



POLITICAL AND
SECURITY AFFAIRS

A photograph of the United States flag and the flag of the Republic of China (Taiwan) flying side-by-side. The flags are partially obscured by a semi-transparent dark blue rectangular box that serves as a background for the title text.

STRENGTHENING U.S.-TAIWAN DEFENSE RELATIONS

Foreword by Admiral Jonathan W. Greenert

The U.S.-Taiwan relationship is under the spotlight at a critical time. Concerns are rising over China's global campaign to undermine Taiwan's legitimacy. A freeze has occurred in official cross-strait exchanges since the Tsai Ing-wen administration took office, the U.S.-China trade relationship is increasingly tense, and the Trump administration has shown a growing interest in the Indo-Pacific region.

Washington is certainly aware of Chinese assertiveness in the Indo-Pacific. The rapid pace of People's Liberation Army (PLA) modernization has positioned China to carry out its active defense strategy in the western Pacific, South China Sea, and Indian Ocean within a few years. Despite the continuous presence of these strategic and military challenges, Washington still lacks a consensus on how to strike a balance between the merits of fostering defense relations with Taipei and the costs of retaliation from Beijing.

During the Obama administration, the United States' and Taiwan's diverging views on defense policy and cooperation posed obstacles to bilateral security ties. Due to rapid Chinese military modernization and then president Ma Ying-jeou's prioritization of relations with China, the United States developed an "asymmetrical defense" framework for its arms sales policy. This framework essentially meant that Taiwan had to rely on its geography and focus on anti-landing operations to counter a PLA amphibious invasion scenario. The United States expected Taiwan to invest most heavily in land-based mobile antiship cruise missiles, sea mines, and multiple-launch rocket systems. Meanwhile, Taiwan's desire for larger platforms, such as submarines and jet fighters, was considered "symbolic" or "unrealistic" in Washington. Decision-makers in the Obama administration felt that such force planning could never compete with China in the long run—a position that led to a reduction in arms sales. As a result, over the past decade Taiwan has been limited in its ability to invest in self-defense

capabilities. After years of these trends, mainstream rhetoric in Washington remains centered on the concept of asymmetrical defense and a perceived conservatism in Taiwan's defense budget.

Since President Donald Trump received the congratulatory phone call from President Tsai after his election in 2016, the dynamics in U.S.-Taiwan defense relations have begun to change. The Trump administration made its first announcement of arms sales to Taiwan only ten months after assuming office. Opportunities for further arms sales are likely to increase, not least because arms sales are also perceived to have a positive economic dimension. In addition, the Trump administration appears less inclined to constrain its Taiwan policy based on the asymmetrical defense framework. In April 2018, the State Department granted marketing licenses for U.S. defense companies to sell submarine technology to Taiwan after years of waiting. Additionally, high-ranking officials in the Trump administration have supported U.S. Navy port calls to Taiwan, believing this would demonstrate the United States' potential interest in fostering closer maintenance and logistics cooperation with Taiwan, such as in 2015 when two U.S. F/A-18C aircraft made a successful emergency landing in Taiwan.

Additional areas for U.S.-Taiwan defense cooperation exist, particularly on cybersecurity and intelligence. In 2017, Taiwan launched a new Information, Communications, and Electronic Force Command under the Ministry of National Defense. While traditional defense relations with the United States—based primarily on arms sales—remain sensitive and will become more so as China increases its power and influence, cooperation in the cyber- and electronic-warfare domains can bring greater benefits to both sides. What can the United States

expect from Taiwan in these areas? Taiwan is known for its large pool of cybersecurity talent. Personnel exchanges with the island would help U.S. military interlocutors and policymakers better understand Chinese cyber capabilities and vulnerabilities. Future bilateral defense cooperation should devote greater attention to intelligence and cyber exchanges, including through the new command, while helping fortify Taiwan's counterespionage capabilities against incessant Chinese spying.

U.S.-Taiwan defense relations can and must be characterized by mutual cooperation, especially in light of China's aspirations to become the regional security leader. A strong defense relationship based on mutual respect will send a clear political message to China that this and other U.S.-led partnerships in the region are built for the long haul and cannot be easily divided.

The four essays in this roundtable explore the components of contemporary U.S.-Taiwan defense relations and the path to a deeper partnership. Shirley Kan, Michael Mazza, Patrick Cronin, and Peter Mattis examine congressional support for Taiwan, the policy significance of recent National Defense Authorization Acts, the Trump administration's evolving Taiwan policy, and ways in which the United States and Taiwan can resist China's efforts to both delegitimize the government on Taiwan and prevent closer defense ties. As relations between Taipei, Beijing, and Washington become increasingly delicate, a stronger U.S.-Taiwan relationship is the most dependable means of preserving peace. ∞

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CONGRESSIONAL SUPPORT FOR TAIWAN'S DEFENSE THROUGH THE NATIONAL DEFENSE AUTHORIZATION ACT

By Shirley Kan

An early version of the National Defense Authorization Act (NDAA) for fiscal year 2018 (FY2018) provoked strong opposition from the People's Republic of China (PRC) for proposing that the U.S. Navy should conduct port calls to Taiwan. The PRC protested what it perceived as legislative changes to the status quo that interfered in its domestic affairs and violated U.S.-PRC joint communiqués.¹

Yet, contrary to such complaints, it is the PRC whose actions have upset the status quo of stability in the Indo-Pacific region. For example, in a speech in February, Representative Ted Yoho, chairman of the House Foreign Affairs Subcommittee on Asia and the Pacific, noted that China's declaration in January of the M503 flight path was a unilateral change of the status quo in the Taiwan Strait.² Overall, Taiwan's sense of insecurity as a result of such actions prompts it to seek assurances and assistance from the United States, especially by engaging with the legislative branch. Although congressional actions might at times seem strong relative to inconsistent presidential implementation of policy, such oversight has been critical for ensuring the president's adherence to the Taiwan Relations Act and thus for maintaining the continuity and consistency of U.S. policy on Taiwan.

This essay will discuss recent congressional support for Taiwan's stronger self-defense, specific drivers of salient language in the NDAA's, and the implications of this legislation for U.S. policy toward Taiwan. While naval port calls generated particular controversy, the consequential part of the latest NDAA is the requirement that the defense secretary shall report to Congress in order to normalize the arms sales process for Taiwan.

¹ Ministry of Foreign Affairs of the People's Republic of China (PRC), Press Conference, June 29, 2017.

² Ted Yoho, "Addressing China's Coercion in the Taiwan Strait" (remarks at Project 2049 event, Arlington, February 14, 2018). On January 4, 2018, the PRC unilaterally changed the aviation route near the centerline of the Taiwan Strait, raising concern about coercion to limit Taiwan's use of airspace for safety and security.

CONGRESSIONAL CONCERNS AND SUPPORT FOR A STRONGER TAIWAN

Overall, congressional oversight ensures the president's adherence to the Taiwan Relations Act, enacted in 1979. In addition, Congress uniquely acts as guarantor in the U.S. government to maintain the Six Assurances that President Ronald Reagan offered to Taiwan in 1982.³

Many members see shared interests between the United States and Taiwan, a fellow democracy, and have issued statements and taken actions supporting closer engagement with the island. When the Trump administration notified Congress of arms sales to Taiwan in June 2017, Senators Bob Menendez (the ranking Democrat on the Senate Foreign Relations Committee) and James Inhofe (the second-highest-ranking Republican on the Senate Armed Services Committee, after the chairman John McCain) issued a bipartisan statement as co-chairs of the Senate Taiwan Caucus. They expressed support for the arms sales as promoting U.S. interests in a peaceful resolution of the Taiwan question and a strong, vibrant, and democratic Taiwan.⁴

In a bipartisan letter to President Donald Trump before his visit to Beijing in November 2017, which Taiwan feared would result in a deal at its expense, Representatives Ed Royce and Eliot Engel (the chairman and ranking member, respectively, of the House Foreign Affairs Committee) reminded the president that the United States and Taiwan “have fostered a close relationship that has been of significant strategic and economic benefit to both nations; and our two peoples are bound by shared

values of democracy, human rights, and rule of law.”⁵

Likewise, in December 2017, after a PRC diplomat threatened Taiwan, Senator Tom Cotton promptly issued a statement in which he countered, “I take Beijing’s threats to use military force against Taiwan seriously. That’s why I urge both the president and Congress to accelerate the sale of defensive weapons to Taiwan, as well as to bring Taiwan into joint military exercises with the United States. We can’t afford to take Beijing’s saber-rattling lightly.”⁶

In February 2018, Senator Inhofe led a delegation of the Senate and House Armed Services Committees to visit Taiwan and other partners. Inhofe expressed U.S. support for Taiwan: “With China becoming more aggressive and intent on expanding its influence globally, the United States–Taiwan security relationship is now more important than ever.”⁷ The congressional delegation met with Taiwan’s president Tsai Ing-wen and senior ministers.

STRENGTHENING TAIWAN’S SELF-DEFENSE THROUGH THE ANNUAL NDAA

The annual NDAA authorizes appropriations primarily for the military activities of the Defense Department for each fiscal year and has included statements or directives on policies. Since 2017, the NDAA has drawn increased attention, with some critics characterizing congressional efforts as changing U.S. policy on Taiwan. This perception

³ Shirley Kan, “The TRA at 38: What Would Reagan Do?” Global Taiwan Brief, April 26, 2017.

⁴ “Menendez, Inhofe Praise Announcement of Taiwan Arms Package,” Press Release, June 30, 2017, <https://www.menendez.senate.gov/news-and-events/press/menendez-inhofe-praise-announcement-of-taiwan-arms-package>.

⁵ “Royce, Engel Write President on U.S.-Taiwan Relations Ahead of Asia Trip,” House Foreign Affairs Committee, Press Release, November 2, 2017, <https://foreignaffairs.house.gov/press-release/royce-engel-write-president-u-s-taiwan-relations-ahead-asia-trip>.

⁶ In widely reported remarks, Li Kexin threatened that “the day that a U.S. Navy vessel arrives in Kaohsiung is the day that our People’s Liberation Army unifies Taiwan with military force.” See Ben Blanchard and Jess Macy Yu, “China, Taiwan Spar over Chinese Diplomat’s Invasion Threat,” Reuters, December 11, 2017. See also Tom Cotton, “Cotton Statement on China’s Threat to Invade Taiwan,” Press Release, December 11, 2017, https://www.cotton.senate.gov/?p=press_release&id=847.

⁷ Keith Bradsher, “As China Puts Pressure on Taiwan, Signs of a U.S. Pushback,” *New York Times*, February 22, 2018.

arose particularly due to the PRC's heavy-handed pressure campaigns against U.S. officials.

Indeed, chaired by Representative Mac Thornberry and Senator McCain, the House and Senate Armed Services Committees that write the NDAA's have shown strong leadership in legislation concerning Taiwan. Nevertheless, the use of the NDAA for needed oversight of the executive branch and affirmation of U.S. support for Taiwan is not new and has a long legislative history. Such legislation also is not unique, as members have used other legislative vehicles, such as the passage of laws authorizing the transfer of excess defense articles.⁸

Particularly since 2008, questions about the executive branch's adherence to the Taiwan Relations Act have prompted Taiwan-related language in the NDAA's. A fundamental issue has concerned whether a weak U.S. stance on Taiwan might embolden the PRC to threaten the island. From the perspective of many members, congressional oversight became more critical in response to the delays or "freezes" in arms sales to Taiwan during the George W. Bush and Barack Obama administrations. Furthermore, after Taiwan expressed interest in acquiring new F-16 fighters in 2006, both Presidents Bush and Obama refused to accept a formal request for the aircraft, despite a 2001 policy to consider such requests on an ongoing, regular basis. This impasse spurred a full-court press by Taiwan to elicit congressional support for such a sale. In September 2011 the Obama administration finally notified Congress of a program (among others) to upgrade Taiwan's existing F-16A/B fighters but not sell new F-16C/D

fighters, leaving unresolved questions about the future of Taiwan's air force.

At Senator John Cornyn's initiative in 2009, the conference report for the FY2010 NDAA directed the secretary of defense to provide an assessment of Taiwan's air force. In February 2010 the Department of Defense submitted an unclassified assessment to Congress, which served as a catalyst in advancing the Pentagon's consideration of Taiwan's air defense needs, and in September 2011 the Defense Department submitted a classified assessment of Taiwan's air power. The conference report for the FY2013 NDAA required the Defense Department to brief Congress on Taiwan's air force by April 15, 2013. In 2013 the Senate Armed Services Committee reported on its bill for the FY2014 NDAA, which extended the briefing deadline to July 15, 2013, and requested a classified report on Taiwan's air force by December 1, 2013. The Defense Department provided its report on January 3, 2014. The final legislation of the FY2014 NDAA did not include language on Taiwan.

In 2014, at Representative Randy Forbes's initiative to study Taiwan's navy, the House and Senate Armed Services Committees agreed on final language for the FY2015 NDAA that expanded the scope of a proposed reporting requirement from assessing Taiwan's maritime capabilities to assessing its self-defense capabilities. The legislation retained wording that the PRC and Taiwan should have opportunities to participate in the humanitarian assistance and disaster relief (HADR) parts of multilateral exercises, such as the Rim of the Pacific (RIMPAC) maritime exercise.

In the agreement on the FY2016 NDAA, the committees noted (without passing legislative language) that the Defense Department should

⁸ Congress passed legislation to authorize the transfer of decommissioned Perry-class frigates as excess defense articles from the U.S. Navy to Taiwan and other navies. See Shirley Kan, "Obama's Policy on Arms Sales to Taiwan Needs Credibility and Clarity," Pacific Forum CSIS, PacNet, no. 39, July 7, 2015.

allow Taiwan to participate in bilateral training (including the Red Flag air exercise), improve military-to-military exchanges (including at the rank of general officer), and invite Taiwan to HADR parts of multilateral exercises (as recommended in the FY2015 NDAA). Congress considered compromises for this NDAA, including no requirement to invite Taiwan to RIMPAC.

In 2016, Congress adopted one provision on Taiwan's defense in the FY2017 NDAA. A section expressed the "sense of Congress" that the defense secretary should (not shall) improve U.S.-Taiwan military-to-military exchanges at senior levels. Still, the conference report requested that the secretaries of defense and state brief Congress on arms sales to Taiwan by September 1, 2017, and stressed the importance of regular arms transfers, support for Taiwan's innovative and asymmetric capabilities (including undersea warfare), and its participation in bilateral military training. The House and Senate Armed Services Committees did not adopt a House provision calling for Taiwan's less controversial observation of (not participation in) RIMPAC. However, Congress did not imply opposition, noting that the defense secretary has the authority to invite Taiwan to that exercise.

In 2017, bills for the FY2018 NDAA in the House and Senate included provisions to strengthen the U.S.-Taiwan partnership and re-establish exchanges of naval port calls. The House bill also sought to normalize the process for arms sales. The Senate bill sought to direct the defense secretary to support Taiwan's undersea warfare with technical assistance, invite Taiwan to participate in a Red Flag air exercise, and report on enhancing military-to-military exchanges at senior levels due to the Pentagon's failure to act on the recommendation in the previous NDAA. As noted earlier, the proposal for naval port

calls became relatively controversial. Still, in the markup of the bill in June 2017, the Senate Armed Services Committee not only voted to approve Senator Cotton's proposal but did so in a bipartisan, decisive manner (21 to 6).

Some factors affected consideration of the FY2018 NDAA. China strongly opposed these and other bills supporting Taiwan's defense. Its pressure campaign against members and staffers included an egregious letter from the PRC ambassador last August that threatened "severe consequences" for the U.S.-PRC relationship.⁹ Beijing likely noticed that Randall Schriver had advocated naval ship visits in 2016 and was reported in 2017 as a potential pick to be assistant secretary of defense for Asia, a position to which he was appointed in January 2018.¹⁰ Both the House and the Senate discussed whether forward-leaning language would rock the boat by changing the "one China" policy, the status quo or situation in the Taiwan Strait. The Pentagon had reservations about mandates on policies, limits on constitutional prerogatives, and assistance for any foreign undersea warfare.

In the end, Congress approved the FY2018 NDAA with compromises on controversial language. The final version included language about the "sense of Congress" recommending a stronger partnership with Taiwan, regular arms sales, Taiwan's participation in air and naval exercises, senior-level military-to-military exchanges, expanded training for Taiwan's military, and consideration of the advisability and feasibility of re-establishing naval port calls (rather than the Senate's proposed directive to re-establish naval port calls). The FY2018 NDAA

⁹ Josh Rogin, "China Threatens U.S. Congress for Crossing Its 'Red Line' on Taiwan," *Washington Post*, October 12, 2017.

¹⁰ Randall Schriver, "The Case for U.S. Ship Visits to Taiwan," *Diplomat*, May 9, 2016.

also included a mandatory yet noncontroversial provision to normalize the arms sales process by requiring reports and briefings from the defense secretary on Taiwan's requests for security assistance. The legislation did not include a provision on Taiwan's undersea warfare capability.

THE IMPLICATIONS OF THE FY2018 NDAA

While naval port calls have generated particular controversy, the consequential part of the latest NDAA is the requirement that the defense secretary shall report to Congress in order to normalize the arms sales process. Contrary to the response from the acting assistant secretary of state for East Asian and Pacific affairs, Susan Thornton, to the follow-up questions after the hearing in February on her nomination to fill that position, policy on arms sales to Taiwan has not been consistent across seven different U.S. administrations. Due to some presidential delays discussed above, a consensus has solidified in Congress, some parts of the executive branch, and segments of the private sector that the process is broken and needs to be repaired.¹¹ Moreover, it is important to note that the FY2018 NDAA still included the final, forward-leaning "sense of Congress" language to signal strong congressional support for Taiwan's self-defense, even absent stronger language on naval port calls and undersea warfare.

Overall, the NDAA gives Congress a tool to assert its legitimate oversight and policymaking roles as stipulated in the Taiwan Relations Act and other laws. Both the executive and legislative branches have adjusted approaches to policies, with Congress serving as a catalyst to overcome delays

in interagency decision-making. Rather than the NDAA changing the character of U.S. cooperation with Taiwan, Congress has used this tool to rightfully reinforce the bilateral partnership.

Generally, Congress has remained consistent in signaling support for Taiwan's self-defense. Specifically, congressional attention has evolved from focusing on weapons systems to seeking studies of Taiwan's air and naval defense, shoring up the security partnership, and rectifying the irregular arms sales process. As sales of major weapons systems have declined, such legislation has become more critical for strategic communication of the United States' ongoing commitments to Taiwan's self-defense and Indo-Pacific stability more broadly.

Finally, an important implication of the NDAA is that Congress might also use other legislative tools. The jurisdiction of the NDAA is limited to the Defense Department, but the State Department has been more problematic in the interagency arms sales process for Taiwan. ~

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¹¹ Shirley Kan, "Options for Reviewing Taiwan Policy," Global Taiwan Institute, Global Taiwan Brief, October 26, 2016.



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The background of the top right section is a photograph of American and Taiwanese flags waving. The American flag is on the left, and the Taiwanese flag is on the right. The flags are partially obscured by a dark blue semi-transparent rectangle that contains the title text.

THE NATIONAL DEFENSE AUTHORIZATION ACT AND U.S. POLICY TOWARD TAIWAN

By Michael Mazza

The National Defense Authorization Act (NDAA) for fiscal year 2018 (FY 2018) could mark a watershed moment in U.S.-Taiwan relations. After a decade in which the cross-strait military balance began to shift significantly in China's favor with an arguably insufficient response from the United States, over the past few years Congress has moved to reassert its traditional role in maintaining robust U.S.-Taiwan relations. This essay will describe the main differences between the FY2018 NDAA and past NDAA's and consider the implications for the United States and Taiwan.

THE FY2018 NDAA'S VISION FOR U.S.-TAIWAN RELATIONS

In the FY2015 NDAA, Congress reconfirmed the Taiwan Relations Act and the Six Assurances as the basis for the United States' Taiwan policy. It also required a report from the Department of Defense that assessed China's threat to Taiwan and the Taiwan military's ability to defend the island and that recommended measures for enhancing security cooperation. It called on the United States to assist Taiwan in enhancing its maritime capabilities and to include Taiwan in multilateral exercises focused on humanitarian assistance and disaster relief.

The FY2017 NDAA, for its part, called for senior-level exchanges between U.S. and Taiwan military officers and civilian defense officials. The language used, however, was not binding but expressed only the "sense of Congress." No new requirements regarding Taiwan were introduced.

The FY2018 NDAA is something different. The law requires the secretary of defense to report within six months on letters of request for defense articles and services received from Taiwan, the status of those requests,

and whether they “would be consistent with United States obligations under the Taiwan Relations Act.”¹ The reporting requirement amounts to an effort to normalize the arms sales process for Taiwan. This process is often held hostage to the U.S.-China diplomatic calendar and in its current format is not conducive to the prompt and predictable delivery of arms to the island. The most important provisions, however, may well be in the nonbinding “sense of Congress” language. These provisions articulate a vision for defense ties that differs significantly from the Department of Defense’s preferred approach. The legislation generally calls for a deepening of bilateral ties and repeats the FY2017 NDAA’s call for high-level defense exchanges. More pointedly, however, the FY2018 NDAA calls on the United States to take the following actions:

- (3) invite the military forces of Taiwan to participate in military exercises, such as the “Red Flag” exercises....
- (5) support expanded exchanges focused on practical training for Taiwan personnel by and with United States military units, including exchanges among services;
- (6) conduct bilateral naval exercises, to include pre-sail conferences, in the western Pacific Ocean with the Taiwan navy; and
- (7) consider the advisability and feasibility of reestablishing port of call exchanges between the United States navy and the Taiwan navy.

Two key themes can be discerned in the FY2018 NDAA’s language on Taiwan. First, Congress prefers a more “normal” relationship with the island, one in which Taiwan is treated like any other security partner and is able to robustly engage with the U.S. military in both bilateral and multilateral settings. Second, Congress recognizes

Taiwan’s need to field a military proficient at the high end of military conflict.

This latter theme is at odds with the Defense Department’s preferences in recent years, which are perhaps best encapsulated in a speech that David Helvey, principal deputy assistant secretary of defense for Asian and Pacific security affairs, delivered last September.² Helvey listed what the Department of Defense viewed as the “four main areas that should be the focus of Taiwan’s defense transformation efforts: (1) Prioritizing defense resourcing; (2) Prioritizing homeland defense; (3) Developing a capable, effective force; and (4) Investing in asymmetric capabilities.” As Helvey makes clear, the focus should be on “acquiring capabilities that can defeat the PLA’s [People’s Liberation Army’s] power-projection forces at locations near Taiwan’s main island,” on posing “a credible and persistent threat to any invading PLA force,” and on fielding “large numbers of small things,” or large quantities of readily mobile equipment and platforms that can withstand and evade a PLA attack.

Of course, Taiwan should be capable of defeating an invading force. This most stressing of scenarios, however, is also the least likely to occur. Focusing on countering an invasion to the exclusion of other potential contingencies would be irresponsible. De-emphasizing capabilities to resist an air or maritime blockade, for example, could make those options more tempting to China’s leadership. The FY2018 NDAA’s calls for Taiwan’s inclusion in Red Flag exercises, for bilateral naval exercises in the western Pacific (the 2017 Taiwan Security Act, from which many of the NDAA’s ideas were taken, also called for inclusion in the Rim of the

¹ *National Defense Authorization Act for Fiscal Year 2018*, HR 2810, 115th Congress, December 12, 2017, <https://www.congress.gov/bill/115th-congress/house-bill/2810/text>.

² David Helvey, “Upgrading U.S.-Taiwan Relations for the 21st Century” (speech at the Global Taiwan Institute, Washington, D.C., September 14, 2017), <http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf>.

Pacific exercises, or RIMPAC), and for other forms of “practical training” point to a recognition on the part of Congress that Taiwan, to paraphrase Winston Churchill, must be prepared to fight not only on the beaches but also at sea and in the air.

UNCERTAIN IMPLEMENTATION OF THE FY2018 NDAA

The question remains whether the Trump administration will follow the path that Congress has laid out. Indicators are mixed. Although there was some thought that then-president-elect Donald Trump’s phone call with Taiwan president Tsai Ing-wen would presage a significant shift in U.S.-Taiwan relations, that prediction has thus far not been borne out. The president later indicated that he would have to check with Chinese president Xi Jinping before speaking again with Tsai. Trump’s reluctance through much of 2017 to press China on trade and the South China Sea, in the hopes of securing Chinese cooperation on North Korea, likewise did not bode well for Taiwan.

As 2017 changed to 2018, however, there were signs of a new approach to China. The National Security Strategy and the National Defense Strategy both described U.S.-China relations in competitive terms. The former, moreover, was the first National Security Strategy to mention Taiwan: “We will maintain our strong ties with Taiwan in accordance with our ‘One China’ policy, including our commitments under the Taiwan Relations Act to provide for Taiwan’s legitimate defense needs and deter coercion.”³ The release of these strategy documents followed the initial rollout of the president’s “free and open

Indo-Pacific” strategy, which presented an allies-first rather than China-centric approach to the region.⁴

The FY2018 NDAA, then, coincided nicely with the emergence of the Trump administration’s strategic approach to Asia. Usefully, its Taiwan provisions suggest some meat to put on the president’s strategy bones.

These developments also coincided with personnel changes in the Trump administration. Most notably, Randall Schriver was confirmed as assistant secretary of defense for Asian and Pacific security affairs in late December 2017. In answers to questions submitted prior to his hearing and during the hearing itself, Schriver expressed support for U.S. naval port visits in Taiwan (and vice versa) and for “a normal FMS [foreign military sales] relationship.”⁵ In previous writings, he has argued for Taiwan’s inclusion in RIMPAC and other naval and air exercises.⁶

Importantly, Schriver’s support for closer U.S.-Taiwan relations is not unique within the administration. Recently appointed national security advisor John Bolton has argued that the United States “should jettison the ambiguous ‘one China policy,’” “consider significant steps to upgrade its diplomatic relations” with Taiwan, and “make clear that it considers Taiwan to be an independent, democratic society that has the full right to reject a

³ White House, *National Security Strategy of the United States of America* (Washington, D.C., December 2017), 47, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>.

⁴ Rex W. Tillerson, “Defining Our Relationship with India for the Next Century” (remarks at the Center for Strategic and International Studies, Washington, D.C., October 18, 2017), <https://www.state.gov/secretary/20172018tillerson/remarks/2017/10/274913.htm>.

⁵ “Advance Policy Questions for Randall Schriver, Nominee for Assistant Secretary of Defense for Asian and Pacific Security Affairs,” U.S. Senate Committee on Armed Services, November 16, 2017, https://www.armed-services.senate.gov/imo/media/doc/Schriver_APQs_11-16-17.pdf; and Randall Schriver, testimony before the U.S. Senate Committee on Armed Services, November 16, 2017, https://www.armed-services.senate.gov/imo/media/doc/17-90_11-16-17.pdf.

⁶ Ian Easton and Randall Schriver, “Standing Watch: Taiwan and Maritime Domain Awareness in the Western Pacific,” Project 2049 Institute, December 2014, http://www.project2049.net/documents/141216_Taiwan_Maritime_Domain_Awareness_Easton_Schriver.pdf.

forced merger with China.”⁷ New secretary of state Mike Pompeo is reportedly “pro-Taiwan” as well.⁸ On a recent visit to Taiwan, Deputy Assistant Secretary of State Alex Wong described the United States’ aim “to strengthen our ties with the Taiwan people and to bolster Taiwan’s ability to defend its democracy,” claiming that “our commitment to those goals has never been stronger.”⁹

Yet if the Trump administration is intent on moving forward on the FY2018 NDAA’s Taiwan proposals, it will have to overcome bureaucratic inertia. The State Department’s recent removal of Republic of China flags from its website illustrates the challenge: the bureaucracy tends toward an excessively narrow definition of the one-China policy and is overly mindful of supposed Chinese sensitivities. For example, there are those in the State and Defense Departments who will insist that bilateral naval exercises or port visits are simply not done. Even so, presidential leadership can overcome such obstacles. Indeed, conditions are ripe for a fresh U.S. approach to the Taiwan Strait.

FOLLOWING THROUGH ON THE FY2018 NDAA: COSTS AND BENEFITS

As the NDAA was working its way through Congress in December, a minister at the Chinese embassy in Washington, D.C., issued a surprising threat: “The day that a U.S. Navy vessel arrives in

Kaohsiung is the day that our People’s Liberation Army unites Taiwan with military force.”¹⁰ This warning from a relatively low-ranking Foreign Ministry official—who may or may not have been speaking with the imprimatur of senior leadership—should be taken seriously, though not literally.

Port visits, Taiwan’s inclusion in RIMPAC or Red Flag exercises, and bilateral naval drills would all be consistent with Washington’s one-China policy, but would also mark significant changes from recent practice. For domestic political reasons, as well as in an effort to stave off future reductions in Taiwan’s international isolation, Beijing would respond. Any Chinese retaliation would likely be directed primarily at Taiwan. In particular, Beijing might increase the scope and frequency of military exercises around the island, use trade leverage to impose economic costs on Taiwan, or peel off one or more of Taipei’s diplomatic allies. It should be noted, however, that China has already been pursuing all three of these courses as part of a pressure campaign to punish Taiwan since the election of Tsai in 2016. Apart from limiting trade in ways that would be detrimental to China’s own economy, the marginal costs to Taiwan of additional actions within these retaliatory categories are decreasing.

China has options for responding to U.S. actions as well. These include cutting off military-to-military ties, reducing cooperation on the North Korean nuclear issue, and returning to robust state-directed, cyber-enabled industrial espionage. An end to military-to-military dialogues with China would be a small price for the United States to pay for preparing with a security partner for realistic contingencies and enhancing deterrence

⁷ John R. Bolton, “Bolton’s Foreign Policy Priorities,” *Pittsburgh Tribune*, March 11, 2017, <http://triblive.com/opinion/featuredcommentary/12032468-74/iran-nuclear-china>; and John R. Bolton, “China-Taiwan Tensions Are Rising. How Obama Responds Is Critical,” Fox News, April 25, 2016, <http://www.foxnews.com/opinion/2016/04/25/bolton-china-taiwan-tensions-are-rising-how-obama-responds-is-critical.html>.

⁸ Bill Bishop, “Trump’s U.S.-Taiwan Policy Shift,” *Axios*, March 23, 2018, <https://www.axios.com/us-policy-taiwan-shift-3613e87f-fec2-45e8-9801-85e43722e3df.html>.

⁹ Chris Horton, “In Taiwan, U.S. Official Says Commitment ‘Has Never Been Stronger,’” *New York Times*, March 21, 2018, <https://www.nytimes.com/2018/03/21/world/asia/taiwan-china-alex-wong.html>.

¹⁰ Ben Blanchard and Jess Macy Yu, “China, Taiwan Spar over Chinese Diplomat’s Invasion Threat,” *Reuters*, December 10, 2017, <https://www.reuters.com/article/us-china-taiwan-usa/china-taiwan-spar-over-chinese-diplomats-invasion-threat-idUSKBN1E506A>.

in the process. Washington can make it clear that a less cooperative Chinese approach to North Korea would presage a more coercive U.S. approach to ensuring that cooperation. Moreover, the United States should be working with industry partners now to enhance defense against cyberattacks, while also readying to impose costs on China in response to such attacks.

Even though Taiwan and the United States will both pay costs for enhancing their security relationship, if they are prepared for Chinese retaliation, the two partners can work to mitigate those costs. In any case, the costs of closer cooperation would not be greater than the potential benefits.

As noted, in the two years since Tsai's election, Beijing has continually upped the pressure on Taipei. It has curtailed mainland tourism to the island, destroyed imports from the island not labeled as made in "Taiwan Area" or "Taiwan Area, China," swiped diplomatic allies from Taiwan (now including a play for the Vatican), and unsettled

Taiwan's security environment with military activities around the island, including air and naval exercises, and the launch of new commercial air traffic routes over the Taiwan Strait. Looked at in the context of Chinese military modernization, Xi's "China dream" (of which unification is an important aspect), and the ambitious goals for the middle of the 21st century laid out in the work report to the 19th Party Congress, the pressure campaign is troubling indeed.

With Beijing increasingly emphasizing such coercive tactics in its approach to Taipei, it is only reasonable that the United States and Taiwan would seek to enhance their ability to deter Chinese aggression and defend the island. The steps outlined in the most recent NDAA would contribute to those parallel goals and, in so doing, enhance stability in the Taiwan Strait. ∞

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POLITICAL AND
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THE TRUMP ADMINISTRATION'S POLICY TOWARD TAIWAN

By Patrick M. Cronin

Less than a month after the November 2016 election and several weeks before Donald Trump's inauguration, U.S. policy toward Taiwan faced an early defining moment. On December 2, the president-elect received a congratulatory phone call from Taiwan's president Tsai Ing-wen. The first direct presidential communication since 1979, the telephone connection appears to have been carefully orchestrated.¹ The next week Trump said he was reconsidering the 40-year-old "one China" policy built on three U.S.-China joint communiqués, the Taiwan Relations Act, and other major policy statements.² Yet in his first official phone call with China's leader, President Trump reassured President Xi Jinping that the United States remained committed to the one-China policy.³

These early muscle movements of Taiwan policy revealed some of the characteristic negotiating tactics of both the author of *The Art of the Deal* and the Chinese government. President Trump, seeking to improve his bargaining position over Taiwan, provoked an early test with Beijing to announce that the United States would henceforth be less predictable than in the past. Meanwhile, China made clear that the only sure path to fruitful cooperation would require strict adherence to Chinese principles. These moves presaged future tension and competition, given that the Trump administration had every intention to seek peace but prevent coercion against the people of Taiwan: in other words, the new president accepted the one-China policy of the United States and not the one-China

¹ Anne Gearan, Phillip Rucker, and Simon Denyer, "Trump's Phone Call for Taiwan Was Long Planned, Say People Who Were Involved," *Washington Post*, December 4, 2016, https://www.washingtonpost.com/politics/trumps-taiwan-phone-call-was-weeks-in-the-planning-say-people-who-were-involved/2016/12/04/f8be4b0c-ba4e-11e6-94ac-3d324840106c_story.html.

² Caren Bohan and David Brunnstrom, "Trump Says U.S. Not Necessarily Bound by 'One China' Policy," *Reuters*, December 11, 2016, <https://www.reuters.com/article/us-usa-trump-china/trump-says-u-s-not-necessarily-bound-by-one-china-policy-idUSKBN1400TY>.

³ Demetri Sevastopulo, "Trump Backs 'One China' Policy in First President Call with Xi," *Financial Times*, February 10, 2017, <https://www.ft.com/content/40825e36-ef3f-11e6-930f-061b01e23655>.

principle of Beijing.⁴ This position mirrors the policy of President Tsai, who has consistently resisted Chinese pressure to adopt the “1992 consensus” while simultaneously avoiding unilateral moves that might provoke China.⁵

Despite all the initial hopes and fears that the Trump administration might break with long-standing Taiwan policy, continuity has prevailed over change. Yet this does not mean that U.S.-Taiwan relations are on autopilot. As the White House warily eyes Beijing’s strategy of coercion and isolation against the island’s 24 million citizens, Taiwan is likely to find its way back onto the agenda of many bilateral U.S.-China meetings. This essay explains some of the administration’s thoughts on Taiwan and suggests ways to deepen U.S.-Taiwan relations in a manner that should strengthen rather than undermine regional stability.

THE OVERALL DIRECTION OF THE TRUMP ADMINISTRATION’S TAIWAN POLICY

The overall direction of the Trump administration’s Taiwan policy is to ensure that democratic Taiwan remains a confident contributor in a tense and turbulent world. This means ensuring that Taiwan does not have to succumb to coercion and threats of force and that it is integrated rather than isolated from global affairs. These goals will be achieved through direct relations with Taiwan, but first and foremost through strong and clear signals sent to China.

Under the Obama administration, China was seen as a lender, a trading partner, a diplomatic collaborator, and a potential military challenger.

The Trump administration, however, appreciates the complexity of the bilateral relationship but views China as a long-term strategic competitor. This realistic view assimilates the argument of scholars such as Michael Pillsbury, who asserts “that Beijing seeks to remake the global hierarchy, with itself as leader, and to counter and undermine the power and influence of the United States.”⁶ Once seen as unduly hawkish, this argument has become more mainstream and bipartisan.⁷

It is too early to discern the full weight and impact of this China policy, but the United States’ Taiwan policy is now inextricably linked to a more realistic evaluation of Sino-U.S. relations. Chinese threats to block all U.S. arms sales to Taiwan appear empty in 2018. But unless the United States stands up to those threats with political will, strength, and resources, it is only a matter of time before China attempts to test a shifting balance of power. Fortunately, the United States is not a disinterested power, but instead has every intention to thwart that coercive design in order to preserve peace across the Taiwan Strait and protect the people of Taiwan from Chinese threats and pressure.

Reflecting the determination of the Trump administration to support democratic Taiwan, the new National Security Strategy embraces Taiwan by name, albeit within the context of long-standing policy: “We will maintain our strong ties with Taiwan in accordance with our ‘One China’ policy, including our commitments under the Taiwan Relations Act to provide for Taiwan’s legitimate defense needs and deter coercion.”⁸ In pledging to push back against

⁴ For a discussion of the differences between the one-China policy and the one-China principle, see Richard C. Bush, “A One-China Policy Primer,” Brookings Institution, East Asia Policy Paper, no. 10, March 2017, iii.

⁵ Christie Chen, “Tsai Rejects Supposed Deadline for Accepting ‘1992 Consensus,’” Focus Taiwan, July 22, 2016, <http://focustaiwan.tw/news/aip/201607220005.aspx>.

⁶ Michael Pillsbury, *The Hundred-Year Marathon: China’s Secret Strategy to Replace America as the Global Superpower* (New York: St. Martin’s Griffin, 2016), 236.

⁷ See, for example, Kurt M. Campbell and Ely Ratner, “The China Reckoning: How Beijing Defied American Expectations,” *Foreign Affairs*, March/April 2018, <https://www.foreignaffairs.com/articles/united-states/2018-02-13/china-reckoning>.

a more assertive and capable China, the Trump administration follows its predecessors by viewing the Taiwan Relations Act as a vital legal framework, requiring the executive branch not to neglect Taiwan's legitimate needs to remain free from threats and isolation. Regularized arms sales designed to maintain a military balance across the Taiwan Strait are consistent with that act. In this sense the administration's Taiwan policy might be viewed as a front-line challenge for its stated goal of preserving and building a free and open Indo-Pacific strategy.

The military dimension of maintaining a favorable balance of power and a free and open Indo-Pacific laid out in the new U.S. National Defense Strategy is relevant to Taiwan: "A more lethal, resilient, and rapidly innovating Joint Force, combined with a robust constellation of allies and partners, will sustain American influence and ensure favorable balances of power that safeguard the free and open international order."⁹ Taiwan, while not mentioned by name, is a key component of that constellation of allies.

The Trump administration is willing to threaten China with strong-arm tactics while preparing for long-term competition. For instance, it is continuing to exhort Beijing to help pressure North Korea into adopting a path toward denuclearization, even if that means imposing secondary sanctions on Chinese banks and other entities doing business with Pyongyang. The administration is also shifting defense priorities to focus on developing long-term, high-end capabilities and a national innovation base in critical technology areas such as artificial intelligence, quantum computing, and

autonomous machines. Regarding the growing trade deficit with China, the Trump administration is continuing to threaten tariffs and other protectionist measures, along with new restrictions on investments that impinge on national security industries or technologies. But as in the security arena, the administration is also continuing to look for areas of cooperation, and President Trump puts high stock in his personal relations with Xi.

THE THREE PILLARS OF TAIWAN POLICY

The Trump administration's Taiwan policy centers on the three pillars of open commerce, political freedom, and self-defense. The first pillar seeks to foster trade and development. In the aftermath of its withdrawal from the Trans-Pacific Partnership, the United States is placing priority on improving bilateral trade. In that regard, the administration should indicate its willingness to strike a free trade agreement (FTA) with Taiwan not unlike the one with Singapore or Australia.¹⁰ While this effort will take time, announcing talks for a bilateral FTA with Taiwan would reinforce economic ties while simultaneously bolstering Taiwan's "southbound policy" of diversifying its economy away from overdependence on the mainland.

The second pillar of the administration's Taiwan policy is a desire to preserve political freedom on the island. Emblematic of enduring U.S. support for freedom in Taiwan is the new American Institute in Taiwan complex, and the administration should be represented at the June opening by senior officials attending in their personal capacity. While the United States will seek to upgrade the depth and scale of official

⁸ White House, *National Security Strategy of the United States of America* (Washington, D.C., December 2017), 47, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

⁹ U.S. Department of Defense, "Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military's Competitive Edge," January 2018, 1, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

¹⁰ I am seconding a recommendation made by Richard L. Armitage, Ian Easton, and Mark Stokes in their recent report, "U.S.-Taiwan Relations in a Sea of Change: Navigating Toward a Brighter Future," Project 2049 Institute, March 2018, http://www.project2049.net/documents/US_Taiwan_Relations_in_Sea_of_Change_Project2049.pdf.

contacts, much of its support for Taiwan's political space will come in the form of visits and exchanges between a diverse array of democratically elected officials and technical experts, as well as expanded educational and other people-to-people contacts.

Meanwhile, the United States can improve Taiwan's political resilience by supporting stronger cooperation on cybersecurity. This could be part of a comprehensive effort at developing a common strategy to counter political warfare, information warfare, and state abuses of cyberspace. Because these concerns are now regional and global in nature, Washington could call on Tokyo, Canberra, New Delhi, and other capitals to help support Taipei's political resilience.

Although the United States can and must be more attentive to allies and partners, national security officials in the Trump administration recognize the value that other countries can play in bolstering both the economic and political strength of Taiwan. For instance, Japan's wide-reaching ties with the island continue to accelerate under Prime Minister Shinzo Abe, and India-Taiwan relations are beginning to show their potential as well. In 2016, two-way trade between India and Taiwan approached \$6 billion, with about 90 Taiwanese companies doing business in India.¹¹

The third pillar of the Trump administration's Taiwan policy—self-defense—seeks to preserve a sufficient military balance by advancing Taipei's asymmetric, anti-access defense capability. More than economic or political policy, defense policy is the realm where the Trump administration is poised to help Taiwan the most. The real question is whether officials in Taipei are prepared to embrace cooperation. An appropriate defense policy centers

on hardening Taiwan and making its systems more resilient, including in all four of the domains where China's People's Liberation Army is focused: space, near space, cyberspace, and undersea.

Announcing a \$1.4 billion arms sales package in the first year of his administration, President Trump demonstrated his commitment to continuing to support Taiwan's basic defense while not introducing any systems that might be construed as overly provocative. The upgrading of radars, missiles, and torpedoes is intended to improve situational awareness and maintain the high cost of any military intervention against Taiwan.¹² Additional announcements are expected soon and could include everything from selling Taiwan submarine parts that are critical for its indigenous submarine program to selling it F-15 fighters or F/A-18 multirole combat aircraft. The administration is aware that hardware alone will not counter China's gray-zone challenge of unconventional and political warfare, economic pressure, and other forms of coercion. Even so, defense capabilities remain a necessary, if insufficient, pillar of Taiwan's security.

THE OUTLOOK FOR U.S. POLICY ON TAIWAN

Perhaps the biggest champion of U.S.-Taiwan relations in the Trump administration is the assistant secretary of defense for Asian and Pacific security affairs, Randall Schriver. Schriver's Project 2049 Institute was designed to focus on long-term forecasting, with an eye to the middle of the 21st century. Assistant Secretary of Defense Schriver will work closely to support Secretary of Defense James Mattis as he coordinates with the new national

¹¹ Imran Ali Sandano, "India's Dangerous Taiwan Gambit," *Diplomat*, October 23, 2017, <https://thediplomat.com/2017/10/indias-dangerous-taiwan-gambit>.

¹² Felicia Schwartz, "Trump Administration Approves \$1.42 Billion in Arms Sales to Taiwan," *Wall Street Journal*, June 29, 2017, <https://www.wsj.com/articles/trump-administration-proposes-1-42-billion-in-arms-sale-to-taiwan-1498770781>.

security advisor John Bolton and the new secretary of state Mike Pompeo to carefully but methodically make democratic Taiwan more resilient in the long term. While the idea of renewing U.S. naval port calls to Taiwan is unlikely, that does not preclude higher and more meaningful forms of engagement. For example, the United States should consider inviting Taiwan to send vessels to exercise and train in Guam, just as defense industry officials prepare to meet to discuss Taiwan's production of weapon parts built in the United States.

On the economic and political fronts, Schriver and other administration officials will seek to strengthen Taiwan's security posture by enlisting the support of allies and close partners in the region. Japan has played a growing role in this effort, while Singapore has risked China's ire by providing a C-130 military cargo plane full of relief and medical supplies after the earthquake in Hualien earlier this year.¹³ Beijing apparently sent Singapore and Taipei a signal by impounding nine armored personnel carriers in Hong Kong after they participated in a joint disaster-relief drill in Taiwan in late 2016.¹⁴

Whether the administration is working to bolster Taiwan's economy, political stability, or military defense, one constant for Washington and Taipei will be to ensure close consultation. Both sides have historical reasons for fearing unilateral actions by the other. Not only would Taiwan be utterly exposed should the United States irresponsibly walk away from its historical agreements and understandings, but confidence in U.S. reliability would be completely undermined throughout Asia. Likewise, a sudden move by Taiwan that radically changes the status quo

would reverberate far and wide with respect to U.S. security and economic interests.

In pursuing a deeper relationship with Taiwan, while simultaneously cooperating and competing with China, the United States will need to be thick-skinned. China is becoming more, not less, assertive. Thus, taking heat from China is necessary if the United States is to stay true to its interests and commitments. George H.W. Bush found this to be the case when defending arms sales to Taiwan as vice president during the Reagan administration. As his senior adviser Donald Gregg remembers the episode, Bush had to explain to Chinese foreign minister Huang Hua why the arms sale was necessary under the 1979 Taiwan Relations Act and why that act did not violate the 1972 Shanghai Communiqué. He repeatedly underscored that both Washington and Beijing should be committed to the reunification of Taiwan with China and that maintaining a military balance across the Taiwan Strait "made it more likely this would one day take place in a peaceful manner."¹⁵

The logic of the United States' stabilizing role in the region is as important now as it was then. Even though the Trump administration seeks to help Taiwan remain economically, politically, and militarily self-sufficient, these actions are intended not to upset regional stability but to preserve it. Whether that position becomes untenable for an impatient China seeking to recover its past position and establish the "China dream" will be one of the most important security questions facing the Asia-Pacific in the years ahead. ∞

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¹³ Aaron Tu, "Singaporean Quake Aid a Rarity: Expert," *Taipei Times*, February 11, 2018, <http://www.taipetimes.com/News/taiwan/print/2018/02/11/2003687465>.

¹⁴ Katie Hunt, "Troop Carriers Seized: Is China Sending Singapore a Message?" CNN, November 29, 2016.

¹⁵ Donald P. Gregg, *Pot Shards: Fragments of a Life Lived in CIA, the White House, and the Two Koreas* (Washington, D.C.: New Academia Publishing, 2014), 170–71.



POLITICAL AND
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RESPONDING TO THE PRC'S INCREASED PRESSURE ON TAIWAN

By Peter Mattis

In 2016, the election of Taiwan's president Tsai Ing-wen alongside a Democratic Progressive Party (DPP) legislative majority shattered Beijing's complacency over Taiwan's movement toward eventual unification. Chinese president Xi Jinping's vision of cross-strait unification as part of the "China dream" came apart as the leadership of the Chinese Communist Party (CCP) had to face the grim turn that Taiwan's politics took. Xi was more in danger of being the CCP leader who lost Taiwan than the leader who achieved a stable status quo working in Beijing's favor. In response, the party's efforts to pressure Taipei from within and without have evolved and become more aggressive. As the United States and other countries adopt more competitive and sustainable approaches to the People's Republic of China (PRC), their governments would do well to heed the lessons from Taiwan.

TAIWAN'S POLITICAL TIDES TURN AGAINST BEIJING

China's approach to influencing Taiwan has evolved to incorporate more direct actions that invite comparisons with Russia's interventions in the West and depart from the CCP's traditional focus on shaping the context in Taiwan and elsewhere.¹ This shift from a strategically patient approach occurred after the election of President Tsai and the DPP legislative majority in the 2016 election. CCP leadership finally appears to have realized that Taiwan's political trends are leading away from unification. For 25 years, polls on Taiwanese identity conducted by National Chengchi University have shown that a decreasing number of Taiwanese identify as either Chinese or both Chinese and Taiwanese. When the survey began in 1992, roughly 25% of Taiwanese identified as Chinese,

¹ Peter Mattis, "Contrasting China's and Russia's Influence Operations," War on the Rocks, January 16, 2018, <https://warontherocks.com/2018/01/contrasting-chinas-russias-influence-operations>.

while 45% identified as both Chinese and Taiwanese. During the last decade, the former figure has hovered around 4%, while the latter has remained below 40% over the last five years. In the meantime, the percentage of those who identify solely as Taiwanese has risen from roughly 17% in 1992 to 55% in 2017.²

The virtual collapse of the Kuomintang (KMT) as an effective political force amplifies the impact of Taiwan's changing identity. The KMT's defeat at every level in the nine-in-one elections (the local elections) in November 2014 foreshadowed the DPP's capture of the presidency and the Legislative Yuan two years later. Widespread discontent with Taiwan's economic direction and President Ma Ying-jeou's cross-strait policies probably combined with solidifying Taiwanese identity to break the KMT's electoral majority.³ Consequently, Beijing lost its partner in maintaining a consensus on unification, and the KMT was forced to dump its original presidential candidate, Legislative Yuan vice president Hung Hsiu-chu, who was unabashedly pro-unification.⁴ Since the devastating 2014 and 2016 elections, the KMT has fought bankruptcy, operating off of personal loans to party leaders, and struggled to regain political relevance.⁵ Beijing now faces a DPP-led government that does not accept its basic premises about Taiwan's future and requires the use of stronger, more direct pressure.

² "Taiwanese/Chinese Identification Trend Distribution in Taiwan," Election Study Center, National Chengchi University, February 5, 2018, <http://esc.nccu.edu.tw/course/news.php?Sn=166#>.

³ Min-Hua Huang, "Taiwan's Changing Political Landscape: The KMT's Landslide Defeat in the Nine-in-One Elections," Brookings Institution, December 8, 2014, <https://www.brookings.edu/opinions/taiwans-changing-political-landscape-the-kmts-landslide-defeat-in-the-nine-in-one-elections>.

⁴ Kevin Wang, "Bad Poll Numbers: Taiwan's Ruling Party Votes to Replace Presidential Candidate," CNN, October 17, 2015, <https://www.cnn.com/2015/10/17/asia/taiwan-kmt-president-candidate-swap/index.html>.

⁵ "From Riches to Rags: Taiwan's Kuomintang Party Is Broke and Adrift," *Economist*, December 15, 2016, <https://www.economist.com/news/asia/21711925-new-law-has-allowed-government-freeze-its-assets-leaving-it-unable-pay-staff-taiwans>.

COMPREHENSIVE PRESSURE AGAINST TAIWAN

Following President Tsai's electoral victory, the PRC renewed its efforts to reduce Taiwan's international space and undermine the island's psychological resilience. High-level cross-strait communications were officially suspended in June 2016, even though working-level exchanges continued quietly. Beijing convinced São Tomé and Príncipe in 2016 and Panama in 2017 to withdraw official recognition of Taiwan. Chinese tourism to Taiwan from 2016 to 2017 dropped by at least 25%, and tourists visited more often as individuals than as part of a group. The PRC also succeeded in excluding Taiwan from participating in many international meetings in which it had previously taken part without controversy, such as the 2016 International Civil Aviation Organization meeting, the 2017 World Health Assembly meeting, and the 2017 International Labour Conference. Finally, PRC officials expressed "grave concern" and threatened "severe consequences" if the U.S. Congress and the Trump administration followed through with the Taiwan Travel Act, Taiwan Security Act, and other Taiwan-related legislation.⁶

The People's Liberation Army (PLA) also has stepped up its operational tempo around Taiwan. The PLA Air Force in 2016 increased the frequency with which aircraft flew around the island, and Taiwan's Ministry of National Defense recorded 23 abnormal exercises in 2016 and 2017 that required its jets to respond. Even if much of this activity is a feature of a modernizing PLA that needs training, Beijing has still sought to exploit such exercises to intimidate Taiwan. Chinese media released a demonstrably false

⁶ Josh Rogin, "China Threatens U.S. Congress for Crossing Its 'Red Line' on Taiwan," *Washington Post*, October 12, 2017, <https://www.washingtonpost.com/news/josh-rogin/wp/2017/10/12/china-threatens-u-s-congress-for-crossing-its-red-line-on-taiwan>.

photo of an H-6 bomber with a mountain labeled as Taiwan's highest peak, Jade Mountain, in the background to show how close PLA aircraft could fly to the island without being intercepted.⁷

Yet, although this overt pressure became stronger after President Tsai took office in 2016, the CCP's underground methods have expanded irrespective of who leads Taiwan. Beijing provides funding and other support for at least two pro-unification, anti-independence political parties in Taiwan. The first and most significant is the China Unification Promotion Party, founded in 2004 and headed by Chang An-lo, a former organized crime figure. Chang freely admits that his party has close ties to the PRC's Taiwan Affairs Office and United Front Work Department. The China Unification Promotion Party claims approximately 40,000 members and regularly mobilizes supporters for demonstrations against DPP politics and policies.⁸ Incidents of violence have marred the party's activities since Chang returned to Taiwan from the PRC in 2013, including during the Sunflower Movement in 2014 and anti-pension reform protests last year.⁹ The second pro-Beijing party is the New Party, which has not held a legislative seat since 2008. Although the party is minor, the PRC's Taiwan Affairs Office has praised it publicly for opposing Taiwan's independence and promoting peaceful unification. The New Party's leadership came under investigation late last year

for links to a Chinese spy arrested in Taiwan and for possible meetings in the PRC.¹⁰

Although these political parties are in some respects the most obvious manifestations of the CCP's effort to create a fake civil society in Taiwan, they make up just one component of Beijing's agitation and mobilization of Taiwan's citizens to oppose and intimidate President Tsai.¹¹ The CCP is also more aggressively injecting its messages into domestic conversations on the island. Last summer, Taiwan's National Security Council publicized CCP sponsorship of content farms that employ freelance writers to generate disinformation. Written according to algorithms that increase the chances for dissemination, the articles are distributed through news aggregation services and mobile messaging apps like LINE and WeChat.¹² Last summer, Taiwan security officials stated in interviews that the United Front Work Department, the Ministry of State Security, the PLA Joint Staff Department's Intelligence Bureau, and the PLA Political Work Department's Liaison Bureau had been recruiting agents of influence. These agents use their platform in Taiwan to sow discord and promote CCP propaganda.¹³ Previously, the agencies preferred to shape their messengers indirectly—for example, by sponsoring retired military officers to

⁷ Michal Thim, "China's Growing Military Activity around Taiwan Triggers Alarm," *Taiwan Sentinel*, January 8, 2018, <https://sentinel.tw/china-military-triggers-alarm>.

⁸ Yimou Lee and Faith Hung, "Special Report: How China's Shadowy Agency Is Working to Absorb Taiwan," Reuters, November 24, 2014, <https://uk.reuters.com/article/uk-taiwan-china-special-report/special-report-how-chinas-shadowy-agency-is-working-to-absorb-taiwan-idUKKCN0JB01F20141127>.

⁹ J. Michael Cole, "Taiwan Confirms China's 'Black Hand' behind Anti-pension Reform Protests," Taiwan Foundation for Democracy, Taiwan Democracy Bulletin, <https://bulletin.tfd.org.tw/tdb-vol-1-no-10-china-black-hand-protests>; and Ho Ming-sho, "A Mafia Fifth Column in Taiwan," *Taiwan Sentinel*, January 9, 2017, <https://sentinel.tw/mafia-fifth-column-taiwan>.

¹⁰ Chris Horton, "Taiwan Suspects Pro-China Party of Passing Information to Beijing," *New York Times*, December 20, 2017, <https://www.nytimes.com/2018/01/19/world/asia/china-taiwan-airliners.html>.

¹¹ J. Michael Cole, "President Tsai's Safety at Risk as Anti-pension Reform Groups Plot Escalatory Action," *Taiwan Sentinel*, July 11, 2017, <https://sentinel.tw/tsais-safety-risk-protests>.

¹² "Guoan danwei: Fan niangai chenkang you Zhongguo shili jieru" [National Security Units: Chinese Involvement behind the Anti-pension Reform Protests], *Liberty Times*, July 18, 2017, <http://news.ltn.com.tw/news/focus/paper/1119633>.

¹³ Author's interviews, Taipei, July and August 2017.

visit China—rather than placing them directly on the payroll.¹⁴

Last, Beijing cultivates and squeezes Taiwanese people living and working inside the PRC. The United Front Work Department's provincial and local units track Taiwanese people and businesses in their areas, and the department emphasizes resolving the problems that appear in everyday life. Beijing also offers discounted tickets for Taiwanese to return to Taiwan during elections on the assumption that most will vote for the KMT.¹⁵ PRC intelligence services, however, take a more aggressive approach, often strong-arming Taiwanese to spy on classmates or former colleagues while holding out the promise of money or business opportunities.¹⁶ The cultivation of businesspeople has been a consistent strategy of the department's work going back to the days of Zhou Enlai's diplomacy with Japan in the 1950s. Businesspeople provide a kind of beachhead for CCP influence and in a democratic country can spend money in politics more effectively.¹⁷

The totality of Beijing's actions worry security officials in Taiwan to an extent that I have not seen in a decade of interactions. Taiwan's challenge has always been unenviable, but officials had long adopted a stoic attitude, treating foreign observations on the PRC's covert and coercive activities as unremarkable. In the last two years,

however, officials have shown an unprecedented level of concern. The scope and scale of the CCP's activities make countering them difficult, if not impossible, for a democratic government with legal and moral constraints on counterintelligence.

BEIJING FACES NO CONSEQUENCES FROM TAIWAN'S FRIENDS

Beijing's pressure on Taipei has not generated much more than a rhetorical response from Taiwan's friends. To cite a recent case, on January 4, Beijing announced northbound flights along flight route M503, which hugs the centerline over the Taiwan Strait. The two sides previously negotiated only southbound flights in 2015 after the Ma administration protested a similar PRC action. Nevertheless, the PRC's Taiwan Affairs Office stated that Beijing had no need to consult with Taipei about the routes.¹⁸ In response, the United States issued only muted protests publicly delivered by the director of the State Department's Policy Planning Staff, Brian Hook.

Such coercive measures largely affect only Taiwan, with few if any direct effects on the island's international supporters. A more meaningful show of support for Taiwan would potentially incur costs for the supporter, but without constraining the PRC's ability to apply the same pressure again.

The true consequences of not answering China's actions are unclear given the difficulty in assessing Taiwan's public mood or the thinking of its leaders in response to Beijing's actions. Taiwan possesses innate strengths, such as geographic defenses from invasion and a vibrant civil society, that strengthen its position against PRC coercion. The absence of

¹⁴ See, for example, John Dotson, "Retired Taiwan Officer Exchanges Offer Insight into a Modern 'United Front,'" Jamestown Foundation, China Brief, October 14, 2011, <https://jamestown.org/program/retired-taiwan-officer-exchanges-offer-insight-into-a-modern-united-front>.

¹⁵ Lee and Hung, "Special Report: How China's Shadowy Agency Is Working to Absorb Taiwan."

¹⁶ Peter Mattis, "Counterintelligence Remains Weakness in Taiwan's Defense," Jamestown Foundation, China Brief, August 17, 2017, <https://jamestown.org/program/counterintelligence-remains-weakness-in-taiwans-defense>; and Peter Mattis, "China's Espionage against Taiwan (Part I): Analysis of Recent Operations," Jamestown Foundation, China Brief, November 7, 2014, <https://jamestown.org/program/chinas-espionage-against-taiwan-part-i-analysis-of-recent-operations>.

¹⁷ Richard McGregor, *Asia's Reckoning: China, Japan, and the Fate of U.S. Power in the Pacific Century* (New York: Viking, 2017), 30–31, 38.

¹⁸ Chris Horton, "Airliners Have Become China's Newest Means of Pressuring Taiwan," *New York Times*, January 19, 2018, <https://www.nytimes.com/2018/01/19/world/asia/china-taiwan-airliners.html>.

reliable international responses may drive Taiwan's leaders in their fight to maintain an international space for the island, even by engaging in wasteful, losing battles over diplomatic recognition that are often more symbolic than substantive.¹⁹ U.S. support, in particular, often can appear ambiguous, such as when Washington does not publicly push back against Beijing's pressure, and lead Taipei to feel more isolated than it actually is.

LEARNING FROM TAIWAN'S EXPERIENCE

The most important lesson from Taiwan's experience is that the degree of tension with the PRC has nothing to do with the CCP's subversive efforts. President Ma's commitment to moderating cross-strait relations during his administration (2008–16) did not stop or reduce such covert and coercive activities. Diplomatic and military pressure may have abated. Economic pressure also may have taken the form of enticements rather than coercion. However, the intelligence and United Front activities conducted against Taiwan did not change. Taipei prosecuted 55 spies during the Ma years—and officials suggest that more were not prosecuted—marking a slight uptick from the first DPP presidency under Chen Shui-bian (2000–2008).²⁰ Governments cannot confuse the state of their relations with Beijing with the latter's willingness to continue trying to build political power abroad by covert, corrupt, or coercive means. Examples are adding up worldwide. The manipulations of Australian and New Zealand politics, as well as

the global reach of CCP intimidation, are forcing governments to realize that good relations with the PRC come at a heavy price.²¹

Civil society plays an important role in PRC pressure and Taiwan's response to it. The role of civil society is a necessity because democratic governments operate under intrinsic limitations. Freedoms of speech and association protect many forms of disinformation, influence, and political mobilization. Legislatures can pass laws to draw clear lines of acceptable behavior. However, government resources necessarily focus on investigating breaches of those laws rather than what citizens do generally. Much of the CCP's interference is not—or cannot be proved to be—illegal. The only antidote is the sunshine from a vigorous and open public conversation. Several organizations in Taiwan have come together to track and expose the CCP's efforts to disseminate disinformation across the island. On LINE, for example, users can now submit suspicious information to an automated bot as well as to a community of paid and voluntary fact-checkers who verify the information's provenance.²²

If the PRC's intelligence and United Front activities provide a baseline for CCP subversion efforts, then what happens in Taiwan is likely a leading indicator of what capabilities the party can bring to bear. The absence of an international response to China's increasing pressure on Taiwan makes these policies relatively low risk for Beijing.

¹⁹ Washington has assisted Taipei in saving formal diplomatic ties with the dwindling set of countries that officially recognize Taiwan, so Taiwan's leaders are not alone in trying to preserve the island's international space.

²⁰ Jason Pan, "Ex-student Held for Espionage," *Taipei Times*, March 11, 2017, <http://www.taipetimes.com/News/front/archives/2017/03/11/2003666539>; and Peter Mattis, "Taiwan Espionage Cases Highlight Changes in Chinese Intelligence Operations," Jamestown Foundation, China Brief, July 1, 2011, <https://jamestown.org/program/taiwan-espionage-cases-highlight-changes-in-chinese-intelligence-operations>.

²¹ Clive Hamilton, *Silent Invasion: China's Influence in Australia* (Richmond: Hardie Grant, 2018); Anne-Marie Brady, "Magic Weapons: China's Political Influence Activities under Xi Jinping," Woodrow Wilson International Center for Scholars, Working Paper, September 2017, <https://www.wilsoncenter.org/article/magic-weapons-chinas-political-influence-activities-under-xi-jinping>; and Zach Dorfman, "The Disappeared," *Foreign Policy*, March 29, 2018, <https://www.foreignpolicy.com/2018/03/29/the-disappeared-china-renditions-kidnapping>.

²² Chih-hsin Liu and Aaron Wytze, "Killing Fake News Dead on Taiwan's Most Popular Messaging App," *g0v.news*, February 15, 2017, <https://g0v.news/killing-fake-news-dead-on-taiwans-most-popular-messaging-app-c99d93582cbe>.

The low risk makes Taiwan a useful laboratory for the CCP to test methodologies and technologies against an adversary that knows the party well. The extent to which Taiwan can protect itself and harvest knowledge of the PRC's activities will make it a more valuable partner as governments beyond the United States struggle to define a new relationship with Beijing. Whatever new policies toward the PRC a country chooses to adopt, maintaining the integrity of the policymaking process will be a necessary requirement for any long-term or competitive strategy. ∞

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