

On guard: Taiwanese military personnel demonstrate gun handling at a base in Taitung in January 2022. Photo: EPA/Ritchie B. Tongo

No aspect of tensions between China and the United States is as fraught with the possibility of catastrophic conflict as the status of Taiwan. A decades-old agreement between Beijing and Washington to manage the unfinished business of the Chinese civil war of the 1940s has been seriously eroded by successive US administrations, especially those of Donald Trump and Joe Biden.

As a result, the danger of war between China and the US has risen significantly, writes William H. Overholt.

THE PRESENT Taiwan crisis results from the disintegration of the Taiwan peace deal of the 1970s. Each side blames the other, of course, but both have broken vital agreements. After the Chinese communists defeated the Guomindang in 1949, and the vanquished government moved to Taiwan, Washington decided to allow the Chinese civil war to proceed to its seemingly inexorable conclusion, namely Communist conquest of Taiwan and the final defeat of Chiang Kai-shek. Taiwan was seen as a Japanese colonial conquest from China that had to be given back. However, when North Korea invaded South Korea the following year, with support from the Soviet Union

Taiwan

Peril without Exit?

By William H. Overholt

and China, Washington feared the beginning of a global communist offensive and cordoned off Taiwan. In 1954, the US and the Republic of China on Taiwan signed a formal alliance.

Taiwan became a point of tension and extreme danger. The Guomindang government in Taipei claimed to be the legitimate government of all of China and spoke of re-invading the mainland. In some periods, the People's Liberation Army (PLA) regularly shelled the outlying islands. The interior of Quemoy was hollowed out so tanks could maneuver around the island under 30 meters of rock — enough to protect against a nuclear blast. Members of elite military units on

Quemoy had to prove themselves by swimming to the mainland and returning with the ears and insignia of PLA soldiers. In 1958, when the mainland threatened to invade Quemoy, US defense officials debated a possible use of nuclear weapons. Defense of the island was a major issue in the Kennedy-Nixon presidential debates.

THE NIXON-MAO-CARTER-DENG DEAL

In the early 1970s, given existential fear about Soviet power, the Richard Nixon administration strove to consolidate a relationship with China that would institutionalize joint efforts against the Soviet Union and limit Chinese interven-

tion in Vietnam. The critical issue that inhibited cooperation was Taiwan. This gave the Taiwan issue global significance. From Nixon's visit to Beijing in February 1972 until mutual diplomatic recognition in 1979, both sides moved gingerly toward compromise because of the enormous anti-Soviet stakes.

The compromise reached in 1979 was that the US would cease to have official political relations with Taiwan, sever its military alliance with it, and withdraw its troops. The US acknowledged China's (and Chiang's) position that there was just one China but did not endorse that position. China would not sign an international agreement promising a peaceful settlement with Taipei, because it viewed Taiwan as part of its territory, but emphasized its peaceful intentions. Taiwan has subsequently enjoyed peace, despite episodes of tension, for half a century. Its prosperity, freedom and democracy have been based on this half century of peace and thus on the 1970s deal.

Maintaining the deal for peace required delicate balances. Chinese leaders must balance the imperative of asserting ownership with the imperative of avoiding catastrophic war. American leaders must balance the imperative of deterring invasion with the imperative of not provoking that invasion. Taiwan's leaders must defend the island's autonomy without provoking the mainland.

These balances occasionally unbalance. In the mid-1990s, Taiwan's President Lee Teng-hui campaigned to get more international recognition of Taiwan. Most countries were abiding by the US-negotiated norm of maintaining economic and cultural relations but not having contacts with Taiwan officials. Lee Teng-hui would tell Malaysia and other countries that he wanted to vacation there and, once there, would proclaim that his visit demonstrated acknowledgment of Taiwan's international stature. Having done this with a number of countries, he then announced

that he wanted to visit Cornell University, where he had received his doctorate, in order to receive an honor and visit his granddaughter. The State Department opposed the visit as a breach of the understanding with China, and the secretary of state assured China that the visit would not happen, but Congress backed the visit and treated it as personal. China reacted to the overall Lee campaign. Military demonstrations ensued, including missiles fired into the waters near Taiwan. The Bill Clinton administration sent two aircraft carriers to deter further escalation. The two sides drew contrasting lessons. China learned that it needed to be able to confront US carriers. The US learned that it could disregard the prohibition on official visits.

During the subsequent Taiwan presidency, Chen Shui-bian began edging in the direction of independence, most notably mooting a possible referendum on independence. The administration of China's Hu Jintao made clear that this risked war. The US, while very pro-Taiwan under President George W. Bush (who said early in his first term that he would do "whatever it takes" to defend Taiwan), sent high-level envoys to warn Chen that, if he deliberately provoked Beijing, he was on his own. The Bush administration kept the peace and ended up on very good terms with both Taipei and Beijing. This was a model of how to maintain the balance and ensure Taiwan's continued autonomy, freedom and prosperity, whereas the Clinton-era Congressional breach of the understanding with China risked conflict that could have devastated Taiwan.

XI JINPING'S DECISIVE MOVE

After Taiwan rejected China's 1981 offer of "one country, two systems," Deng Xiaoping sought to preserve it by offering Hong Kong the same system from 1997 to 2047 following the handover to China. The people of Taiwan, he believed, would

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see by 2047 that Beijing was completely sincere about one country, two systems, and by 2047 mainland China would have developed economically and politically to a level that would make it an attractive partner. President Jiang Zemin and Premier Zhu Rongji were determined to make this strategy work. I spent many hours with them and other Beijing leaders as they debated policies implementing one country, two systems and they were utterly sincere. Later, President Hu Jintao was initially nervous about this incomprehensible little corner of his country, Hong Kong, and he was inclined to crack down as he had done in Tibet, but he relented.

However, when Xi Jinping became the top leader in 2012, all the key promises to Hong Kong in the Joint Declaration with London and the Basic Law (Hong Kong's Beijing-endorsed constitution) were discarded. Book sellers with books of gossip about Xi were seized and scared out of business. A *Financial Times* editor who moderated a meeting where a dissident spoke lost his visa. A corrupt businessman was kidnapped from the Four Seasons Hotel in the city. As these provocations continued, Hong Kong people eventually erupted into widespread protests in 2019

and the ensuing repression shocked the world, especially Taiwan. The suppression of freedoms in Hong Kong reversed the effect that Deng had sought for Taiwan. Now, Taiwan polls showed, peaceful reunification was pure fantasy.

TRUMP-BIDEN'S DECISIVE US BREAK

Under Presidents Donald Trump and Joe Biden, Washington bent and broke the limits of the 1970s peace agreement over Taiwan. To begin breaking accepted norms, President-elect Trump accepted a phone call from Taiwan President Tsai Ing-wen on Dec. 2, 2016. That was a long-planned deliberate breach of 37 years of protocol. Trump's Taiwan policy was bracketed by that breach and by Secretary of State Mike Pompeo's declaration in January 2021 that all guidelines about avoiding official contacts were "null and void." Subsequently, Pompeo visited Taiwan and called for the US to recognize Taiwan as an independent country.

The incoming Biden administration immediately followed the Trump administration's rejection of old guidelines by inviting the representative of Taiwan to be a guest at his inauguration. There followed a stream of delegations, Congressional visits, a group of former high-rank-

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ing national security officials, and the like — in both directions. In this as in trade policy, it followed the Trump precedents and expanded them. The Biden strategy has been to break the 1979 agreements but reassure China that it still followed the one China policy and did not support Taiwan independence.

The pinnacle of US visits to Taiwan was the visit of House Speaker Nancy Pelosi in August 2022. Notwithstanding Pentagon and other warnings that the trip would be damaging, Pelosi not only went ahead but also pointedly announced that it was an official visit, thereby officially breaking the 1979 promise of no official relations. Immediately after her meeting with President Tsai, Taiwan's presidential spokeswoman announced on island-wide television that "We are a sovereign and independent country." From Washington, there was no Bush-style pushback. The Chinese Internet exploded with denunciations of President Xi and the PLA. China responded with bans on 100 export industries, 272 cyberattacks, military exercises that completely surrounded Taiwan for the first time, aircraft flights that ignored the median line with the mainland and practiced a simulated invasion, and elimination of a norm

that respected Taiwan's 12-nautical-mile maritime zone. China also cut off discussions with the US on a wide range of issues.

A majority of Taiwanese believe that Pelosi's visit damaged Taiwan. Nonetheless, Pelosi was unrepentant. She had achieved her goal: The Democrats, who had suffered with Florida voters from President Barack Obama's softness on Cuba, need not worry about losing votes because they were soft on China. She continues official meetings with Taiwan delegations. Pelosi's successor, Republican Kevin McCarthy, met with President Tsai on her visit to the US, proving that the Republicans could not be outdone by Pelosi.

President Tsai's visit to the US in March-April 2023 followed the formula of President Lee's crisis-causing 1995 visit. The accepted cover story was now that she was just in transit, not really visiting the US. Unlike other busy executives, she just needed to spend two days of transit in each direction, which happened to give her time for meetings with senior Americans. Secretary Antony Blinken told the Chinese not to overreact, this was just standard procedure now. Apparently Blinken sees China as the frog in the pot; the more the US breaks the deal the more the frog

will just accept its fate. But China is not a frog; it's a fried-ass dragon. China's understanding of the peace deal had, of course, not changed since 1979 or 1995, so it again reacted strongly, practicing aspects of an invasion.

Biden added to the Trump break with the old rules by declaring four times that, if China attacked Taiwan, he would defend it. During this period, Washington also publicly maintained a substantial number of troops in Taiwan. By definition, this effectively reinstated the alliance that had been terminated in 1979.

In February 2023 the Republican-led House Foreign Affairs Committee voted to repudiate by law the old restrictions on official relations with Taiwan. Although that bill won't become law, it defines the right-wing Republican position: The Republicans believe in no fig leaf, the Democrats in a transparent fig leaf.

THE NEW WASHINGTON MINDSET

Periodically Washington convinces itself that Beijing is about to invade Taiwan. In the Jiang Zemin era, a *South China Morning Post* columnist claimed that Jiang had set a firm deadline for recovery of Taiwan. US officials looked into it carefully and confirmed that it was, like many other Hong Kong stories, pure fiction. But leading US media repeated it as fact and the story gained wide currency.

This recurred in the new century. Military officers testified that the Chinese military was becoming stronger — surprise! — and that it would in the foreseeable future have enough power to potentially win a war over Taiwan. Except for one reprehensible and unsupported Air Force general, they did not say that Beijing intended to invade. They said it would have the capability, so the US and Taiwan should buy more weapons just in case. When intelligence officials were quizzed about this, they said they saw no evidence of any plan to

¹ See Elbridge A. Colby, *The Strategy of Denial: American Defense in an Age of Great Power Conflict* (New Haven & London: Yale University Press, 2021).

invade. Retired national intelligence officers such as Paul Heer and John Culver, no panda huggers, were more outspoken: There was no evidence of intent to invade. But in Congressional and media discussion the difference between capability and intent evaporated.

Evidence of evil Chinese intent came from bursts of Chinese military activity around Taiwan. But most of the "threatening" activity responded to specific US breaches of the 1979 understanding.

The US was angry at China for good reasons: Xinjiang, Hong Kong, hostage-taking, intellectual property theft, restricted market access and economic warfare against US allies. This anger induced the mentality of a nasty divorce: Because the other person is evil and I am good, whatever he does shows malicious intent, and whatever I do is good, regardless of promises.

STRATEGY AND THE MILITARY DIMENSION

Another changing aspect of Washington's posture toward Taiwan has also altered the relationship with China. President Harry Truman condoned off Taiwan in 1950 for a purely strategic reason: to block part of a potential worldwide communist offensive that started with the invasion of South Korea. Subsequently, however, as Taiwan prospered and became democratic, the focus became protecting the people, free society and democracy. That emphasis annoyed Beijing, but China could live with it. Not that strategic considerations ever vanished, especially for officers whose job was strategy, but the emphasis was overwhelmingly on the people. Those who saw Taiwan as an unsinkable aircraft carrier were isolated on the far right. Recently, particularly on the right but spreading to the center, the emphasis has shifted to Taiwan as the key to bottling China up in the "first island chain" to prevent it from becoming a global power. Taiwan is now primarily a geopolitical pawn. Elbridge Colby's

work embodies this emphasis, but he is part of a broader shift.¹ That logic of containing China is intolerable to China, and the peace deal of the 1970s would never have been possible if that US logic had predominated.

Not surprisingly, this shift coincides with emergent questioning in Taiwan: Is the US trapping us?

IF THERE IS A WAR, TAIWAN WILL BE A GIGANTIC MARIUPOL

Henry Kissinger and Zbigniew Brzezinski — and Mao Zedong — were determined to reach a compromise over Taiwan because of the larger strategic issue, the Cold War. All three were concerned about Soviet aggression. They saw Sino-American collaboration as the single most important bulwark against it. But that entente was impossible if hostilities over Taiwan persisted. So, they compromised. China gave up a great deal more in that compromise than the US.

Today, comparable strategic considerations are curiously absent in Washington. By December 2022, Russia had essentially lost a war with a Ukraine backed by the US, even though Ukraine had not yet won. The only thing that could save a failing Russia was strong Chinese military or economic support. In that context, the vital interest of the US was to avoid Chinese military support and limit Chinese economic support. The degree of hostilities over Taiwan was once again the principal obstacle to the US getting what it needed strategically. But Biden chose that moment to drastically escalate tensions over Taiwan and, with the computer chip sanctions, declare economic war on China. As a Latin American diplomat said to me, “Biden and Blinken seem to think they’re running an NGO, not a country.” He meant that, whereas Ralph Nader, whose core goal is a moral posture, can comfortably attack all the car companies simultaneously, a national leader is expected to achieve results and

therefore has to make difficult choices about priorities and sequencing. A neutral observer who had not been immersed in all the details and emotions might hypothesize that Washington’s Taiwan strategy is designed to maximize Chinese support for Russia against Ukraine.

A strategic Washington would defer firing the heavy artillery (the biggest Taiwan humiliations, the chip war) until Ukraine has made more progress against Russia. A Washington that really cares about Taiwan would focus on arming it, training its officers in the US, and doing generous trade deals, all of which do not infringe the agreements that provide peace for Taiwan. The current path raises risks, justifies mainland retaliations and harms Taiwan.

CHINA’S NEW STRATEGY

Any Chinese leader must emphasize the importance of recovering Taiwan. Each leader has done that, and Xi is no exception. But recovery has always been put off to the future, because it is difficult, expensive and possibly unattainable. The shock of the Trump-Biden policies has, however, put Xi in a potentially impossible domestic political position. He is extraordinarily anxious about his position; he tolerates none of the outspoken opposition (Chen Yun, Little Deng) that characterized Deng’s administration, none of the Jiang era’s careful balancing of different factions (Li Peng vs. Zhu Rongji), none of the Hu era collective leadership. There is only one way that Xi can lose his job: a popular movement denouncing him for selling out Taiwan and for failure to react to the changed US posture. Washington, lacking senior officials with China experience, seems oblivious to this.

There have always been two arms of China’s Taiwan policy: peaceful reunification and force. From 1979 through September 2022, the policy was peaceful resolution, backed by the eventual



Not plain sailing: A cargo ship and local fisherman sail away from where Chinese military had warned of a live fire drill, off Keelung city, Taiwan in August 2022. Photo: EPA/Ritchie B. Tongo

ability to use force if it became regrettably necessary. Now the party leadership has just acknowledged (to itself) that peaceful reunification has become impossible. Beijing’s relative ability to use force is improving. The aftermath of Xi’s Hong Kong repression and US policies, most notably the Pelosi visit, are forcing Chinese leaders to face hard facts rather than kicking the issue down the road as most would otherwise prefer. The emphasis is therefore shifting toward force.

WHAT KIND OF FORCE?

Militaries tend to plan for the kind of war that would be convenient to fight, so Washington’s focus has been on a limited conventional war: a cross-strait invasion, an amphibious attack with planes and missiles softening up the target. Virtually all the testimony in Congress and the media discussions have focused on that scenario. But it makes no sense for Beijing — unless it is a sudden, spasmodic reaction to decisions in Wash-

ington or Taipei that lead to an immediate risk of overthrow of the Chinese leadership.

As Taiwan’s retired Admiral Richard Chen emphasizes to a sometimes deaf US audience, an amphibious invasion of Taiwan is incredibly difficult and costly; there is no Normandy-style beach where the force could land. The casualties would be horrific for China and the outcome uncertain. The currently fragile Chinese economy would risk financial collapse. Success would require effectively destroying Taiwan.

Moreover, the idea that such a war over Taiwan would be one limited to the area right around Taiwan is a fantasy. The US could only mount an effective defense by attacking mainland sites. China would have to take out US and Japanese forces in Okinawa and elsewhere in Japan at the first moment of a conflict or face possible defeat. China would not accept attacks on the mainland without responding against US sites. One can write a range of scenarios, but, looking at the

extremes, a full-scale trans-Pacific war is more likely than a highly localized conflict.

A blockade makes more sense. Taiwan is totally dependent on commerce for food, energy and resources. But China is very vulnerable too. It needs imported oil, food and many resources and intermediate goods. China's suffering in the event of a classic blockade would be severe.

Therefore, the current Chinese strategy is long-term strangulation. Taiwan's dependence on the mainland will be encouraged through carrots. Mainland entities will infiltrate Taiwan in myriad ways. Having, in reaction to US gambits such as the Pelosi and Tsai visits, broken the precedents about navy and air force not crossing the median line in the Taiwan Strait, having broken the precedents about respecting Taiwan's 12-nautical mile waters, having broken the precedents about launching missiles over Taiwan, and having created a precedent for shutting down sea and air traffic for exercises all around Taiwan, China will routinely and increasingly engage in such activity. China has just asserted the right to inspect cargo going through the Taiwan Strait; such tactics will become increasingly intrusive but never escalate enough to precipitate war. Every time the US sends another Pelosi or escalates its alliance-like relationship with Taiwan, Beijing will establish new precedents and will explicitly practice invasion tactics. Like a vine slowly growing around a tree trunk and out along each branch, Taiwan will be engulfed to the point where, perhaps a decade or more from now, the mainland will already be on the verge of effective control.

OVERVIEW

The world is at one of the great hinges of history, perhaps the greatest hinge in world history. The US and China do not have territorial or other direct conflicts, and, unlike the old Soviet Union,

China is not trying to destroy the democratic system; it is as comfortable with Malaysia or Indonesia as it is with Myanmar. In the modern world, the route to geopolitical success is economic (the US in the Cold War, Germany in Europe, Japan, South Korea vs. North Korea, Indonesia in ASEAN), not invasions. So, the primary causes of world history's greatest conflicts are absent.

Nonetheless Taiwan presents an opportunity for global catastrophe. For both sides, domestic politics, not concern about Taiwan or about peace, drives policy. Pelosi, Biden and McCarthy compete against accusations of softness. Pompeo's brand is advocacy of Taiwan independence. Xi must manage a wave of expectations that, having solved Hong Kong, he must now solve Taiwan, above all he must respond to the US changing the rules. Each side of course blames the other, but neither keeps its vital promises.

Given the vicious circle of Chinese and American domestic politics, the main hope for the future is Taiwan starting to exercise agency. The Taiwan people speak very clearly: majorities reject both closer relations with China and more Pelosi provocations. But whether Taiwan's democracy can midwife an administration that will channel this consensus is now a world-historical question.

William H. Overholt, Senior Research Fellow at Harvard's Mossavar-Rahmani Center for Business and Government, is the author of *The Rise of China; Asia, America and the Transformation of Geopolitics; China's Crisis of Success; and numerous other works.*