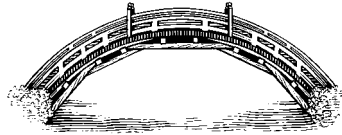


BOOK REVIEW ROUNDTABLE

Richard C. Bush's
*Untying the Knot:
Making Peace in the Taiwan Strait*

Washington, D.C.: Brookings Institution Press, 2005
ISBN: 0-815-71288-X (hardcover)



Allen Carlson
Derek Mitchell
Lyle Goldstein
Dan Blumenthal
Mark Williams
Steven M. Goldstein
Richard C. Bush

(K)not Yet Untied: Comments on Richard Bush's *Untying the Knot**Allen Carlson*

Richard Bush, who served as the acting director of the American Institute in Taiwan from 1997 to 2002, is one of America's most experienced observers of Taiwanese politics. His new book, *Untying the Knot*, clearly reflects such expertise, and forwards a timely, comprehensive, and fairly well-balanced account of the evolution of contemporary cross-Strait relations. The book makes two main contributions to the already vast literature on this potentially explosive relationship.

First, Bush attempts to explain the tenacity of conflict across the Taiwan Strait. As an initial step, he identifies sovereignty and security as forming the interlocking core of the conflictual relationship between Beijing and Taipei. He then calls attention to three "aggravating" factors—domestic politics, the decisionmaking process, and leverage-seeking—that have made this volatile situation even more intractable.

As a second contribution, Bush suggests a set of policy measures that, if enacted, would be conducive to lessening tensions and reducing the chances of outright military conflict across the Taiwan Strait. More specifically, he recommends that Beijing move beyond the "one country, two systems" formula. Taipei is encouraged not only to refrain from pushing Beijing into a corner (via formal measures to declare Taiwan's independence) but also to strengthen Taiwan's own status both at home and abroad in order to maintain its negotiating position vis-à-vis the mainland. Finally, Washington is called upon to help facilitate dialogue between the two sides, though without operating as a direct intermediary.

On both of these scores, Richard Bush's analysis is generally accurate and illuminating. He is clearly an informed observer of cross-Strait relations, and his book will quickly become required reading for all those with an interest in the tenuous relationship that exists across the Taiwan Strait.

Illuminating Post-2004 Legislative Yuan Cross-Strait Relations

Especially impressive is the extent to which Bush's main arguments are consistent with the developments that have taken place in cross-Strait

ALLEN CARLSON is an assistant professor in Cornell University's Government Department. He is also a participant in the National Committee on U.S.-China Relations' Public Intellectuals Program. His book, *Unifying China, Integrating with the World: Securing Chinese Sovereignty in the Reform Era*, was published by Stanford University Press in 2005. He can be reached at <arc26@cornell.edu>.

relations since Taiwan's 2004 Legislative Yuan election. Analysts on both sides of the Taiwan Strait (and in Washington) widely expected Chen Shui-bian's narrow re-election to the presidency in the spring of 2004 to augur well for his Democratic Progressive Party's (DPP) prospects in the legislative contest. Some even felt that the DPP would capture a majority in the island's legislative branch. In anticipation of Chen utilizing such an electoral outcome to further cement Taiwan's independence, analysts also predicted a further worsening of the relationship between Beijing and Taipei. When, to the surprise of most observers, this outcome did not come to pass, leaders in both Taipei and Beijing were faced with a major shift in Taiwan's domestic political situation: the apparent waning of DPP influence. These leaders were also presented with an unexpected opportunity to re-orient cross-Strait relations away from the increasingly confrontational rhetoric and policy positioning that had defined the relationship during much of 2004.

For many of the reasons Richard Bush has identified, neither side effectively seized this opportunity. The main players in both Beijing and Taipei failed to address the central issues of security and sovereignty. Instead, China's leaders looked to take advantage of the DPP's weakened political position by extending invitations to visit the mainland to Taiwan's most prominent opposition leaders—the Kuomintang's Lien Chan and, subsequently, the People First Party's James Song. When both Lien and Song accepted these invitations (in the hope of strengthening their own reputations), the resulting visits made for great photo opportunities for Beijing. Not surprisingly, however, these visits produced little in the way of substantive results.

All the more disappointing was that this outcome effectively stifled what might have been the last best hope for the improvement of cross-Strait relations prior to the next presidential election cycle in Taiwan (to take place in 2008). More specifically, such developments created strong disincentives for the pan-green (or pro-independence) camp to engage in talks with Beijing and stoked resentment within the DPP over what was perceived as Beijing's attempt to undermine Chen's political authority.

The preclusion of talks was particularly unfortunate. When this reviewer visited Taiwan in January 2004, it was apparent that many of those who had previously advocated independence had begun to tentatively consider more moderate ways to pursue such a goal. Indeed, for the first time it appeared that the pan-greens were seriously entertaining the possibility of engaging the mainland in substantive talks. In contrast, when I returned to Taipei two months later in March, these same individuals had begun to express frustration and anger over Beijing's recently passed Anti-Secession Law and,

more importantly, the looming prospect of Lien's visit to the mainland. Though Chen took no immediate measure commensurate with such sentiments and cross-Strait relations remained relatively calm through the winter of 2005, his recent de facto abolishment of the National Unification Council suggests that we may once again be entering a more turbulent period in cross-Strait relations.

The Overlooked Factor of National Identity

Beijing clearly overplayed the unexpected hand it had been dealt by Taiwan's electorate in the 2004 Legislative Yuan elections, and political leaders in Taiwan similarly failed to utilize the election returns to shift their substantive position on any of the fundamental issues within the cross-Strait relationship. Once more, this turn of events is consistent with Richard Bush's analysis—such an outcome was largely the product of contrasting domestic political pressures, somewhat incoherent policymaking processes, and rather transparent attempts by all parties involved to maximize their influence over the Taiwan Strait. Another factor also figures into this dynamic, however, one that is underemphasized in Bush's analysis of cross-Strait relations: the deeply embedded identity constructs in both China and Taiwan that place distinct limits on the degree of pragmatism in each side's negotiating position.

First and foremost, the Chinese leadership has clearly defined itself (especially in the post-Tiananmen era) as the defender of the Chinese nation, and predicated the legitimacy of CCP rule upon the party's commitment to unifying all of China, with a special emphasis on returning Taiwan to the mainland. The pervasive belief in such a mission within Zhongnanhai makes the prospect of ceding any real ground on the issue of Taiwan unthinkable. In other words, regardless of any utilitarian concerns that may arise, China's sense of self places obvious constraints on the degree to which the mainland is likely to compromise on the issue of Taiwan's status as a part of China.

Richard Bush accurately portrays how this sense of self acts as an obstacle to the improvement of cross-Strait relations. He finds, however, that those in Taiwan are less wedded to narratives of legitimacy and national identity. On the contrary, one of the core claims in Bush's book is that first Lee Teng-hui and then Chen Shui-bian staked out exceedingly pragmatic positions on cross-Strait issues. According to Bush, whenever either leader has advocated for Taiwan independence, he did so primarily due to domestic political considerations. Moreover, these two presidents have repeatedly modified such stances in order to create the space for opening talks with the mainland.

In other words, in their dealings with Beijing neither Lee nor Chen have been constrained in any meaningful way by underlying commitments to furthering, and preserving, a distinctly Taiwanese identity.

Such an argument cuts against the grain of much of the conventional wisdom regarding both of these leaders. In Beijing's propaganda, and in the writings of many western scholars, both Lee and Chen are often portrayed as ardent advocates of Taiwan independence. Bush's careful analysis of both leaders, who have repeatedly shifted stances on cross-Strait issues, quickly reveals the overwrought nature of much of this commentary. More extensive documentation of these developments, however, such as the use of interview data with key players, would have strengthened the author's arguments. More importantly, in his efforts to dispel the conventional wisdom concerning Lee and Chen's advocacy for Taiwan independence, Bush tends to underemphasize the extent to which both leaders (and their followers) have, as I believe, become committed to the idea of a distinct Taiwanese identity. Indeed, I have found that over the course of the past decade the preservation of such a construct has become more intrinsic to the stance that leaders across the political spectrum have taken on cross-Strait relations, and has emerged as a particularly prominent factor in pan-green thinking on this issue. Thus, even in the aftermath of the pan-green's Legislative Yuan defeat, none of the political elites (whether green or blue) with whom I spoke in the first part of 2005 were willing to cede any ground on the extent to which they believed Taiwan was already an independent political entity wholly separate from the People's Republic of China.

By calling attention to the role of identity politics in the Taiwan Strait, I do not mean to imply that such a factor is exempt from manipulation and re-interpretation, nor does this emphasis necessarily suggest any singular set of outcomes in cross-Strait relations. I do believe, however, that identity politics are worthy of more extensive consideration. Indeed, it is my impression that while sovereignty and security concerns—not to mention economic ties—are of great importance in cross-Strait relations, the core of the dispute lies within the issue of how political leaders in Taiwan and China define their individual nation-building projects. Moreover, any resolution of the current standoff will hinge upon the degree to which those on both sides of the Taiwan Strait (at the elite and popular levels) can successfully cultivate a new set of more inclusive and mutually compatible constructs in regard to the question of what it means to be Chinese—and, perhaps, Taiwanese.

A Knot Still Untied

Finally, I agree with Richard Bush's argument that the United States can only play a limited role in stabilizing, and possibly resolving, cross-Strait relations. The knot across the Taiwan Strait will not be untied by American hands. On the contrary, only those residing in Taiwan and the mainland can untie this knot. At the current juncture the prospects for such a resolution still appear to be quite remote, and the measures that Bush advocates in the concluding chapters of his book for dealing with such a situation strike this reviewer as quite limited. Though perhaps sufficient to help substantiate the existing status quo across the Taiwan Strait, by failing to directly address issues of national identity formation discussed in this review, the author's prescriptions for cross-Strait harmony—in the opinion of this reviewer—fall short of forwarding a truly innovative and potentially transformative solution.

Tied Up Across the Taiwan Strait

Derek Mitchell

Over the past half-century, few issues have been as persistent in U.S. foreign policy yet so little understood by the general public—and even foreign policy elite—as has the issue of Taiwan. The issue's deep and complex historical, emotional, and political undercurrents as well as highly precise policy language have bedeviled even the most senior U.S. policymakers and foreign policy spokesmen for decades. Understanding the issue requires almost a Talmudic attention to the nuance, phrasing, and interpretive meaning of the respective actions and policy statements of China, Taiwan, and the United States over the years, a taxing requirement for the casual observer.

Richard C. Bush of the Brookings Institution is as good a guide as there is in the United States for navigating these complex and often treacherous waters. In his book *Untying the Knot: Making Peace in the Taiwan Strait*, Bush documents in authoritative fashion the many complex historical, political,

DEREK MITCHELL is Senior Fellow for Asia, International Security Program, CSIS. From 1997 to 2001 he was Special Assistant for Asian and Pacific Affairs, Office of the Secretary of Defense, during which time he also served as Senior Country Director for China, Taiwan, Mongolia, and Hong Kong (2000–01). He can be reached at <dmitchell@csis.org>.

sociological, and even psychological elements of the current impasse. Watching the action from the front row as an official responsible for Taiwan affairs in the Clinton and Bush administrations, Richard Bush notes that, due to a mixture of arrogance, faulty assumptions, and self-constraints imposed by highly competitive, if opaque, elite politics in Beijing, China has missed a series of opportunities to reach out productively to two successive Taiwan presidents. This series of missed opportunities has resulted in increasing mutual mistrust, suspicions of bad faith on all sides (including the United States), and substantial Chinese military development focused on Taiwan that have only heightened tensions and danger in the area.

Domestic Politics and the Sovereignty Question

Bush documents in particular how Beijing has consistently mishandled and misunderstood the intentions of presidents Lee Teng-hui and Chen Shui-bian, who conventional wisdom holds are troublemakers whose essentially independence-minded agendas have increased tensions across the Taiwan Strait. Bush challenges this viewpoint by providing a nuanced picture of the substance and context of the respective actions taken by the two leaders while in office and argues that both men, though undeniably strong proponents of establishing a new and distinct national identity for Taiwan, have proved to be more politician than ideologue, and more open-minded and flexible on the issue of Taiwan's ultimate sovereign status than they may at first appear to the casual observer.

Bush documents and analyzes how China's actions, and the dictates of party and electoral politics in Taiwan, have caused the two leaders to modify their approaches to the question of Taiwan sovereignty, in alternately both more moderate and more extreme directions. In the mid-1990s, for instance, as the island's first democratic presidential election approached, Lee Teng-hui found it necessary to promote Taiwan identity more strongly. In 2000 Chen Shui-bian de-emphasized the Democratic Progressive Party's (DPP) independence platform in order to reassure voters that he could be trusted as a responsible leader, and displayed signs of continued flexibility during his term in spite of hard-line pressure from within his party. Bush shows how China failed to seize this opportunity to empower Chen politically at home in ways that would allow him to remain on a more moderate course.

It is this personal and political dynamic that Beijing seems to so profoundly misread in its Taiwan policy, and that Bush documents so carefully and effectively. China's consistent strategy of isolating, threatening, and preventing

any assertion of Taiwan pride and identity has blinded Beijing to the political benefits of adopting a more positive approach to the island and its leaders. Beijing intimidated Taipei both in 1996 and 2000, and demonstrated bad faith toward Taiwan in the years leading up to the 2004 election; such tactics, however, only resulted in the election of Lee and the election and re-election of Chen, and served to further alienate the two leaders from China.

Moreover, China has vilified Chen personally, refused to reach out to him or his party, and worked openly with his political opponents. When Chen then takes “provocative” action necessary to demonstrate his continued political viability (for instance, by threatening in February 2006 to abolish Taiwan’s National Unification Council and erase the National Unification Guidelines), Beijing reacts in horror. In 2003 China ensured that SARS-infected Taiwan could not act as an observer in the World Health Organization, and then complained vociferously when Chen played the “China card” as a strategy to achieve political success over his more pro-mainland opponents in 2004.

What Beijing has not seemed to understand is that, by making it more politically viable in Taiwan (at least in 2004) to defy rather than embrace the mainland, China’s own actions effectively deal Chen this card. Beijing’s overall posture of disrespect and policy of isolation have done little to reverse growing mistrust toward and political alienation from the mainland among the people of Taiwan. As a result, despite growing cross-Strait economic and social ties, the prospect of reconciliation and peaceful unification has become even more distant.

Identity Politics

Beijing also seems threatened by the natural development of Taiwan national pride, apparently equating assertions of Taiwan dignity with Taiwan independence. What China may not recognize is that a more confident Taiwan, and a more politically secure Taiwan president, may serve as a better and more willing dialogue partner. Indeed, Lee Teng-hui’s quest for a distinct Taiwan identity, as Bush notes, was not necessarily meant to serve as the basis for permanent *de jure* independence but rather as a foundation for political and social cohesion at the domestic level that can then help to lead to a strong negotiating position vis-à-vis China. Except for aiming several hundred missiles at Taiwan, Beijing has provided little incentive for Taiwan to come to the table.

In fact, what both Lee and Chen have demanded of Beijing has been due respect for Taiwan’s dignity through treatment as an equal in any cross-Strait

discussion or negotiation, a phased approach to reconciliation and trust-building, renunciation of force to settle the dispute, and greater international space for the island. Lee and Chen have also rejected the “one country, two systems” model for Taiwan, instead envisioning some form of confederation as the preferred option over the long term.

Though China may not favor such a formula, the position of the two Taiwan leaders has been far from independence-minded activism. As Bush notes, Beijing has “transmuted a disagreement over *how* Taiwan might be a part of China into a dispute over *whether* Taiwan sees itself as part of China” (p. 341). Unable or unwilling to understand the complexities of identity politics emerging on the island, China has assumed that any rejection of its “one country, two systems” formula—or even any hesitancy to sign off on Beijing’s “one China” principle—was tantamount to a rejection of unification in general. It is this fundamental misreading of, or inability to adjust to, changes in the political environment in Taiwan that threatens to fuel continued tensions across the Taiwan Strait.

Some suggest that China is satisfied with this situation. Beijing’s foremost goal in the near term may in fact not be to secure unification but rather to prevent independence, and perhaps even ensure the defeat of the DPP in the 2008 presidential election. If so, China is achieving this goal at a high cost. First and foremost, *de jure* independence or other forms of permanent separation are not viable in the near term anyway. In addition, China’s Taiwan policy is increasing the possibility of miscalculation and conflict in the coming years—conflict that Beijing would find particularly unwelcome given its priority interest in attending to difficult economic, social, and political transitions occurring within China.

Though the mainland leaders may feel that time is on their side, Beijing seems to draw the wrong message from those who counsel patience in dealing with Taiwan: patience does not mean simply waiting passively for time to pass toward some inevitable outcome, but rather implies active and creative initiative. Were Beijing to exhibit a mindset that seeks to understand and respond to the interests of the the Taiwan people and Taiwan leaders, relationships built in good faith may ultimately achieve the mutual interest of a truly peaceful resolution over time. Indeed, whether one believes that Chen is a tactical politician (as Bush suggests) or is at heart an advocate of independence (as others fear), Beijing has not tested Chen seriously enough yet to determine whether compromise or progress in cross-Strait reconciliation has been possible during his tenure.

Conclusion: Light at the End of the Strait?

Perhaps it is a paradox of international affairs that, much like human affairs, the relationships one deems most important and emotionally desirable are those one handles the most poorly. That might be one explanation of why China's policy toward Taiwan, whose "peaceful reunification" with the mainland Beijing has deemed its "sacred goal," has proven so strategically counterproductive. One might note with irony that, with respect to the North Korea nuclear issue, China has counseled the United States to engage in bilateral dialogue without preconditions, refrain from vilifying DPRK leader Kim Jong Il, and avoid driving Kim into a corner where he will have no alternative but to lash out provocatively in fear and anger. Indeed, Beijing might heed such reasonable advice itself when dealing with Taiwan.

The good news, perhaps, is that China has now established a public record of promises and policy pronouncements, both to Taiwan as a whole and to the KMT opposition in particular, that will be difficult to reverse should the KMT return to power on the island and test China's good faith. Although Chen may feel personally and politically undermined by Beijing, in the long run his tenure may be remembered for providing his political successors the leverage with which to hold China to its vows. In return for a vague commitment to the one-China principle, Chen's successors should acquire the wherewithal to promote the national dignity, political respect, and international status that Taiwan's democracy rightly deserves. For those who want to follow future developments, Richard Bush's comprehensive and fresh analysis of the history, personalities, and dynamics of the cross-Strait issue should serve as a critical resource—one that policymakers and analysts in Beijing, Taipei, and Washington would do well to consult in their attempts to ensure the stable management of this thorny impasse.

A Rapidly Changing Military Balance: A National Security Perspective on Richard Bush's *Untying the Knot**

Lyle Goldstein

Untying the Knot represents a brave effort to untangle one of the most complex national security challenges confronting the United States in the current security environment. The paramount status of the Taiwan issue, which constitutes the most dangerous flashpoint in the world today, has been somewhat obscured by the global war on terrorism and the nuclear overtones of crises involving Iran, North Korea, and South Asia. Nevertheless, the Taiwan issue is unique among these security challenges in that a crisis involving the island represents a wholly plausible scenario for major war between two nuclear-armed great powers.¹ The truly devastating consequences of such a conflict, not only for the belligerents but for global security as a whole, underline the fundamental importance of this book.

As one of the nation's foremost experts on the Taiwan quandary, Bush demonstrates encyclopedic knowledge concerning both the origins of the dispute and, in particular, the fast moving pace of developments during the past decade. Scholars and national security practitioners will find that this new tome serves as an invaluable reference on narrow but important aspects of the Taiwan problem, ranging from security dimensions of Taipei's evolving trade policy with the mainland ("avoiding haste" to "active opening") to the sensitive issue of passports. Bush's analyses regarding broader issues that are vital to any understanding of the Taiwan issue, such as Chinese nationalism and the nature of Taiwan's exceedingly complex political landscape, represent superb surveys of available scholarship and are quite insightful. These insights sometimes reflect Bush's extensive personal involvement in the issues under discussion. Bush describes, for example, the surprise of Taiwan Foreign Minister Eugene Chien mere hours after the announcement of the major constitution referendum initiative by Taiwan president Chen Shui-bian (p. 223). Bush also analyzes a variety of interesting PRC discussions. For instance, the intricate treatment of PRC scholar Su Ge's important Chinese-

LYLE GOLDSTEIN is Associate Professor, the U.S. Naval War College in Newport, RI. His first book was published by Stanford University Press in 2005. His research on Chinese security policies has appeared in *China Quarterly*, *International Security*, *Jane's Intelligence Review*, *Undersea Warfare*, *USNI Proceedings*, and most recently in *IJSS Survival*. He can be reached at <lyle.goldstein@nwc.navy.mil>.

* This article reflects the personal opinions of the author and in no way represents the official viewpoint of the U.S. Navy or any other agency of the U.S. Government.

¹ Even more unique is that such a war could potentially be instigated by Taiwan, a third party.

language book about Washington's Taiwan policy offers unique and valuable insights into Beijing's approach (pp. 203–4), and reveals the true extent to which conventional Chinese elite wisdom holds the United States culpable for creating and maintaining the Taiwan “problem.”

Bush's rendering of the security aspects of the Taiwan issue is relatively sound. Utilizing recent security studies scholarship, he skillfully introduces such vital concepts as the “security dilemma” (one side's pursuit of security induces insecurity in the other state and thus fosters a dangerous action-reaction spiral) and the concept of the “prisoner's dilemma” (wherein basic mistrust creates a lose-lose outcome). Bush also goes one step further by suggesting where these models might usefully apply to present policy dilemmas in both Taipei and Beijing. Most importantly, he highlights the new situation that is developing as a result of the People's Liberation Army's (PLA) accelerated modernization process, on the one hand (p. 107), and Taiwan's apparent stagnation in the military realm, on the other. This evolving imbalance will surely have a profound impact on the future development of the Taiwan situation.

One possibly significant flaw in Bush's discussion of the security aspects of the Taiwan situation is a seeming tendency to understate the pace and significance of PLA development. A few examples from the aerospace and maritime spheres will suffice to make the point. First, and most importantly, the increasing numbers and accuracy of China's short-range ballistic missile (SRBM) force render obsolete much of the previous conventional wisdom regarding the cross-Strait balance. If China's SRBM force proves capable of thoroughly destroying Taiwan's air force—as now seems entirely possible, perhaps doing so even in a matter of hours—then command of the air is very much in question.² At one point, Bush does concede that there is essentially no defense against a PLA missile barrage (p. 123). If the PLA can gain command of the air, then an amphibious invasion, contrary to conventional wisdom (p. 119, for example), suddenly becomes more feasible. By employing new ballistic homing warheads, this SRBM force may also be used to strike U.S. Navy (USN) carrier battle groups. Bush's assertion that China's air force will command “several hundred medium-range bombers” in the coming years (p. 119) is possibly an exaggerated claim. In fact, other than rather limited H-6 production, China does not appear to maintain an indigenous bomber program. Bush's discussion also appears to seriously underestimate the number

² See Lieutenant Commander William E. Bunn (USN), “China's Increased Weapons Precision and the Taiwan Scenario,” *Chinese Military Update* 3, no. 2 (Spring 2006): 1.

of fourth-generation Chinese fighter and strike aircraft. Though Bush claims that this fleet numbers over one hundred aircraft (p. 117), fourth-generation fighter aircraft now actually probably number well over two hundred, and perhaps even closer to three hundred, advanced platforms. Moreover, these numbers exclude the new indigenous J-10, which may already be in serial production.³

Bush exhibits a similar tendency in the realm of Chinese naval development. Though he rightly highlights the importance of China's purchase of *Kilo*-class submarines from Russia, further details are necessary in order to complete this picture. Eight brand new *Kilos* will have been turned over to China by the end of 2006. These potent vessels field the lethal *Klub*-weapons system, which features a supersonic cruise missile with terminal homing maneuvers designed to defeat the *Aegis* air-defense system. This anti-ship cruise missile, together with the *Moskit* system deployed on the *Sovremennyy* destroyers, represents a weapons system that may well exceed the capabilities of current USN systems.⁴

In the end, Bush commits an error common among defense analysts by focusing exclusively on imported weapons systems. Given that the new generation of indigenous Chinese systems appears to be formidable, Bush's failure to acknowledge this fact is indeed a significant oversight. China has built the world's first missile catamaran,⁵ and the PLAN's newest surface ships are all equipped with vertical launch systems (VLS) and close-in weapons systems (CIWS). There is even the possibility that one ship is equipped with an *Aegis*-type phased array radar. These developments signify a new level of survivability for PLAN surface platforms.⁶ The PLAN has prioritized undersea mine warfare in tandem with an ambitious submarine force modernization.

³ According to *China Defense Today*, the PLA accepted shipments of Su-27s in 1992 (26 aircraft), 1996 (22), and 2002 (28). As for the Su-30, batches were received in 2000 (10 aircraft), 2001 (28), 2003 (38), and 2004 (24). The same source estimates that 90–100 J-11s (Su-27 kits assembled at Shenyang) were completed by 2004. Thus the grand total would equal at least 266 fourth-generation aircraft by 2004. See *Sinodefence.com*, "Chinese Defence Today: Fighter Aircraft," ~ <http://www.sinodefence.com/airforce/fighter/default.asp>.

⁴ While both the *Klub* and *Moskit* systems are supersonic, the USN's mainstay antiship missile, the *Harpoon*, is subsonic. For profiles of these systems, see *GlobalSecurity.org*, ~ <http://www.globalsecurity.org>. China, if it does not already, is likely to field supersonic indigenous cruise missiles in the near future.

⁵ "Zhongguo haijun chuanlang shuangtixing daodanting" [The Chinese Navy's Wave-Piercing Double-Hulled Missile Boat], *Jianchuan zhishi*, no. 9 (September 2005): 41.

⁶ On the prospects for a Chinese *Aegis* air defense capability, see James C. Bussert, "China Builds Destroyers Around Imported Technology," *Signal*, August 2004, 67.

China maintains a robust research program for rocket-rising mines,⁷ and is now likely capable of deploying advanced mobile mines (referred to in Chinese as *zihang shuilei*, or self-navigating mines).⁸ More importantly, during a three-year span from 2002 to 2004, the PLAN launched thirteen new submarines, including the new *Yuan*-class, which is believed by some to be equipped with revolutionary air-independence propulsion (AIP) technology.⁹ The PLAN is simultaneously fielding a new generation of nuclear submarines. Indeed, throughout the entire book Bush hardly discusses nuclear weapons at all, despite the fact that the PLA may have already fielded one or more brigades of DF-31 missiles and will likely make operational the new generation 094 SSBN in the near future.

If one accepts that the cross-Strait military balance is shifting even more rapidly than Bush suggests, then certain political implications arise that are not fully addressed in *Untying the Knot*. For instance, when Bush states that “deterrence has been effective over the last five decades” (p. 266) or that “U.S. conventional capabilities far outstrip” those of the PLA (p. 308), it is unclear whether Bush fully understands the implications of the rapidly shifting balance. In fact, given the inherent difficulties of anti-submarine warfare and mine countermeasures operations (to draw on some examples from the naval realm), Bush’s confidence is misplaced. Moreover, the rapidly shifting military balance is actually reinforced by at least three fundamental strategic factors. First, the fact that Taiwan is politically fractured could increase the island’s vulnerability to military coercion. Second, the United States is thoroughly focused on the global war on terrorism, and this broad strategic orientation has inevitably drawn resources and attention away from strategic competition and conflict preparations in the Asia-Pacific region. By contrast, the PLA enjoys the luxury of being able to focus almost exclusively on possible cross-Strait military scenarios. Third, and most fundamentally, Taiwan is situated less than one hundred miles from China yet more than five thousand miles from the continental United States; the strategic impact of this basic asymmetry cannot be overstated.¹⁰

⁷ See, for example, Sun Mingtai et al., “Yingyong tongjifa jisuan zhudong gongji shuilei mingzhong gailu de fangzhen yanjiu” [Application of Calculation of the Hitting Probability of Floating Rocket Mines by Simulation Methods], *Danjian yu zhidao xuebao* 22, no. 2 (2001): 48–51.

⁸ U.S. Department of Defense, “Annual Report on the Military Power of the People’s Republic of China,” June 2000, 16, <http://www.defenselink.mil/news/Jun2000/china06222000.htm>.

⁹ On the pace of Chinese indigenous submarine construction, see Jim Yardley and Thom Shanker, “Chinese Navy Buildup Gives Pentagon New Worries,” *New York Times*, April 8, 2005.

¹⁰ See, for example, Rear Admiral Michael McDevitt (USN-ret.), “The Security Situation Across the Taiwan Strait: Challenges and Opportunities,” *Journal of Contemporary China* 13, no. 40 (August 2004): 411.

An analysis of these broader strategic factors, along with extant trends in the cross-Strait military balance, yields the common-sense conclusion that Taiwan is increasingly indefensible from the mainland threat. This fact is widely acknowledged in Taipei. Little wonder then that the Taiwan authorities do not wish to purchase highly expensive systems that will bear little impact on the island's plight. Washington would likewise be far better off by accepting the reality of the new situation and instead begin to play a genuinely constructive role in securing the best possible political deal for Taiwan. In this regard, Bush fails to convince that a modified "one country, two systems" approach cannot work (pp. 36–39, 91–99). Nor does Bush seem to grasp fully that the status quo is inherently unstable and that diplomatic efforts by Washington to uphold the status quo are largely counterproductive.

Pressure from Washington, particularly as directed at Taipei, could actually be the single most important variable in ensuring that a reasonable deal—one that is substantially more generous than that given to Hong Kong—is actually struck and executed faithfully by both sides. Though Congress will certainly protest loudly, President Bush has already taken a positive step in this direction with his explicit warning to Chen Shui-bian in December 2003 against various pro-independence initiatives. If Washington were to attempt true diplomacy—such as the Metternich/Kissinger style of "give and take" as opposed to largely ineffectual wrist slapping—the United States could realize major strategic gains.¹¹ Though the book's analysis of the possibilities for confederation (pp. 271–76) and the interesting comparisons with other peace processes (pp. 291–93) are significant, Bush does not go far enough in probing for solutions.

Finally, Bush's book is somewhat frustrating due to the author's clear bias in favor of Taipei. Bush focuses primarily on ways to help Taiwan "stand up" for the island's "core interests" (p. 339), but neglects to consider seriously broader and more vital U.S. strategic imperatives in which China's active cooperation is crucial (such as North Korea or the war on terrorism). Policies that give priority to U.S. interests should draw on the first principle of realism and make adjustments appropriate to the new balance of power. Looking toward Taiwan's future, the key to the resolution of the dispute is not "a clearer understanding of the legal identity of its governing authorities"

¹¹ For example, by providing China with the proper incentives, Washington could persuade Beijing to adopt a more proactive stand against Pyongyang's nuclear ambitions. In addition, if there were no requirement to defend Taiwan, more U.S. resources could be devoted to U.S. ground forces, homeland security, and counterterrorism (*vice* expensive U.S. Navy and Air Force platforms that would be needed if the requirements include the defense of Taiwan).

(p. 338), but rather an objective assessment of the evolving balance of power and the formulation of creative ways to avoid war with China over an issue of relatively trivial geopolitical importance—and one that is primarily driven by ideological concerns and historical sentimentalism. It is sobering to consider that a Sino-American war fought over Taiwan could constitute the first of a series of bloody conflicts that span decades, somewhat akin to the three wars between France and Germany that accompanied Germany’s ascendance as a world power.

In confronting the rise of Chinese power during this century and beyond, we need to not only “keep our powder dry,” but also to seek to establish a more feasible defense perimeter (e.g., including Japan and the Philippines but not Taiwan). It is well past time that we extricated ourselves from the highly combustible historical baggage of the Chinese civil war. *Untying the Knot* represents a masterful collection of insights and a truly invaluable resource for those trying to understand the bewildering complexity of the Taiwan issue. Nevertheless, Bush’s analysis is too relaxed regarding Chinese military developments and too cautious in recommending new policies appropriate to the new threat environment.

Gordius in the Strait: A New Taiwan and an Impatient China

Dan Blumenthal

Richard Bush’s new book helps clarify the complex intersection of U.S. interests in the Taiwan Strait: the United States is committed to protecting Taiwan’s democracy and autonomy while at the same time trying to shape China into a power that is peaceful, democratic, and accepts the American-made liberal international order. *Untying the Knot* explains why these goals so often seem mutually exclusive.

Bush is uniquely qualified to write such a book, as he is one of a handful of American Asia experts who possess a profound sense for the real Taiwan—the one that is a vibrant, successful liberal democratic country, as opposed to the fictional Taiwan that is part of “one China.” He served for many years

DAN BLUMENTHAL is Resident Fellow in Asian Studies at the American Enterprise Institute for Public Policy Research. Previously he served as senior director for China, Taiwan, Hong Kong, and Mongolia in the Office of the Secretary of Defense. He can be reached at <dblumenthal@aei.org>.

on the legislative staff of Congressman Stephen Solarz, who was a vigorous champion of human rights and democracy on Taiwan.

In *Untying the Knot*, Bush writes of his experience working for Rep. Solarz: “I provided support as he sought to expose KMT repression, gets dissidents out of jail, make the case that Taiwan was ready for democracy...and serve as a beacon of hope for the *dangwai* opposition” (p. 345). As a result, Bush became friends with opposition members and even met with a then-dissident lawyer and former political prisoner named Chen Shui-bian.

Bush is thus a rare commodity, a policymaker and analyst who knows and even sympathizes with the once-outlawed political dissidents who are now the elected rulers of Taiwan. That experience shines throughout the book. He provides, for example, a particularly authoritative description of how the opposition groups he worked with both formed into the Democratic Progressive Party (DPP) and gave that party a unique political history that still contributes to the admixture of optimism, hope, insularity, suspicion, and frustration that have characterized the DPP’s rule.

As Bush points out, Taiwanese attitudes toward the mainland Chinese Nationalists (or Kuomintang, KMT), who fled to Taiwan following the civil war, crystallized rather quickly. The KMT was yet another repressive *outsider* regime, no different than the Japanese or the Qing dynasty. To illustrate this point, Bush raises the example of the “February 28th incident.” Quoting a statement made in 1949 by a Taiwanese, Bush reveals how attitudes toward the KMT and mainland Chinese in general were conflated, thereby leaving a searing legacy for current Taiwanese politics: “The government has handled the February 28 Incident in such a barbarous way. This has *caused the Taiwanese to turn their hatred of the Kuomintang into hatred of all Mainlanders*” (p. 144).¹

According to Bush, KMT policies that promoted social discrimination, suppression of both Taiwanese culture and linguistic expression, and an unequivocal concept of “one China” all further alienated the Taiwanese and helped to foster a new “Taiwan identity.” Today, most Taiwanese view their identity as somehow linked to—yet still distinct from—China. This identity, in combination with a heightened pride in being citizens of a liberal democracy (in stark contrast to the authoritarian PRC), explains why a political solution to cross-Strait issues seems so intractable in spite of growing economic links.

Amidst this atmosphere of alienation from the ruling KMT and the displaced mainland Chinese population in general, various opposition figures

¹ Bush draws the quote from Lai Tse-han, Ramon H. Myers, and Wei Hou, *A Tragic Beginning: The Taiwan Uprising of February 28, 1947* (Stanford: Stanford University Press, 1991). The emphasis, however, is Bush’s.

(or *dangwai*) organized themselves into the DPP in 1986. The DPP saw itself as a conglomeration of advocates for freedom, human rights, and formal independence from China. After the ROC lost official recognition from and was in effect de-legitimized by the United States and the international community in 1972, the *dangwei* saw an opening to challenge the KMT's authoritarian rule.

Ever since its formation, DPP members have been divided over how best to push their dual political agenda of achieving Taiwan's democratization and independence. Two factions formed: the Formosa faction, which was more moderate on independence, and the New Tide camp, which wanted to push harder on the independence issue. Many DPP members had been social activists, writers, and intellectuals who wanted to change Taiwan's politics from the bottom up. Other members felt that fielding candidates in legislative elections was the best way to accomplish the party's goals.

Even now, well into the second term of a DPP presidency, these divisions still run deep in many parts of the party. Those who served prison terms for their activism are considered more "pure," while even elder statesmen, such as Kang Ning-Hsiang (who had served in the legislature for many years), have been considered too close to the old establishment.

The DPP gained international attention in 2000 when Chen Shui-bian was elected president of Taiwan in the first peaceful transfer of power between parties in the island's history. By this time, DPP members who populated Chen's administration had moderated their views on independence and accepted the reality that China is "a unified and powerful neighbor" (p. 158).

Regarding Chen's troubled record of governance, Bush's comment that "Chen Shui-bian faced a series of challenges that are common when an opposition power wins national power for the first time" (p. 166) is pithy yet insightful and often missed in policy debates. Taiwan is mostly seen through the narrow prism of the U.S. "one China" policy, and the island's behavior is measured according to its compliance with that policy. Consequently, the fact that Taiwan is a transitional democracy facing problems common to new democracies is often missed.

The DPP did not have a "deep bench" of experienced policymakers; it had to deal with an opposition that after more than fifty years of uninterrupted rule was not about to relinquish the reigns of power easily—especially to a group of politicians who had once been deemed the "enemy of the state." The DPP's rule was thus marked by frequent opposition obstructionism—including an attempt to impeach the president just months into his first term. In addition, Chen had to balance the practical requirements of governance

against the demands of his party's "true believers" who demanded immediate independence. Furthermore, decades of one-party rule based on a Leninist constitution resulted in stultifying structural problems that made effective governance almost impossible—and deadlock likely. Moreover, the historical legacy of repression and the jailing of many of the DPP leaders left the new ruling party deeply suspicious of the motives of the new opposition party.

Bush also helps explain why the visit by Lien Chan, the leader of the KMT, to China in 2005 touched such a deep wound in the DPP psyche: during the years of authoritarianism, the worst fear of the nascent DPP was that the KMT would cut a deal on unification with the Chinese leadership.

For all of *Untying the Knot's* strengths, the book has its flaws. Bush's policy prescriptions and explanations of root causes are delineated within the analytical box through which all China hands have had to work—the one-China policy. The problem is that this policy, at least as understood by Washington, is under attack by both Taiwan and the PRC. As Bush himself illustrates, Taiwan's march to democracy has also been a march away from mainland China. And China has always defined the one-China policy as an acceptance that Taiwan is part of China.

Moreover, China's rise in power will make Beijing increasingly impatient to "reunify the motherland." The latest Department of Defense annual report on China's military power notes that the PRC's military build-up has already changed regional power balances.² Experts such as Tom Christensen and Mark Stokes argue that PRC capabilities are aimed at coercing unification.³ Bush, like many who look at the problem, sees China's military modernization as a tool to "deter independence." This is not simply a semantic difference. A China that is more confident of its power and has the capabilities to coerce Taiwan into a settlement may have less reason for the type of patience and compromise that Bush recommends.

Another problem, one common to foreign policy practitioners as well as analysts, is the tendency to equate the decision-making difficulties and strategic intentions of democracies with those of dictatorships. The differences are not simply a matter of which system is morally preferable. Political analysts since Machiavelli have written about the fundamental gaps in decisionmaking and behavior between regimes that are ruled with democratic legitimacy

² Department of Defense, "The Military Power of the People's Republic of China 2005," annual report to Congress, ~ <http://www.dod.mil/news/Jul2005/d20050719china.pdf>.

³ Tom Christenson, "Posing Problems Without Catching Up," *International Security* 25, no. 4 (Spring 2001): 7–9; and Mark Stokes, "China's Military Space and Conventional Theater Missile Development: Implications for Security in the Taiwan Strait" in *People's Liberation Army After Next*, ed. Susan M. Puska (Carlisle, PA: Strategic Studies Institute, 2000), 108–09.

and those that are not.⁴ The latter are more paranoid, less transparent, and more apt to take action to ensure the regime's legitimacy at the expense of the nation's interest. This difference could have dangerous implications for a PRC that reads every political decision in Taipei as the next step toward independence.

The third problem is the failure to ask why the international community legitimizes China's claim that unification with Taiwan is a fundamental national interest. It may be prudent in the short term to take Beijing at its word that China will start a war over the Taiwan issue—but is this wise in the long term? Asking any Chinese scholar or policymaker why Taiwan is so important to China's national interest will elicit a domino theory of separatism: if Taiwan goes, so goes Xinjiang, Tibet, and so on. Left unanswered, however, is the question of why other democracies so easily accept the argument that China must reunify Taiwan in order to hold onto its multi-ethnic empire.

This acceptance is certainly not consistent with an engagement policy aimed at “socializing” China into accepting 21st century norms. For Washington and U.S. allies and partners in the region, Beijing's handling of Taiwan is a litmus test for the sort of power China will become—one that holds atavistic notions about what is needed to achieve “greatness,” or one that achieves “greatness” through democratic legitimacy and the unleashing of the energies of the Chinese people. After all, many ethnic Germans in Alsace (now a French territory) have German ties, last names, and habits. And yet the Germany of today is just fine with that state of affairs. Then again, Germany learned how to become a normal, democratic country the hard way. One hopes for all of us that China will avoid this mistake.

⁴ See, for example, Jacqueline Newmyer, “Regimes, Surprise Attacks, and War Initiation,” Long Term Strategy Project, November 2005; Dan Reiter and Allan Stam, *Democracies at War* (Princeton: Princeton University Press, 2002); and Nicolo Machiavelli's *The Prince or Discourses on Livy*.

Reflections on the Legal Aspects of *Untying the Knot*

Mark Williams

The title of Richard Bush's new book, *Untying the Knot: Making Peace in the Taiwan Strait*, refers to the quest to resolve the complex political dilemma that has been built up between China and the island of Taiwan for the past 60 years. His analysis reveals that the levels of complexity and subtlety in the composition of this knot are of Gordian proportions. The solution to untying the Gordian knot was uncovered by the ingenuity of Alexander of Macedon, who simply cleft the knot in two with his sword.¹ Would that such a simple, bold, and imaginative stroke could be applied to the Taiwan question; unfortunately, any impulsive move by either side—or by an intermeddler—would likely prove disastrous.

A Question of Defining Sovereignty

As a long-time resident of Hong Kong—that other part of China that could have resulted in international conflict—the peaceful and satisfactory resolution of the Taiwan question is of no small significance. In March 1996, during the first popular election of a Taiwan president, I traveled to a mainland university. The fervor of rabid nationalism on campus was palpable. In order to sound a warning, Beijing fired missiles targeted just off the coast of Taiwan. One evening while in a student bar, a conversation with my law students was interrupted by a television news broadcast that showed the launching of the mainland missiles. Each time a rocket ignited and took flight, the assembled crowd raised a loud cheer. When I asked the reason for their outburst, they told me in no uncertain terms that it was the sacred duty of every patriotic Chinese to complete the reunification of the motherland, regardless of the cost. When I replied that the use of military force would result in the deaths

MARK WILLIAMS is Associate Professor of Law at the Hong Kong Polytechnic University. He holds a PhD from King's College, University of London, where he studied "nascent competition law" in China, Hong Kong, and Taiwan. Dr. Williams is the author of various articles on commercial law in China and Hong Kong, and recently published a book entitled *Competition Policy and Law in China Hong Kong and Taiwan* (Cambridge University Press, 2005). He can be reached at <afmarkw@inet.polyu.edu.hk>.

¹ The reader may recall that Gordias was fortunate enough to become king of Phrygia because he fulfilled the prophecy of being the first man to enter the city in an ox cart. As a libation to the gods, Gordias constructed an intricate knot of cornel bark around the shaft of his ox cart. An oracular prophecy foretold that whosoever loosed the knot would become king of Asia. When faced with the impossibility of untying Gordias' handiwork, the young and impulsive Alexander of Macedon simply took his sword and sliced through it. As had been foretold, he indeed went on to create the greatest empire that the world had yet seen.

of hundreds of thousands, if not millions, of Chinese on both sides of the Strait, I was told that any amount of blood was worth paying to ensure China's territorial integrity.

The crux of the Taiwan knot revolves around the highly emotional legal question of whether the people of Taiwan have a right to self-determination (as written in the charter of the United Nations) or whether they are merely renegades that have illegitimately administered a piece of mainland real estate for the past 60 years. This legal conundrum as to whether Taiwan should be considered a "state" severely complicates diplomatic attempts at negotiation. Beijing insists on its "one China" formulation as a precondition to talks. Taiwan, of course, is loathe to agree to this concession, which would undermine the very status that is the foundation of the dispute: namely, whether Taiwan possesses sovereignty, a term so very difficult to define. The elusive nature of Taiwan's legal position resembles that of the long-forgotten territorial altercation between the German Confederation and Denmark in the nineteenth century—the Schleswig-Holstein question, of which Viscount Palmerston once quipped that only three men in Europe had ever understood it: one was the Prince Consort, who was dead; the second was a German professor, who was mad; and the viscount himself was the third, but had forgotten all about the issues involved.² Fortunately for us, Richard Bush clearly does understand the Taiwan question, and his words are worthy of our attention.

Untying the Knot attempts to explain all the many complexities of this seemingly intractable problem, including the nature and extent of state sovereignty, the question of international peace and security, the domestic political pressures that both Beijing and Taipei are constrained by in attempting to resolve the issue, and the ideological imperative of unification as a justification for continuing communist party hegemony on the mainland. The role of the international community and, in particular, the role and influence of regional powers (most noticeably the United States) are also carefully scrutinized.

Several issues are worth noting. First, the Chinese Communist Party (CCP) has for decades stressed the imperative of reuniting the motherland, and the integration of Taiwan is the final unfinished matter related to the territorial consolidation of the People's Republic of China (PRC). All the continental geographical regions claimed by the PRC are now under Beijing's

² For the source of this anecdote, see the entry for Lord Palmerston in Anthony Jay, ed., *The Oxford Dictionary of Political Quotations* (London: Oxford University Press, 2004).

suzerainty, including Tibet, Inner Mongolia, Xinjiang, Hong Kong, and Macau. Only Taiwan stubbornly holds out. Thus the “recovery” of Taiwan carries great symbolic significance to both the majority of mainland Chinese and the Beijing authorities. Failure to reassemble the shattered polity of the Chinese state would constitute an insufferable loss of “face” for the Communist leaders and would almost certainly result in an erosion of the CCP’s mandate to govern China. Any price, therefore, is worth paying in order both to maintain “face” and the right to govern the world’s most populous nation.

Second, the people of Taiwan are markedly split both on matters of national identity and changes to the status quo. Politicians of both principal political parties are torn by competing and conflicting views concerning Taiwan’s identity and how best to manage relations with Beijing. Taiwan’s insecure identity, less-than-legitimate international status, geographical proximity to the mainland, and need to rely on the United States as security guarantor all conspire to make Taipei’s dilemma even more acute.

A Question of Semantics

There are two points that need to be considered in any attempt to achieve a peaceful resolution to the cross-Strait dilemma. First, the one-China issue is not so rigidly defined as to wholly preclude the possibility of direct talks, though these would probably need to be held in secret. Such an approach was indeed attempted in 1992, yet ultimately stalled due to Beijing’s misconceptions of then-Taiwan president Lee Teng-hui’s motives and honesty. Because Beijing is even more skeptical of current Taiwanese president Chen Shui-bian, any chance of circumventing the one-China hurdle may have to wait until the election of a new Taiwan president in 2008.

Second, the “one country, two systems” concept is in dire need of a careful reconsideration. This formulation was devised by Deng Xiaoping within the context of British imperial rule on Hong Kong, which, according to international law, had been ceded by imperial China in perpetuity. This principle was also later applied to the Portuguese territory of Macau, a dependency of over 400 years standing. Whether Macau had remained a Chinese territory *de jure* for all or part of that period but was merely under Portuguese administration was a moot point. Once Britain had concluded that an all or nothing deal—extension of British rights to the entire territory or complete reversion to Chinese rule—was the only way forward for Hong Kong, London moved to secure the most democratic-friendly deal for the new “Special Administrative Region” of the PRC. There was never any possibility

that Hong Kong would obtain a modicum of self-rule either prior to or after the 1997 switchover. Macau was in a similar but not identical position. Thus the phrase “one country, two systems” as it relates to Taiwan may require a different interpretation altogether.

Extending the concept of “one country, two systems” to Taiwan is not necessarily to imply that the terminology cannot be stretched to accommodate some sort of confederation that may even encompass all the attributes of sovereignty that many on Taiwan seem to desire: separate military forces, a political system free of Beijing’s influence, independent judicial power without the right of final appeal to Beijing, and international space for representation in world fora. Taiwan already possesses *de facto* autonomy; recognition of this fact within some forced construct of a single ultimate polity just might be a sufficient fig leaf to cover Beijing’s embarrassment at not having *de facto* control of Taiwan.

Although Bush’s analysis of the political situation in Hong Kong is accurate, his use of the Hong Kong experience within the context of the “one country, two systems” formulation may not be the appropriate analogue for the concept’s application to Taiwan. The words of the formulation are symbolic; thus the substance could be substantially different. A solution may be possible if Beijing and Taipei are able to move beyond the current impasse and initiate private talks regarding the accommodation of *de facto* Taiwan sovereignty within an attenuated version of “one county, two systems.”

Bush rightly stresses the importance of word use in Chinese politicking and the importance of form over substance in Chinese society. In order to appreciate just how far Beijing can stretch words to fit official state ideology, one has only to try and disentangle the tortured concept of a “socialist market economy” that the PRC enshrines in its constitution, on the one hand, with the reality of how business is conducted in much of the mainland economy, on the other.

As I write this review, Taiwan’s president Chen Shui-bian has again rocked the boat of cross-Strait relations. In stating that the National Unification Council has ceased to “function,” Chen has angered Beijing and annoyed Washington. By attempting to appease the domestic pro-independence lobby, Chen has introduced further instability into this volatile relationship. The window of opportunity to attempt the resumption of dialogue now seems to be firmly closed at least until the election of a new Taiwan president in 2008. In the next two years we must continue to watch this dangerous situation closely. Loose words spoken in a tense atmosphere could cost Taiwan and China dearly.

Did Beijing Really Misunderstand Lee Teng-hui and Chen Shui-bian?

Steven M. Goldstein

Richard C. Bush's *Untying the Knot: Making Peace in the Taiwan Strait* is not simply a history of cross-Strait relations. Rather, the book is a primer for understanding the underlying causes of, and possible policy responses to, this most dangerous deadlock. The fundamental assumption is that one must understand the problem before one can find its solution. Bush proposes to provide the reader with the tools to understand the "Taiwan question," and he succeeds admirably in this regard.

The Sovereignty Issue

Perhaps the most interesting—and potentially controversial—aspect of Bush's analysis is his discussion of the role that the dispute over sovereignty has played in dividing the two sides of the Strait. Bush asserts that the mainland leaders "misunderstood the fundamental position" of Lee Teng-hui and Chen Shui-bian in the initial stages of their presidencies, and inferred from their statements that the goal held by both Lee and Chen was "to permanently separate Taiwan from the entity called China and to obstruct unification" (p. 79).

According to Bush, however, this stance was not the essence of the position held by both Lee and Chen. Rather, what these two leaders sought was recognition of the sovereignty of the government of the Republic of China within its territory, equal standing with the mainland, and unfettered participation in the international system.

Bush argues that this misunderstanding led Beijing to miss opportunities to craft more productive cross-Strait policies, which in turn frustrated the leaders of Taiwan. When combined with the pressures of domestic politics on the island, this frustration pushed Taiwanese leaders to initiate more provocative policies. Bush writes that "in each case, a spiral of mistrust and political confrontation ensued" (p. 267), which inevitably contributed to the exacerbation of cross-Strait tensions.

By implication, what Lee and Chen both sought was reunification based upon a confederation of equal sovereign units. The mainland's vision

STEVEN M. GOLDSTEIN is Sophia Smith Professor of Government at Smith College and Director of the Taiwan Studies Workshop, Fairbank Center for East Asian Research, Harvard University. He can be reached at <sgoldste@email.smith.edu>.

of “one country, two systems” rejected this proposal, instead offering what Bush characterizes as “home rule,” under which the extent of autonomy on the island and Taiwan’s role in the international system will be settled after the reunification of China. The reason that Taiwan’s leaders insisted on recognition of both the sovereignty of the island government and Taiwan’s right to participate in the international system was not out of a desire for permanent separation from China, but because they wished to establish the necessary basis for reunification on equal terms. Lee and Chen were not disputing “whether” Taiwan would become a part of China, but rather “how” it would become so (p. 267). Indeed, Bush concludes that “their substantive approaches were not fundamentally at odds with China’s fundamental goal: ending the division between the two sides of the Strait” (p. 78).

This is clearly a provocative argument and one that challenges much of the conventional wisdom. This articulation also raises a number of questions. One question revolves around the extent to which the cited views of Lee and Chen are expressions of their true policy preferences and not simply calculated responses to political pressures on the island. As Bush acknowledges, political exigencies were an important influence on the statements and actions of both Lee and Chen regarding cross-Strait relations. In the case of Lee Teng-hui, for example, pressure from mainlanders within the KMT conditioned his more moderate views during the early period of his administration. As for Chen Shui-bian (and the DPP), the exigencies of electoral politics drove the moderation of his independence platform.

If we were to assume that these exigencies caused Lee and Chen’s true preference for “permanent separation” to be muted in favor of the seemingly less radical demand for sovereignty that Bush portrays, then this would have been an optimal strategy both to secure political advantage on Taiwan and to assure separation from the mainland for the foreseeable future. It would have been an offer that Beijing had to refuse. Viewed from this perspective it is difficult to assert, as Bush does, that Lee “did nothing” to serve the goal of separation (p. 75). Rather, one might argue that Lee’s dogged insistence on sovereignty may be seen as an attempt to lay the groundwork for separation.

Let us assume for argument’s sake, however, that Lee and Chen’s positions were in fact true to Bush’s portrayal. From Beijing’s perspective, Bush’s distinction is both too subtle and, politically speaking, too hazardous. As Bush acknowledges, Taiwan’s claims to sovereignty were—and are—equivalent to a claim of separate statehood. Interestingly, the offers placed on the table by Taipei and Beijing are actually quite similar, save for one key difference: Beijing’s policy of “one country, two systems” expects Taipei to

surrender sovereignty in exchange for a future return of some aspects of that sovereignty to be specified at a later date; the positions of Lee and Chen expect the mainland to acknowledge the independence and sovereignty of Taiwan on the assumption that some kind of confederation could subsequently be negotiated that would satisfy the historical claims posited by Beijing.

Seen in this light, Bush's frequent assertions that Beijing has failed to understand the nuances of Lee and Chen's position is somewhat tenuous. The mainland's response was formulated more out of a fear of accepting an uncertain outcome to an issue of vital national interest. To accept, or perhaps even to explore, the implications of Lee and Chen's position on sovereignty and their vision of the future composition of China would be essentially to grant Taiwan independence against the promise of an uncertain outcome yet to be negotiated. Put another way, a future disagreement over *how* Taiwan would become a part of China could easily devolve into a disagreement over *whether* the island should become a part of China.

Of course, as suggested above, Lee and Chen would face a similarly unfavorable outcome if they surrendered claims to sovereignty before negotiation had even begun. If the claim of sovereignty were waived, Taiwan would then have to accept the terms offered by the mainland. Thus, as was also the case for mainland leaders, to accept the bargaining position of the other side would entail unacceptable risks.

In short, Richard Bush's attempt to bring to light a "lost chance" in cross-Strait negotiations is unconvincing. The blame for the escalation of tensions over the sovereignty issue is shared. Indeed, there is a curious disconnect between the claim of mainland responsibility, on the one hand, and the argument made elsewhere in the book, on the other. Specifically, in the chapter on security Bush acknowledges that the problem in addressing the security dilemma (and, generally, in all negotiation scenarios) is that *both* sides fear the other will "pocket" an initial concession and end negotiations (p. 140). As we have seen, the same situation exists with regard to the sovereignty issue.

Why then does Bush speak of mainland "misunderstanding" and "missed opportunities"? It seems that the answer can be found in his discussion of a possible solution to the cross-Strait deadlock, where Bush proposes a solution of shared sovereignty based upon a confederative model. In other words, in this case Bush is deducing from an assumption regarding the most feasible solution a putatively constructive bargaining position on Taiwan's part. As he later acknowledges, however, that position paradoxically constitutes a formidable obstacle to a negotiated settlement along the lines proposed by the position.

Untying the Knot?

What, then, are the implications of this argument for present developments? The most obvious is that the argument in this book highlights the intractability of the cross-Strait deadlock. The above discussion should not lead the reader to believe that *Untying the Knot* is an optimistic book. It is not. Richard Bush makes quite clear that the Taiwan Strait remains a dangerous place and that any solution remains elusive. Even simply avoiding a crisis and maintaining the famous status quo represents an acute challenge to the patience and skills of policymakers in the United States, Taiwan, and China.

If, however, there is any validity to this reviewer's argument that Lee and Chen's publicly stated views have been shaped by the requirements of success in a domestic political environment lacking a consensus on unification, then the position of the KMT in the run-up to the island-wide elections in 2007 and 2008 presents something of a paradox.

With similar pressures constricting his candidacy, Ma Ying-jeou's approach to the mainland might be seen as comparable to that of his predecessors. Attempting to garner support across the political spectrum, the KMT has adopted a similar position on the sovereignty issue and acknowledged the "option" of independence. Importantly, though, Ma and the KMT also support negotiation toward reunification with the mainland—but only when such conditions as democracy, improved standards of living, and greater economic equality on the mainland are realized. Clear here is that these prerequisites are unlikely to be realized in the near future, if ever.

Is Ma, as may have been the case with Lee and Chen, assuming a posture shaped more by political exigencies than conviction? Is he, like Lee and Chen before him, supporting a position that, for all intents and purposes, preserves Taiwan's sovereign status—de facto independence—in the short run and presents the unacceptable risk to Beijing of Taiwan's "pocketing" any initial concession China might make in future negotiations?

If this is so, it seems fair to ask whether Ma's background and that of his party are such that Beijing would be prepared to trust him any more than it trusted Lee and Chen. Such trust is surely a necessary condition for the process of "untying the knot" to begin.

Author's Response

Richard C. Bush

I am deeply grateful to the six reviewers for their thoughtful commentaries. Having different perspectives on one's work is useful. I share many of the commentators' observations, and wish here to briefly address some of the issues that they have raised.

One of the complaints I heard soon after the release of *Untying the Knot* was that the front cover of the book portrayed the island of Taiwan in the same color as the Chinese mainland. As Dan Blumenthal indicates, there is concern that the book carries a pro-unification bias. To clarify, my purpose in writing the book was to explain why the Taiwan Strait issue is so difficult to resolve. Given that point of departure, and given the apparent reality (at least to me) that Beijing is not going to permit *de jure* independence for Taiwan, any "resolution" would seem to mean some sort of unification. Since the people of Taiwan have expressed no enthusiasm whatsoever for China's "one country, two systems" formula, the question now concerns whether there are other approaches to political union that might be mutually acceptable. Other approaches can certainly be conceptualized (e.g., confederation). Since these options have not been offered in any objective way, however, whether any or all of these alternatives would be acceptable to the people of Taiwan is an open question. Perhaps there is no "one China" approach that would be acceptable. By the same token, however, it is not for outsiders nor for Taiwan's political leaders to assume that a one-China solution is impossible. Moreover, as I think I demonstrated in *Untying the Knot*, the only way for Beijing to have some hope of achieving unification is to creatively offer one of these alternatives.

A similar creativity and openness is necessary when it comes to the cross-cutting question of identity. I am in fundamental agreement with Allen Carlson's conclusion that "any resolution of the current standoff will hinge upon the degree to which those on both sides of the Taiwan Strait (at the elite and popular levels) can successfully cultivate a new set of more inclusive and mutually compatible constructs in regard to the question of what it means to be Chinese—and, perhaps, Taiwanese." As he understands much better than I, these constructs are vigorously contested on Taiwan. Lee Teng-hui and Chen Shui-bian may indeed represent the past more than they do the future.

RICHARD C. BUSH is a senior fellow in Foreign Policy Studies at the Brookings Institution and director of its Center for Northeast Asian Policy Studies. From 1997 to 2002 he served as chairman and managing director at the American Institute in Taiwan. He can be reached at <rbush@brookings.edu>.

In his discussion of Beijing's reading of Lee and Chen, Steve Goldstein argues that Beijing and Taipei were stuck in a sovereignty-unification dilemma analogous to their security dilemma: "[For Beijing] to accept, or perhaps even to explore, the implications of Lee and Chen's position on sovereignty and their vision of the future composition of China would be essentially to grant Taiwan independence against the promise of an uncertain outcome yet to be negotiated...Lee and Chen would face a similarly unfavorable outcome if they surrendered claims to sovereignty before negotiation had even begun." Though a fair capsule statement, the above articulation misses a couple of important points.

The first is that this dilemma is probably truer of Chen Shui-bian than of Lee Teng-hui. Lee's position throughout his entire presidency was that there was one divided China. The point of contention centered around the status of the Republic of China (ROC) and how to end the state of division. From a legal point of view, therefore, for Beijing to have accepted Lee's view that the ROC was an independent sovereign state would have amounted to less of a sacrifice than to have accepted the similar principle on the part of Chen's Democratic Progressive Party (DPP) because the DPP did not start from the premise of one divided China. Even with Chen there was an openness to some kind of union—significant progress considering the position from which the DPP had started.

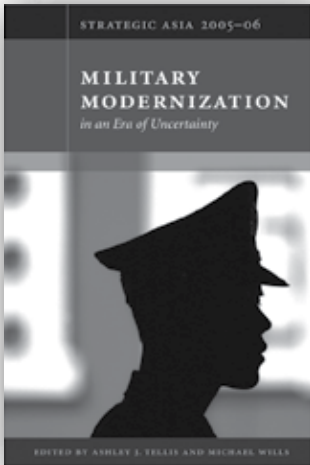
The second point is that if China was concerned that Taipei's claim of sovereignty entailed a negotiating trap, Beijing apparently picked a strange way of expressing that concern. We of course do not know the totality of the interactions between the two sides, and it may never be possible to untangle the thicket of statements back and forth. The fact remains, however, that China sooner or later chose to brand both Lee and Chen as separatists. In the case of Lee, this label came a bit later in the chronology, following Beijing's rejection of the sovereignty claim. This label was applied to Chen much sooner, however. Demonizing Lee and Chen, I would say, is hardly a constructive way to "get to yes," if that is indeed what China hoped to achieve. In addition, Beijing refused to talk with either of the two leaders unless they first accepted Beijing's precondition of some version of the one-China principle (with Lee the refusal was later and episodic, with Chen it has been constant). The refusal to engage in any dialogue denied Beijing a venue for allaying anxieties about the intentions behind Taipei's claims of sovereignty.

I would also note that chapter three's analysis of Beijing's reading of Lee and Chen was designed to refute China's case that the two were separatists. China has stuck to this explanation as the reason for the persistence of the

Taiwan Strait dispute, and I believe my refutation stands. Even if China were to decide that a future leader of Taiwan was not a separatist, the Beijing leadership might still have concerns—as Steve Goldstein valuably points out—that Taipei’s sovereignty claim was a negotiating trap. Beijing might worry that it had to accept independence and would never get to unification. These concerns would become very relevant should political dialogue ever occur—if, for example, Ma Ying-jeou became president and found a formula to reassure Beijing of his good intentions. Taiwan negotiators would have to take those worries into account.

Lyle Goldstein’s contribution stimulates several responses. First of all, I acknowledge with gratitude his catalog of all the ways that the capabilities of the People’s Liberation Army continue to improve. His update demonstrates how difficult it is to publish up-to-date books concerning the Taiwan Strait issue. More significantly, as Goldstein points out, such modernization aggravates the security vulnerability that Taiwan faces. Second, I fear that he misunderstood the purpose of my final section on Taiwan’s self-strengthening efforts. I did not offer these suggestions out of a pro-Taiwan bias (sympathy yes, bias no) but rather based upon an assessment of what will be required for an enduring peace. Taiwan cannot avoid making choices that address the reality of Chinese power—only if its domestic political, economic, and other systems are sound, however, can Taipei make those choices better, negotiate them with Beijing in a way that can be supported back home, *and* implement the resulting agreements effectively. Whatever the ultimate choice (and it is for the people of Taiwan to make), the worst thing would be for Taiwan to choose a path from a position of weakness and then have the decision constantly revisited. A choice that “sticks” is in the PRC’s interest as much as it is in Taiwan’s. Finally, Goldstein advocates that, in the interest of foreign-policy realism, the United States should exert pressure on Taiwan and China (but particularly on Taiwan) to reach “a reasonable deal” for Taiwan, “one that is substantially more generous than that given to Hong Kong.” Without details on how sovereignty and other issues would be handled, it is hard to evaluate this idea, although references to realism, Henry Kissinger, and Hong Kong-plus make me nervous. I hope that this is not a proposal in any way to impose upon the people of Taiwan a solution to the Taiwan Strait issue that is to China’s benefit. Policy realism and political realism tells me that such a course of action will end badly. Why, if that is what is being proposed, shouldn’t China (and not the United States) be the one to make the case to the people of Taiwan why unification is in their interests?

STRATEGIC ASIA 2005–06



“Our policymakers must be well informed about countries in Asia and the strategic dynamics that link them. The Strategic Asia Program contributes enormously to that knowledge.”

— General (Ret.) John Shalikashvili,
Former Chairman of the Joint Chiefs
of Staff

Strategic Asia 2005–06: Military Modernization in an Era of Uncertainty, the latest book from The National Bureau of Asian Research, assesses the military balance in Asia and analyzes defense modernization programs in the region.

Contributors include Stephen J. Blank, John H. Gill, Christopher W. Hughes, Roy D. Kamphausen, Kimberly Marten, Michael E. O’Hanlon, Dwight Perkins, Jonathan D. Pollack, Mitchell B. Reiss, David Shambaugh, Sheldon W. Simon, Michael D. Swaine, Ashley J. Tellis, and Hugh White.

Visit <http://strategicasia.org> to preview or order online

