

CRS Report for Congress

Received through the CRS Web

Taiwan's Political Status: Historical Background and Ongoing Implications

Kerry Dumbaugh
Specialist in Asian Affairs
Foreign Affairs, Defense, and Trade Division

Summary

In 1979, official U.S. relations with Taiwan (the Republic of China) became a casualty of the American decision to recognize the communist government of the People's Republic of China (PRC) as China's sole legitimate government. Since then, U.S. unofficial relations with Taiwan have been built on the framework of the Taiwan Relations Act (P.L. 96-8) and shaped by three U.S.-China communiques. Under these agreements, the United States maintains its official relations with the PRC while selling Taiwan military weapons and having extensive economic, political, and security interests there. But continuing transformations in both the PRC and Taiwan political systems mean U.S. officials are facing new and more difficult policy choices. This report, intended as a background overview, briefly summarizes U.S. political history with Taiwan and discusses the complications it has for current U.S. policy and for congressional actions. For analysis of current developments in Taiwan and their implications for U.S. policy, see CRS Issue Brief IB98034, *Taiwan: Recent Developments and U.S. Policy Choices*, by Kerry B. Dumbaugh.

From the Mainland to Taiwan

With the victory of Mao Tse-tung and his Communist Party military forces on mainland China in 1949, the remnants of the government of America's former World War II ally, the Republic of China (ROC) led by Generalissimo Chiang Kai-shek, fled to the island of Taiwan off the south China coast. For the next thirty years, both regimes claimed legitimacy as the sole legal government of the Chinese people. While on October 1, 1949, in Beijing a victorious Mao proclaimed the creation of the People's Republic of China (PRC), Chiang Kai-shek re-established a temporary capital for his government in Taipei, Taiwan, declaring the ROC still to be the legitimate Chinese government-in-exile and vowing that he would "retake the mainland" and drive out communist forces.¹

¹ It is crucial to note that at this time and for most of the next 53 years, both the PRC and the ROC claimed Taiwan as a province of China. Taiwan's provincial capital remained at Taichung.

Report Documentation Page

*Form Approved
OMB No. 0704-0188*

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 23 FEB 2006	2. REPORT TYPE	3. DATES COVERED 00-00-2006 to 00-00-2006			
4. TITLE AND SUBTITLE Taiwan's Political Status: Historical Background and Ongoing Implications		5a. CONTRACT NUMBER			
		5b. GRANT NUMBER			
		5c. PROGRAM ELEMENT NUMBER			
6. AUTHOR(S)		5d. PROJECT NUMBER			
		5e. TASK NUMBER			
		5f. WORK UNIT NUMBER			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, Library of Congress, 101 Independence Ave., SE, Washington, DC, 20540-7500		8. PERFORMING ORGANIZATION REPORT NUMBER			
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)			
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)			
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified	Same as Report (SAR)	6	

The United States initially appeared reluctant to support the ROC's claim of legitimacy, and there is evidence that President Harry Truman was prepared to abandon Chiang's government on Taiwan and deal with Mao's PRC regime.² But that U.S. position quickly evaporated with North Korea's surprise invasion of South Korea on June 25, 1950. Within a week, President Truman ordered U.S. air, naval, and ground forces to go to South Korea's aid and ordered the U.S. 7th fleet to prevent any attack on Taiwan, saying that "determination of the future status of Formosa [Taiwan] must await the restoration of security in the Pacific..."³ U.S. support for the ROC was solidified when Chinese Communist forces entered the Korean War in support of North Korea in October-November 1950. As a result, in April 1951, the United States resumed direct military assistance to the ROC government, and in 1954 the United States and Chiang's government on Taiwan signed the U.S.-ROC Mutual Defense Treaty, making the two governments allies once again. This remained the situation for three decades: Taiwan and China remained officially at war; Washington continued to support the ROC claim as the legitimate government of all China and refused to recognize the legitimacy of the PRC; and the United States maintained a defense alliance with the ROC on Taiwan.

Official U.S. Recognition of PRC in 1979

In the 1950s and 1960s, the U.S.-ROC Mutual Defense Treaty allowed U.S. forces to use Taiwan as a forward base against Sino-Soviet communism in Asia. But after President Nixon's diplomatic opening to Beijing in 1971-72 and the major pullback of U.S. forces in Asia under the guidelines of the "Nixon doctrine," U.S. officials began to view Beijing more as a strategic asset against the Soviet Union than as an adversary to be confronted in the Taiwan Strait.⁴ The Nixon overtures resulted in the so-called "Shanghai Communiqué" of 1972 (the first of three U.S.-China communiqués) which set the stage for the reversal of U.S. post-WWII China policy.

Official U.S. recognition of PRC legitimacy did not come until 1979, after the Carter Administration made a surprise announcement on December 15, 1978, that the United States would sever official relations with the ROC government on Taiwan and recognize the communist government in Beijing on January 1 of the new year.⁵ In the Joint

² On January 5, 1950, for example, President Truman announced the United States "would not provide military aid or advice to [Chiang's] Chinese forces" on Taiwan. On June 7, 1950, Secretary of State Dean Acheson said in a news conference that while the United States did not support transferring Chinese representation in the United Nations to the PRC, it would not use its U.N. Security Council veto to block a move to do so.

³ "Statement by the President on the Situation in Korea," June 27, 1950. [<http://www.trumanlibrary.org/publicpapers/viewpapers.php?pid=800>] President Truman's reference to "Formosa" uses the name by which Taiwan was known under Japanese sovereignty (China ceded Taiwan's sovereignty to Japan under the 1895 Treaty of Shimonoseki).

⁴ President Nixon first used the PRC's formal name in his "State of the World" report to Congress on Feb. 25, 1971, (Jones, DuPre, ed., *China: U.S. Policy Since 1945*, Congressional Quarterly Inc., 1980, pp. 321-322); National Security Advisor Henry Kissinger left for his first, secret trip to China on July 9, 1971; Nixon made his historic visit to China on February 21, 1972.

⁵ In recognizing the legitimacy of the PRC government, the United States fulfilled 3 conditions that Beijing had consistently placed on normalization of relations: withdrawal of all U.S. military (continued...)

Communiqué on Establishing Diplomatic Relations that announced the change, the United States *acknowledged* (an important distinction in future debate on the U.S. “one-China” policy) that both the PRC and ROC governments claimed there was only one China and that Taiwan was a province of it.⁶ As part of the process of recognizing the PRC government, U.S. officials also notified the ROC government (Taiwan) that the United States intended to terminate, effective January 1, 1980, its military obligations toward Taiwan under the 1954 U.S.-ROC Mutual Defense Treaty. In a unilateral statement released on December 16, 1978, the United States declared that it “continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves.”⁷

The Taiwan Relations Act (P.L. 96-8). While the record shows that Congress at the time (the 96th Congress) clearly concurred with the strategic imperative of normalizing relations with the PRC, many Members were unhappy with what they saw as the Carter Administration’s minimal proposals for continued dealings with the ROC government on Taiwan. In particular, some were concerned that the package of legislation the White House submitted to Congress to govern future unofficial relations with Taiwan — the “Taiwan Enabling Act” — did not go far enough in protecting either Taiwan or U.S. interests. Congressional debate on the legislation in 1979 was extensive and complicated. The end result was passage of a much amended version of the Administration’s proposal — the Taiwan Relations Act (TRA — P.L. 96-8) — which remains the domestic legal authority for conducting unofficial U.S. relations with Taiwan today.⁸ Much of the TRA deals with the logistics of U.S.-Taiwan relations: the establishment of the American Institute in Taiwan (AIT) as the unofficial U.S. representative for diplomatic interactions with Taiwan, including details about its staffing, functions, and funding; and the continued application of existing U.S. laws and treaties affecting Taiwan after the severing of ties.⁹ Of particular relevance for long-term U.S. policy are Section 2 (b) and Section 3 of the TRA, dealing with U.S. strategic interests in and arms sales commitments to Taiwan.¹⁰

⁵ (...continued)

forces from Taiwan; severing of diplomatic relations with Taiwan; and termination of the U.S.-Taiwan defense treaty.

⁶ Widely and over-simply referred to as the “one China policy,” this and other “one-China”-like statements for decades have been parsed and dissected by each involved government for every conceivable nuance. The various iterations of “one-China” policy formulations can be found in CRS Report RL30341, *China/Taiwan: Evolution of the ‘One China’ policy — Key statements from Washington, Beijing, and Taipei*, by Shirley Kan.

⁷ Jones, DuPre, ed., p. 342.

⁸ For more detailed discussions of congressional actions at the time, see “Congress and U.S. policy in Asia: New relationships with China and Taiwan,” in *Congress and Foreign Policy — 1979*, House Committee on Foreign Affairs, U.S. Government Printing Office, Washington D.C. 1980, pp. 54-71; Wolff, Lester L. And Simon, David L., eds., *Legislative History of the Taiwan Relations Act*, American Association for Chinese Studies, Jamaica, New York, 1982; Jones, DuPre, ed., *China: U.S. Policy Since 1945*, Congressional Quarterly Inc., 1980.

⁹ See the American Institute in Taiwan (AIT) website at [<http://www.ait.org.tw/en/>].

¹⁰ See CRS Report 96-246, *Taiwan: Texts of the Taiwan Relations Act, the U.S.-China* (continued...)

U.S. Arms Sales Commitments to Taiwan. Although it is a common American mis-perception that the TRA mandates the United States to defend Taiwan in case of attack, nothing in the TRA specifically obligates the United States to come to the defense of Taiwan or to resort to military conflict on Taiwan’s behalf. Section 2 of the TRA speaks in broad terms about U.S. interests for peaceful resolution to the Taiwan question, saying that any forceful resolution would be of “grave concern to the United States,” and further states that U.S. policy is to “maintain the capacity of the United States to resist...coercion” in addressing the Taiwan issue. Section 3 provides for the sale of U.S. defense articles and services to Taiwan, but it is non-specific about the nature of these articles. It merely calls for “such defense articles and services...as may be necessary to enable Taiwan to maintain a sufficient self-defense capability” and gives Congress a role in determining what needs Taiwan may have. Much of the U.S. debate on Taiwan arms sales since the TRA was enacted has involved differing judgments — often between Congress and the White House — about what should be the capabilities and quantities of the “necessary” articles and services provided for in Section 3 of the TRA.¹¹

Strategic Ambiguity. After normalization of Sino-U.S. relations and the severing of the U.S.-ROC military alliance, the PRC was largely satisfied with U.S. “one-China” formulations alluding to Taiwan’s political status. But upon Congress’ passage of the TRA, PRC leaders objected strenuously to the act’s provision for continued U.S. arms sales to Taiwan. After two years of bilateral tensions, a U.S.-PRC joint communique — the third and final Sino-U.S. communique since Nixon’s opening to China in 1972 — addressed this point on August 17, 1982. In that communique, the PRC cited it had a “fundamental policy” of striving for a peaceful solution to the Taiwan question, while Washington stated that the U.S. did not

seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan.¹²

The three U.S.-PRC communiqués and the 1979 Taiwan Relations Act for decades served as the framework by which U.S. officials balanced two competing policy objectives — widely referred to as U.S. “strategic ambiguity” about Taiwan. On the one hand were three communiqués in which U.S. policymakers recognized the legitimacy of the PRC government, appeared to acknowledge there was only “one China,” and suggested an eventual ending point to U.S. weapons sales to Taiwan. On the other was

¹⁰ (...continued)

Communiqués, and the “Six Assurances,” by Kerry Dumbaugh.

¹¹ CRS Report RL30957, *Taiwan: Major U.S. arms sales since 1990*, by Shirley Kan.

¹² While the 1982 communique was being negotiated, the Taiwan government presented the United States with six points it proposed be used as guidelines in conducting U.S.-Taiwan relations. According to former Ambassador John Holdridge, the United States agreed to these points — the so-called “six assurances.” The six points included assurances that the United States would not set a date for termination of arms sales to Taiwan, would not alter the terms of the Taiwan Relations Act, and would not pressure Taiwan to negotiate with China or act as mediator between Taiwan and China. See CRS Report 96-246 for text of the “six assurances.”

the TRA in which the United States established a statutory framework for maintaining extensive unofficial contacts with Taiwan and which committed the United States to providing weapons for Taiwan's defense against what most saw as Taiwan's only potential enemy — the PRC. "Strategic ambiguity" remained the basis of U.S. Taiwan policy throughout the 1980s and well into the 1990s, and many observers give it much of the credit for helping to facilitate U.S.-China relations, preserve U.S.-Taiwan contacts, and protect Taiwan's own political and economic interests.

Policy Implications and Issues for Congress

Despite the policy framework of the TRA and the three communiques, Taiwan continues to be a particularly complex issue for U.S. policy and a recurring issue for Congress. Some of these complicating factors are old problems arising from the political compromises that the 1979 normalization process demanded — notably, the "one-China" formulation, U.S. security interests in and arms sales to Taiwan, and the U.S. position on Taiwan's status in key international organizations. Other complications are the result of changing political trends, particularly in Taiwan, that have placed increasing strains on the policy framework. These issues crop up periodically in congressional debate today in ways that send policymakers back to the basic tenets of U.S.-Taiwan-China relations. One such recurring issue concerns the U.S. position on Taiwan's membership in international organizations, such as the World Health Organization and the United Nations; many claim that the William Clinton Administration's statement on this issue in 1998 is a significant misinterpretation of the relevant provision in the TRA.¹³

Another such issue concerns the U.S. "one China" policy formulation. Although the United States has never repudiated and in fact has continued to restate that commitment, purists can argue that the U.S. iterations of the "one China" policy over the years have departed from the original formulation in subtle but significant ways. Despite the 1982 communique in which the United States expressed intent to reduce and eventually end annual arms sales to Taiwan, such sales not only have continued but in some years have increased substantially — notably, with the George W. Bush Administration's April 2001 weapons sale package to Taiwan that included, among other systems, four decommissioned Kidd-class destroyers, 12 anti-submarine warfare P-3 aircraft, and eight diesel submarines. This sale was surpassed in size and value only by the 1992 sale of 150 F-16 aircraft to Taiwan by the George H. W. Bush Administration.

Debate also regularly recurs over what the United States should do if the PRC uses force against Taiwan. Some focus on the lack of any mandate in the TRA for U.S. military intervention while others state that the TRA bases the entire foundation of U.S.-PRC official relations on the premise that Taiwan's future will be resolved peacefully.¹⁴

¹³ In his "three noes" statement of June 30, 1998, President Clinton said "... we don't believe that Taiwan should be a member of any organization for which statehood is a requirement." Others have challenged this as a misinterpretation of Section 4(d) of the TRA: "Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization."

¹⁴ Section 2(b)(3) of the TRA states that it is U.S. policy "to make clear that the United States decision to establish diplomatic relations with the [PRC] rests upon the expectation that the
(continued...)

Many believe that the potential for U.S. military conflict with China over Taiwan has grown in recent years given the PRC's military build-up opposite Taiwan, Beijing's refusal to renounce using force against the island, and U.S. defense commitments.

But the biggest complicating factor for U.S. policymakers today may come from Taiwan's own political circumstances, which have changed dramatically since Congress passed the 1979 TRA.¹⁵ Under the authoritarian rule of Chiang Kai-shek's Nationalist Party (also known as the KMT), Taiwan's political decisions were predictable, closely aligned with U.S. interests, and dependent largely on U.S. support. But several decades of political reforms have made Taiwan politics today both more democratic and more nationalistic. Taiwan's current elected president, Chen Shui-bian, is a member of the Democratic Progressive Party (DPP), a pro-Taiwan independence opposition party that did not legally exist until 1986. Political differences between President Chen and the legislature in Taiwan, still under the control of a KMT-dominated coalition, have resulted in political polarization that among other things has blocked funds for the purchase of the U.S. military weapons package approved for sale under the TRA in 2001. Administration officials have expressed growing concerns over Taiwan's political polarization, the effects of President Chen's more assertive policies, and the complications these present for U.S. policy.¹⁶

Faced with the historical record and with continuing transformations in both the PRC and Taiwan political systems, U.S. officials may be facing new and more difficult policy choices concerning Taiwan in the coming years. In addition to raising the risks of political and economic instability, some suggest that political polarization in Taiwan could erode the quality of U.S.-Taiwan contacts and create fractures within the sizeable U.S. Chinese-American community. Pressure from multiple sources could continue to build for U.S. officials to take any number of actions: to reassess all the fundamentals of U.S. China/Taiwan policy in light of changing circumstances; to reinforce American democratic values by providing greater support for Taiwan and possibly support for Taiwan independence; to significantly reduce U.S. defense ties to Taiwan in response to Taipei's continued rejection of the 2001 arms package; or to abandon Taiwan in favor of the geopolitical demands and benefits of close U.S.-China relations. U.S. officials could face increasing pressure to abandon the traditional "noninvolvement" U.S. approach and instead adopt a mediating role in the cross-strait relationship. Finally, any policy developments that affect Taiwan have direct consequences for U.S.-China relations and could involve crucial decisions among U.S. officials about the extent of U.S. support for Taiwan's security.

¹⁴ (...continued)

future of Taiwan will be determined by peaceful means.”

¹⁵ See CRS Issue Brief IB98034, *Taiwan: Recent Developments and U.S. Policy Choices*, by Kerry Dumbaugh.

¹⁶ In September 2005, for example, at the U.S.-Taiwan Business Council-Defense Industry Conference 2005, Edward Ross, Director of the U.S. Defense Department's Defense Security Cooperation Agency, strongly criticized the politicization of security issues in Taiwan, saying it was reasonable to question why the United States should invest in Taiwan's self-defense if Taiwan itself were not willing to invest in it.