



**Statement before the
House Foreign Affairs Committee
Subcommittee on Asia and the Pacific**

“THE FUTURE OF U.S.-TAIWAN RELATIONS”

A testimony by:

Bonnie S. Glaser

Senior Adviser for Asia and

Director, China Power Project

Center for Strategic and International Studies (CSIS)

February 11, 2016

2200 Rayburn House Office Building

Chairman Salmon, Ranking Member Sherman and Distinguished Members of the Subcommittee:

The US relationship with Taiwan is extremely important to the United States and to the US position in the Asia-Pacific region. The sub-committee on the Asia-Pacific is making an important contribution to American interests by holding these hearings today. Thank you for the opportunity to serve as a witness.

Last month Taiwan held its sixth direct election of the president by the citizens of Taiwan. Tsai Ing-wen of the Democratic Progressive Party (DPP) was elected president with 56% of the vote. For the first time ever, the DPP secured a majority in the legislature, winning 68 of 133 seats. This marks the third peaceful transfer of power through direct elections in Taiwan, and is a further validation of the vitality of Taiwan's democracy. Taiwan is the only ethnic Chinese society in the world that holds a competitive popular election to select its top leader. Taiwan's democracy serves as an example and an inspiration to others, including the People's Republic of China. As President George W. Bush noted in his congratulatory message to Ma Ying-jeou and the people of Taiwan in 2008, "Taiwan is a beacon of democracy to Asia and the world."

Regardless of which political party is in power in Taiwan, the United States has a deep and abiding interest in the preservation of Taiwan's security and democracy. US commitments to Taiwan are laid out the Taiwan Relations Act of 1979, which created the basis for continuing substantive relations with Taiwan in the absence of formal diplomatic ties and set out crucial policy and political commitments. The TRA is an important touchstone for the US Congress and policy makers in the executive branch. To ensure Taiwan's security, the US government must actively seek to use all the tools of US policy to implement not only the letter, but also the spirit and intentions behind the TRA.

Threats to Taiwan's national security are numerous and growing. Efforts to sustain the island's economic prosperity, a critically important component of national security, are facing challenges. Taiwan is largely excluded from the Asia-Pacific regional economic integration process. Marginalization from trade pacts not only puts Taiwan's exports at a disadvantage, it also reduces pressure on Taiwan to undertake needed domestic reforms to increase economic competitiveness. Taiwan's security is also threatened by its exclusion from key international organizations. For example, Taiwan is unable to receive timely information on criminals and possible terrorist threats because it has no access to the International Criminal Police Organization's (Interpol) system of alerts and its database on criminals. Although Taiwan's government makes every effort to adhere to international nuclear nonproliferation and safety standards, it is kept out of all international bodies and multilateral meetings that govern nuclear nonproliferation and nuclear security.

The United States can and should do more to advocate for Taiwan's increased participation in international organizations, especially those that would enhance the safety and welfare of Taiwan's citizens as well as regional and global security. I commend Chairman Matt Salmon for introducing legislation that urges the US government to support Taiwan's efforts to obtain observer status in Interpol. In the face of growing threats from epidemics such as Ebola and the Zika virus, further enhancing Taiwan's role in the World Health Organization would avail other

countries of Taiwan's world class medical capabilities and ensure Taiwan has timely access to medical information.

Without question, the greatest and most direct threat to Taiwan's security is posed by the Chinese military. China has refused to renounce the use of force against Taiwan. The Anti-Secession Law that was passed by China's National People's Congress in 2005 provides a legal justification, under certain circumstances, for attacking Taiwan. The PLA continues to develop and deploy military capabilities to coerce Taiwan or to attempt an invasion. Taiwan's security rests on the PLA's difficulties in overcoming challenges to projecting power across the Taiwan Strait, the natural geographic advantages of island defense, the technological advantages and readiness of Taiwan's armed forces, and the possibility of US intervention to help defend Taiwan.

US security assistance, including but not limited to arms sales to Taiwan, is vital to deter China from coercing or attacking Taiwan, and to enable Taiwan's armed forces to fight effectively in all possible contingencies. The Obama administration has approved almost \$14 billion in arms sales to Taiwan, which contribute to the island's ability to maintain a sufficient self-defense capability, provide moral support to the Taiwan people, and signal Beijing of US interest in Taiwan's security.

The existing process for considering and approving weapons for sale to Taiwan is not functioning well, however. Long delays in consulting with and notifying Congress and refusals to accept requests from Taiwan for advanced military equipment suggests a dysfunctional arrangement to the detriment of Taiwan's ability to maintain its ongoing force modernization. Moreover, in recent years, the US has been providing mostly second-hand equipment and additional munitions for systems already in Taiwan's inventory, while eschewing approval of new advanced platforms and weapons systems.

Worries that US-China relations, and Beijing's willingness to cooperate with the US in particular, will be undermined by the sale of more advanced capabilities to Taiwan, appear to be the root of the problem. Cooperation with China certainly presents important opportunities, for example to reverse global warming and prevent nuclear proliferation, and the US should seek to work with Beijing to address regional and global challenges where possible. However, it is harmful to American interests to be so eager for Chinese cooperation that it appears willing to sacrifice Taiwan for better US-China ties. Such an approach sends the wrong signal to Beijing, creates anxiety in Taiwan, and fosters doubt throughout the region about America's willingness to withstand Chinese pressure in support of its commitments.

A peaceful cross-Strait relationship is central to the stability and prosperity of the Asia-Pacific region and therefore is of vital importance to the United States. During the past 8 years under Ma Ying-jeou's rule, Beijing and Taipei have eased cross-Strait tensions and engaged in substantial, meaningful cooperation. The two sides established direct, scheduled flights between Taiwan and the Mainland, implemented direct shipping and postal services, signed 23 economic agreements, established a governmental channel and hotline between the Mainland's Taiwan Affairs Office and Taiwan's Mainland Affairs Council, and implemented additional measures to expand private, commercial and semi-official exchanges across the Strait. The improvement in cross-Strait relations culminated in a meeting between Taiwan's President Ma and Chinese President Xi Jinping in Singapore in November 2015. During the past 8 years, firm US support for Taiwan

provided essential reassurance that helped Ma's administration engage in talks with Mainland China without fear of being bullied by Beijing or losing the confidence of Taiwan's citizens.

The election of Tsai Ing-wen, who will be inaugurated on May 20, has created some uncertainty about the future of the cross-Strait relationship. Both before and after the election, the Mainland has insisted that Tsai accept its definition of the "existing political foundation" of cross-Strait ties, which, for Beijing, includes opposition to Taiwan independence and the core of the "1992 Consensus"—that the two sides of the Strait belong to one China. Privately, Chinese officials have warned that unless Tsai accepts this definition, Beijing will suspend both the governmental and semi-governmental cross-Strait dialogue mechanisms. In addition, Mainland officials have hinted that they will drastically reduce the number of tourists from Mainland China to Taiwan, and may acquiesce to the requests of some of Taiwan's diplomatic allies to establish formal diplomatic ties with the PRC.

After her victory, Tsai Ing-wen, who throughout her campaign pledged that if elected she would maintain the cross-Strait status quo, provided additional reassurances to assuage Chinese fears about her intentions. In a January 21 interview with the Taiwan newspaper *Liberty Times*, Tsai stated that she "understands and respects" the historical fact that Taiwan and the Mainland held talks in 1992 and agreed to set aside their differences and seek common ground. She also maintained that the more than 20 years of exchanges and negotiations between the two sides of the Strait should be cherished and protected. In the interview, Tsai used the term "existing political foundation" of cross-Strait relations for the first time, offering her own definition that included the historical fact of the 1992 talks, the prevailing ROC constitutional order, the accumulated outcome of more than 20 years of cross-strait interaction, Taiwan's democratic principles and the will of the Taiwanese people.

Tsai appears to be making a sincere effort to find a new formulation that Taipei and Beijing can agree on, while insisting on their respective interpretations, so that cross-Strait stability and cooperation can be preserved. It remains to be seen whether this effort will be successful. In the remaining months before Tsai's inauguration, the US government can play a role to help narrow the gap between Mainland China and Taiwan by encouraging each side to provide assurances to the other to assuage their respective fears. The US should strongly discourage Beijing from using coercive measures to pressure Tsai and the DPP to concede to its demands. Punitive actions by China could compel Tsai Ing-wen to respond, perhaps by explicitly rejecting the "1992 Consensus," which so far she has carefully avoided. Beijing would interpret that as further proof that she cannot be trusted and the result would likely be a negative spiral that produces a cross-Strait setback or even a crisis. A US show of support, both from the Administration and Congress, for Tsai in the face of Beijing's pressures would be important to prevent a negative spiral.

Beijing appears to be deliberating how to respond to the DPP's return to power in Taiwan. The Mainland's annual Taiwan Affairs Work Conference, which convened in early February, encouraged promoting further cross-Strait economic integration, implementing steps to enhance the welfare of Taiwan compatriots, strengthening the protection of Taiwan businessmen's rights and interests, increasing people-to-people exchanges, and expanding exchanges with Taiwan parties and groups that uphold the one China principle. These recommendations are essentially an endorsement of the Mainland's current policy toward Taiwan, suggesting that Xi Jinping has not yet decided how to deal with Tsai Ing-wen.

With a host of issues already on his plate, including a slowing economy, the anti-corruption drive, and PLA reform, as well as challenges outside China's borders such as friction with neighbors in the East and South China Seas and North Korea's nuclear and missile tests, Xi would undoubtedly prefer to keep cross-Strait relations stable. On the other hand, Xi has demonstrated a tolerance for friction with a many of China's neighbors at the same time, and should Tsai press for *de jure* independence, he likely would not hesitate to take harsh economic, diplomatic and possibly even military measures.

Should Beijing lose confidence in its strategy of using economic integration to promote political reunification and conclude that its policy of promoting "peaceful development" across the Taiwan Strait has failed, it may opt for a more coercive, and even aggressive, approach toward Taiwan. If that occurs, the US response will be widely viewed as an indicator of the credibility of US commitments. Not only Japan, but also countries in Southeast Asia, would be alarmed if Washington failed to provide backing to Taiwan in the face of Chinese coercion or aggression.

For more than two decades, the US has insisted that decisions about Taiwan's future status must have the assent of the people of Taiwan in a democratic manner. Public opinion polls show that a majority of the Taiwan people favor talks with Mainland China, but dwindling numbers favor reunification. In 2015, a record-low 9.1 percent of respondents in the annual poll conducted since 1992 by National Chengchi University's Election Study Center favored unification either now or in the future, compared to 20 percent in 2003. In the same poll, 59.5 percent wanted to maintain the status quo for the time being or indefinitely, and 21.1 percent favored independence now or eventually.

Another National Chengchi University poll found that a record-low 3.3 percent of the Taiwan people regard themselves as Chinese and 59 percent identify themselves as Taiwanese. Those who said they consider themselves both Taiwanese and Chinese was 33.7 percent. The trend is evident: in 1992, 25.5 percent identified as Chinese, 17.6 percent identified as Taiwanese, and 46.4 percent identified as both Taiwanese and Chinese.

The polling data, combined with the outcome of the January 2016 election, suggests that a realignment of political forces and attitudes is underway in Taiwan. The landslide election of DPP candidate Tsai Ing-wen may signal more than the usual "throw the bums out" dynamic after 8 years of KMT rule. Rather, it may indicate that the people of Taiwan no longer support the KMT's approach to Mainland China, which has long included the goal of holding cross-Strait political talks and signing a peace treaty. Instead, they appear to favor economic interaction with mainland China, but not political integration. It is imperative that the US help Taiwan preserve the autonomy that its people desire and ensure that the differences between Taipei and Beijing be managed peacefully.

In addition to cross-Strait relations, a key security issue for the United States and other countries in the Asia-Pacific region is the South China Sea, where tensions have been rising in recent years. China's artificial island building and construction of facilities that can be used for military purposes, along with signals of intent to interfere with freedom of navigation, have been the main source of these tensions. Beijing's ambiguous territorial claims and its refusal to clarify them publicly have raised concerns throughout the region that it will ultimately seek to control the area inside the nine-dashed line, a map of which China submitted to the UN in May 2009. In the accompanying *Note Verbale*, China referenced the nine-dashed line map, stating that it "has

indisputable sovereignty over the islands in the South China Sea, and the adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof.”

The Philippines filed a case at the International Tribunal for the Law of the Sea (ITLOS) in January 2013 seeking to invalidate China’s nine-dashed line, among other charges. In October 2015, the Tribunal ruled that under the United Nations Convention on the Law of the Sea (UNCLOS) it has jurisdiction on seven of the submissions raised by the Philippines. A hearing on the merits of the case was held in late November. The Tribunal will likely issue a ruling in mid-2016 and most legal experts believe there is a strong possibility that it will find that the nine-dashed line has no basis in international law. Although any decision of the Tribunal will be legally binding on both the Philippines and China, Beijing has already stated that it rejects the jurisdiction of the tribunal and that its rulings will have no binding effect on China.

Taiwan’s role in this dispute is important because China’s nine-dashed line claim derives from an eleven-dashed line drawn on a map that the Republic China released in 1947. Like Beijing, Taipei has been ambiguous about the meaning of its map and the extent of its claim. Despite appeals from the United States to clarify the intent behind the 1947 map by fully opening its archives to public scrutiny, the KMT has refused to do so. Moreover, Ma Ying-jeou’s administration rejected the award issued by the Tribunal on the jurisdictional question, stating that since the ROC was not invited to participate in the arbitration, “the ROC neither recognizes nor accepts related awards.”

If, as evidence so far suggests, the archives in Taiwan reveal that the ROC government intended to lay claim only to the land features inside the eleven-dashed line, but not the waters, this would de-legitimize Beijing’s claim and put pressure on China to bring its claim into conformity with international law, especially UNCLOS. Combined with a possible ruling against China by the UNCLOS Tribunal, Taipei’s action could aid in changing Beijing’s calculus and its overall approach to the South China Sea. In addition, by being transparent about the original ROC 1947 claim, Taiwan can remind the other claimants and the international community that it has important interests at stake in the South China Sea and signal that it is willing to be a constructive player in managing the dispute.

The DPP has so far adopted a nuanced and cautious approach to the South China Sea. In various statements, the DPP has called for all parties to assert their claims and positions in accordance with UNCLOS, maintain freedom of navigation and flight in the area, and work to resolve their disputes peacefully. I believe that the new government, once it takes power, will try to strike a prudent balance between avoiding a confrontation with Beijing on the South China Sea and being a transparent, law abiding, responsible member of the international community.

Preserving cross-Strait peace and stability is a very high priority for the United States, and an early action by Tsai Ing-wen’s administration on the South China Sea that riles Beijing could feed Chinese suspicions of the DPP and thus undermine stability. Therefore, the timing of a decision by Taiwan to open its archives, should it choose to do so, must be carefully considered. The South China Sea should not become the catalyst of a downward spiral in relations between Taipei and Beijing. The DPP’s response to the pending award by the Tribunal later this year, must also be weighed carefully.

Nevertheless, Taiwan potentially has a unique role to play in the global effort to persuade Mainland China to abide by a rules-based order and rely on diplomacy to resolve the territorial disputes in the South China Sea. The US should be in close consultation with President-elect Tsai during the coming months and after the inauguration on the South China Sea as well as many on other issues.

A robust bilateral US-Taiwan relationship is essential to American interests today and in the future. The role of Congress in strengthening US-Taiwan relations remains indispensable and there are many actions that Congress can take in addition to holding this hearing to further advance the bilateral relationship as well as Taiwan's prosperity and security. I urge Congress to invigorate its oversight role and to encourage the executive branch to be more ambitious in promoting closer US-Taiwan relations.

Members of Congress should travel more frequently to Taiwan to better understand the evolving political and economic situation. Exchanges with Taiwan's Legislative Yuan should be expanded with a focus on advising LY members on how to better use professional staff, establish staffed committees, and perform a more effective oversight role. Congress can also devote more attention to educating its members and constituents about why Taiwan is important to American interests. Congress can continue to urge the executive branch to develop strategies to further develop Taiwan's meaningful participation in the US-affiliated bodies and other multilateral organizations. Finally, Congress can encourage the administration to sell Taiwan the weapons necessary for it to deter a PRC attack and defend itself from PRC aggression.