ambiguity, while waiting for long-term change in China, which could eventually lead to peaceful reunification with Taiwan. The United States must be prepared to use force if necessary, to protect Taiwan's right to declare independence and counter China's aggression towards it. Another step that can be taken by the United States is to increase economic sanctions against China to pressure it into a more amiable solution to Taiwan's situation.

China's fear of war is far less than its fear of being cut off from the world economy. If necessary, the United States must use economic means, such as not normalizing or rescinding trade with China. It is this economic weakness that underlay China's determination for hegemony over its provinces. Therefore, an alternate future that envisages the concept that economic threat, if credible, holds more power than the threat of a military build-up. China's membership in the WTO will be used as a tool to induce the Chinese to develop a more market-based economy. This relationship can allow the Chinese's leadership to point to WTO as demanding the change, so that its laws and procedures can evolve to sustain the free flow of information that is required to sustain a free market system. In so doing, relieves the Chinese's leadership of the onus of leading its people away from a socialist government. The major struggle in Beijing is over how to maintain the Communist Party's political monopoly on power and simultaneously move toward a market economy.

> China has weight and position. Unlike the unlamented, erstwhile USSR, China is a noted landlocked power, and she cannot be landlocked by a prudent United States containment policy...Because of size, character of territory, population, social habits, and location, it would be difficult to exaggerate the potential positive or negative contribution of China to international order.[56]

However, the fact that China is not likely to become a peer competitor to the United States on a global economic basis in the near term does not mean that it could not challenge the United State's position in East Asia or that war over Taiwan is not possible. Correspondingly, under certain conditions Beijing would not hesitate to use military force, especially if Taiwan were to declare independence. It is hard to imagine that China would forgo the use of force against Taiwan, regardless of the perceived economic or military costs, and the likely duration or intensity of American intervention, or the balance of forces in the region. As long as China's economy continues to grow, it is likely that its military power will increase accordingly. This will make China appear to be stronger and more dangerous to its neighbors and further complicate America's commitments in the region.

The quandary about how China will act as its power increases is a matter of concern, but as long as the United States remains engaged in the region, nurtures alliances, does not support the independence of Taiwan, and projects its power in a reasonable way, it is unlikely that China or any country can successfully challenge its role in the region at the global level. Through an analysis of possible futures for the China-Taiwan situation, this study has described circumstances that may cause China to act upon its threats to attack and reclaim Taiwan. The United States role in preventing such hostilities is to maintain the equilibrium of confidence so that both sides can determine the pace and scope of there mutually agreed upon end state which is either a *reunification of Taiwan with China or a declaration of independence by Taiwan.*

WORD COUNT = 6208

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