

CHINA  TODAY

# CHINA AND TAIWAN

STEVEN M. GOLDSTEIN



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Steven M. Goldstein

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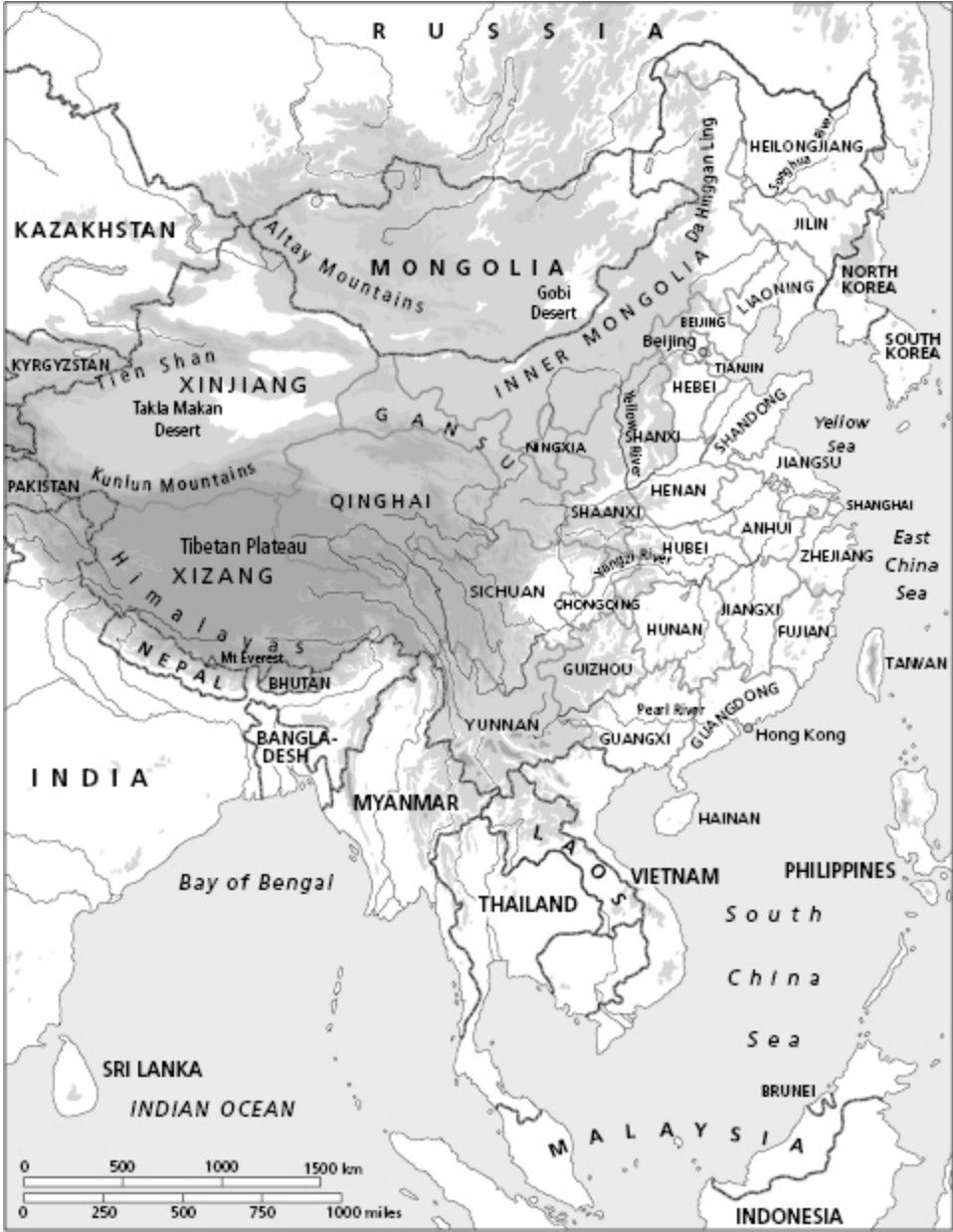
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# Map



# **Chronology**

1895	Taiwan becomes a Japanese colony by the Treaty of Shimonoseki
1911-12	Chinese republican revolution and fall of the Qing dynasty
1937-45	Anti-Japanese war
1943	Cairo Conference calls for Taiwan to be returned to China after the war
1945-9	Chinese Civil War between the Nationalists (KMT) and the Communists (CCP)
1945	Kuomintang troops accept the Japanese surrender on Taiwan
1947	February 28 uprising (2.28)
1949	Founding of the People's Republic of China (PRC); Kuomintang-dominated Republic of China moves to Taiwan
1950-3	Korean War; Truman orders US Seventh Fleet "to prevent any attack on Taiwan" and calls for the ROC to stop operations against the mainland
1953-7	First Five-Year Plan: the PRC adopts Soviet-style economic planning
1954	Constitution of the PRC implemented: first meeting of the National People's Congress; the US signs Mutual Defence Treaty with the ROC
1954-5	First Taiwan Strait crisis
1957	Hundred Flowers movement: brief period of political debate followed by repressive anti-rightist movement
1958	Second Taiwan Strait crisis
1958-60	Great Leap Forward: Chinese Communist Party aims to transform the agrarian economy

	through rapid industrialization and collectivization
1959	Tibetan uprising and the departure of the Dalai Lama for India
1959-61	Three years of natural disasters: widespread famine, with millions of deaths resulting largely from the policies of the Great Leap Forward
1960	"Sino-Soviet split"
1962	Sino-Indian border skirmishes
1964	First PRC atom bomb detonation
1971	UN General Assembly votes to replace the ROC with the People's Republic of China as representative of "China"
1966-76	Great Proletarian Cultural Revolution
February 1972	"Shanghai Communiqué," issued during Richard Nixon's visit to China, pledges that neither the US nor China will "seek hegemony in the Asia-Pacific region"
April 1975	Death of Chiang Kai-shek
July 1976	The Great Tangshan Earthquake: by death toll, the largest earthquake of the twentieth century
September 1976	Death of Mao Zedong
October 1976	Ultra-leftist Gang of Four removed from leadership
1978-89	Democracy Wall movement
1978	Beginning of Chinese economic reform and openness
1978	Introduction of one-child policy restricting

	married urban couples to one child
1979	Diplomatic relations established between the US and the PRC and broken with the ROC; US Congress passes Taiwan Relations Act
1979	PRC invades Vietnam
1982	US and PRC sign arms sales communiqué
December 1984	Margaret Thatcher co-signs Sino-British Joint Declaration agreeing to transfer sovereignty over Hong Kong to the PRC in 1997
1986	Democratic Progressive Party founded
January 1988	Chiang Ching-kuo dies and is succeeded as president of the ROC by Lee Teng-hui
1989	Tiananmen Square movement and crackdown
1989-2002	Jiang Zemin serves as general secretary of the Chinese Communist Party and president of the PRC
1991	Period of national mobilization for suppression of the communist rebellion ended
1992	Deng Xiaoping's southern inspection tour restarts process of economic reform and development; ARATS and SEF meet in Singapore
1995	Lee Teng-hui visits the United States
1996	Mainland conducts missile tests during Taiwan elections; US sends two aircraft carrier groups to the area; Lee Teng-hui elected president of the ROC
May 1999	US bombing of Chinese embassy in Belgrade
1999	Falun Gong demonstrations in Beijing
2000	DPP candidate Chen Shui-bian elected president of the ROC

2001	China joins World Trade Organization
2002	Taiwan joins the World Trade Organization as the “Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)”
2002-12	Hu Jintao serves as general secretary of the Chinese Communist Party and president of the PRC
2002	SARS outbreak
2004	Chen Shui-bian re-elected president of the ROC
2005	China passes Anti-Succession Law
2007	China overtakes the US as the world's biggest emitter of CO <sub>2</sub>
2008	Sichuan earthquake; Kuomintang candidate Ma Ying-jeou elected president of the ROC; Hu Jintao announces six points for managing relations with Taiwan
2008	Summer Olympic Games held in Beijing
2010	Shanghai World Exposition
2012	Xi Jinping elected general secretary of the CCP (and president of PRC from 2013); Ma Ying-jeou re-elected president of the ROC



# Abbreviations

ARATS	Association for Relations Across the Taiwan Straits
ASEAN	Association of South-East Asian Nations
CCP	Chinese Communist Party
DPP	Democratic Progressive Party
ECFA	Economic Cooperation Framework Agreement
GDP	Gross domestic product
KMT	Kuomintang (Nationalist Party)
NPC	National People's Congress
PLA	People's Liberation Army
PRC	People's Republic of China
ROC	Republic of China
SEF	Straits Exchange Foundation
TPP	Trans-Pacific Partnership
TRA	Taiwan Relations Act
TSEA	Taiwan Security Enhancement Act
WTO	World Trade Organization

# Epigraph

Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.

Karl Marx, *The Eighteenth Brumaire of Louis Napoleon*

# **Dedication**

For Erika, without whom . . .

# Acknowledgments

Academics, like professional gamblers, usually accumulate a long string of debts. I have been no exception. My study of Taiwan came relatively late in my academic career and I have benefited from intellectual inspiration and challenges coming from many sources. My students at Smith College, especially the recent influx of students from China, have provided not only research assistance but questions and comments that have forced me to clarify my thinking on cross-strait relations.

I have also been fortunate to have led delegations from the Taiwan Studies Workshop of the Fairbank Center for Chinese Studies at Harvard University that have travelled to Taiwan and the mainland for more than a decade. We have met (and continue to meet) with academics and government officials to discuss cross-strait relations and American foreign policy. Our interlocutors (too numerous to mention) on both sides have been generous with their time as well as their willingness to discuss some very difficult questions with candour and, often, good humour.

However, special recognition must go to the members of the delegation who, year after year, left their families right after New Year to take part in our expeditions. On plane rides as well as in restaurants and hotel bars, I learned an enormous amount from Tom Christensen, Joe Fewsmith, Taylor Fravel, Sheena Chestnut Greitens, Iain Johnston, Robert Ross, and the late Alan Wachman. However, there is one member of the group who, I am confident, we would all agree deserves special mention – Alan Romberg. With his encyclopedic and precise knowledge of cross-strait relations and American foreign policy, he was the one whom we consistently turned to for wisdom and guidance

on difficult or arcane questions. As this book demonstrates, he has had an incalculable influence on my thinking about Taiwan. I couldn't be more grateful. However, to preserve his good name as well as those of my fellow travellers to China, I have quickly to add that they are in no way responsible for this work.

Final mention has to go to those who helped enhance the quality and coherence of the discussion which follows. Pascal Porcheron and Louise Knight at Polity Press were patient when I failed to meet deadlines and helped to sharpen my argument. Saikun Shi provided research assistance. Samantha Wood and Caroline Richmond were amazing editors who performed magic on this manuscript.

# Introduction

For more than six decades, the embers of the post-World War II conflict between Taiwan and the mainland of China have threatened to burst into flames, engulfing the Taiwan Strait in a war that could quickly become a broader and more dangerous conflict between the United States and China.

The roots of today's cross-strait tensions are relatively straightforward. In 1949, after driving the government of the Republic of China (ROC) – often referred to as the “Nationalists” – off the mainland and onto the island of Taiwan, the Chinese Communist Party (CCP) declared the establishment of the People's Republic of China (PRC). Today, that government in Beijing considers itself the legitimate ruler of all China, including Taiwan. It views the continued separation of the island from the mainland, as well as its governance by another political authority claiming equal sovereignty, as preventing both closure in the civil war and restoration of the full territorial integrity of the Chinese nation. Although PRC leaders have committed to peaceful modes of achieving this reunification as their preference, they nevertheless retain the option to use force in their efforts to incorporate the island into China.

The authorities on Taiwan, on the other hand, insist that, regardless of the defeat on the mainland in 1949, it remains the same government that ruled China before the forced relocation. For some of the period after its defeat, the ROC claimed to govern all of China despite the mainland's occupation by “communist bandits.” Today, decades after the major world powers (including the United States) finally recognized the PRC as the legitimate

government of China, the government on Taiwan continues to assert the ROC's status as a sovereign and independent state on the international stage. Although economic relations with the mainland have flourished, the ROC has resisted discussions aimed at resolving cross-strait political and military disagreements.

This brief account of the origins of cross-strait relations tells only part of the story. The United States became entangled in China's internal politics during World War II and has remained so since, despite several efforts at disassociation. Washington backed the Kuomintang (KMT or Nationalist Party) during the civil war with the Communist Party and, today, remains the ultimate guarantor of the safety of Taiwan. Communist leaders have, since 1949, considered the United States to be the principal obstacle to the incorporation of the island into the new Chinese state.

Thus the policies of both China and Taiwan have, of necessity, been focused on the United States even as Washington has had, in turn, to consider its objectives in regard to each side of the strait in formulating policy toward the area. For this reason, the discussion that follows proceeds from the premise that cross-strait relations cannot be fully understood if the focus is simply on the bilateral relationship between the two sides in an earlier domestic conflict. Despite their origins in the Chinese Civil War, these relations have had, from their beginning, a significant international dimension as a result of continued American involvement and, as a result, have taken on a triangular pattern.

For more than sixty years, this triangular configuration has remained the defining characteristic of cross-strait relations. However, it has not been a static configuration. The triangle has evolved over time in response to the

policies of the three actors as well as to the broader international environment. These policies, which have accumulated over more than six decades, have created perceptions, assumptions, and commitments that together are the foundation of the present triangle in the Taiwan Strait. As is the case in so many other global hotspots, the past weighs heavily on the present and continues to shape interactions.

To assess the influence of the past on the contemporary situation, the analysis that follows posits that relations have gone through two distinct configurations since the end of World War II. These stages of development, despite their very different natures, combine to have a profound impact on the current policy in the area. The two periods are separated by the decade of the 1990s, with the most dramatic single event marking the passage into a new era in cross-strait relations being the end of KMT authoritarian rule and the emergence of democracy in Taiwan.

Before democratization, Taiwan's mainland policy was made by a small group of KMT leaders who were preoccupied with regaining power on the mainland and who treated Taiwan simply as a provincial jumping-off point for realizing that larger ambition. For them, the Taiwan Strait was still the front line in a continuing civil war. There were, to be sure, sporadic secret contacts between the two sides. However, aside from occasional military forays and frequent public propaganda statements across the strait, there were no interactions between the two sides that could be considered "relations." To the extent that there were any "relations," they were manifested in Sino-American dealings over the status of Taiwan, which was rooted in the post-war controversies that periodically flared into crises in the area. These were the years of the Cold War and the "Red Scare." China was viewed by Washington as the spear point of the international communist



movement in Asia. By the mid-1950s the United States not only refused to acknowledge the communist victory in the civil war, as manifested by its continued recognition of the ROC as the government of China, but also denied that the PRC had sovereignty over Taiwan.

Until 1972, the United States was in the middle of the cross-strait dispute. American policy in the area was one of dual deterrence (for this term, see Bush 2005). Washington sought to prevent the Kuomintang on Taiwan from provoking a clash with the mainland that would drag it into a war with Beijing, while at the same time deterring a possible mainland attack on the island by its military presence. The United States engaged the mainland in 136 sessions of ambassadorial talks intended to de-escalate tensions in the area. China, however, would have none of it. Like the KMT on Taiwan, it regarded the cross-strait conflict as a domestic matter and American interference as a violation of its newly won sovereignty. Taiwan's status was considered a matter to be settled by the two sides themselves, and Beijing's representatives consistently argued that China would accept nothing less than American abandonment of Taiwan - an unlikely step given the political environment in the United States. It was a dialogue of the deaf.

It was against the background of this Sino-American deadlock over the status of Taiwan that the rapprochement of the 1970s, beginning with the visit of President Nixon and mutual recognition in the Carter administration, took place. As we shall see, the Sino-American differences over Taiwan proved no more soluble than they had been earlier, and differences nearly wrecked the process of normalization. However, both sides sought a better rapport, and, by means of ambiguous statements, muted disagreements or simple papering over the still sharp divisions over Taiwan, Sino-American relations went ahead

into the 1990s – and into a new stage in the triangular relationship.

As noted earlier, it was the democratization of Taiwan and the end of KMT authoritarian rule during the 1990s that was the occasion for the transition to this new stage in cross-strait relations. This action enfranchised a portion of the Taiwan population who had lived on the island before World War II and whose orientation toward the island and its relation to the mainland was fundamentally different from what had previously been official policy.

The roots of this new orientation and the subsequent shift in Taiwan's policy that resulted were in the past.

Specifically, they were the result of a unique historic relationship between Taiwan and the mainland of China as well as the impact of the period of KMT authoritarian rule. Until the mid-seventeenth century, when it finally became a minor subdivision of the Chinese empire, the island was better known to pirates in the area than it was to the rulers of China. After two centuries of neglect by the mainland, Taiwan finally achieved provincial status. However, after less than a decade it was ceded to the Japanese empire in 1895, following China's defeat in the Sino-Japanese War, and became Tokyo's first colony. It retained that status for fifty years, until Japan's surrender at the end of World War II.

The distant relationship with imperial China and, more importantly, Taiwan's half-century as a Japanese colony would play a central role in shaping the domestic political environment on the island. When the Kuomintang army arrived to reclaim Taiwan after the war, it encountered an ethnically Chinese population that appeared to be more Japanese than Chinese and that shared little of the antipathy to Japan felt by the arriving mainlanders, who had just endured eight years of brutal occupation and war.

The clash of cultures and history between the arrivals from the mainland (known as *waisheng*, or those from outside the province) and the Chinese whose ancestors had come before the end of the war (known as *bensheng* – those from within the province) became immediately apparent, and tensions grew, leading to an armed confrontation in 1947. The brutal suppression of local activists by mainland troops marked the end of any hope of greater self-rule for the islanders and initiated an authoritarian ROC government dominated by the newly arrived Kuomintang.

This cleavage between these two populations came to define Taiwan politics for more than four decades, as the mainlander government moved to reshape the island to meet its needs in the civil war against its enemy across the strait. Taiwan was subjected to what amounted to military rule, which suspended the constitution and virtually excluded the local population from political participation except at the very local level. In an effort to rally the population around the cause of retaking the mainland, the KMT government sought to “Sinify” the local population by imposing mainland values, history, and language to replace those associated with Taiwan. The result of these policies was that, over time, much of the resistance to authoritarian rule came to be associated with the *bensheng* population, who, in reaction to the forced Sinification, fashioned the island's past into a narrative that, contrary to the official policy, emphasized its distinctive history and identity as well as its extended separation from the mainland.

Thus, with democratization, mainland policy became subject to the influence of a population that had already become deeply divided over the question of identity during the previous period. The unique history of the island and the experience of mainland rule under KMT auspices had engendered a search for a distinctively Taiwanese identity, and the nature of the relationship with the mainland

became a contested political issue. In contrast to the previous period, when the island's relationship with the mainland was taken as a given, it became, by the end of the twentieth century, an issue considered subject to negotiation among equals, with the newly formed opposition party floating the idea of independence.

However, democratization on Taiwan not only led to a questioning of the assumption regarding the island's status as a part of China, it also saw the end of the earlier refusal of the government to have any contacts with the “enemies” on the mainland. Democracy empowered the business community, and, with commercial interests leading the way, contact rather than conflict between the two sides became the dominant theme in cross-strait relations. In 1992, this new stage in the relationship was marked by a meeting between unofficial organizations from the two sides - the first since 1945.

In short, Taiwan's earlier policies of hostility and refusal to allow any contact with the mainland - outside of military provocations promoted by a bitter, defeated KMT leadership - were ended. The foundations of the unprecedented, multifaceted relationship in trade, investment, tourism, and official consultations that characterize contemporary cross-strait relations were laid. However, this policy was now subject to the pressures of an electorate far more ambivalent about the political nature of the relationship and clearly reluctant to replace the rule of one mainland government with another.

Taiwan's democratization had also shifted the central focus of cross-strait relations away from Sino-American diplomacy. One scholar (Su 2009) has referred to the period after the 1990s as “a tail wagging two dogs.” After the 1990s, the United States and China were forced to adjust to policies resulting from domestic politics in Taiwan

over which they had very little control and which were increasingly coming to shape the triangular configuration of relations (Chu and Nathan 2007-8).

For the mainland, the result was that the management of cross-strait relations became dramatically more complicated. The relationship with Taiwan that developed after the 1990s was a multifaceted one that encompassed a wide range of issues, including investment, culture, tourist exchanges, and governmental agreements. It operated on many levels, involving individual citizens, party members, and government officials. Most challenging for the mainland were the domestic political currents on Taiwan, which often pushed the limits of Beijing's long-established policies regarding the island's relationship with the mainland. Fundamental principles laid down by the mainland in the previous period were proving ill-suited to the new environment.

The same could be said for China's relationship with the United States. Beijing's frustration in managing an increasingly complex cross-strait relationship often caused it to look to the United States as either a cause of, or a solution to, its problems. The distrust of American motives rooted in the previous period remained. They had been neither dispelled nor, more importantly, solved by the earlier ambiguous agreements. This threatened at times to disrupt Sino-American relations, while at others Beijing looked to Washington to cooperate in limiting provocative behavior on the part of the newly democratic Taiwan.

The new period in cross-strait relations posed challenges for the United States as well. In some respects these were not new challenges. In the period after recognition, domestic political pressures and concerns for the American image in Asia had required that a delicate balance be maintained between enhancing the post-Cold War