

## THE SIGUR CENTER FOR ASIAN STUDIES

### ASIA REPORT

JUNE, 2009

## A CONGRESSIONAL PERSPECTIVE ON U.S.-TAIWAN RELATIONS

In the year that has passed since the inauguration of Ma Ying-jeou as president of Taiwan, cross-Strait relations have undergone rapid changes which have stirred debate in both Taiwan and the United States. The Ma administration has pursued policies to increase political and economic interaction with the mainland, resulting in a relaxation of cross-Strait tensions. One result of this is that Taiwan is taking part in the World Health Organization meetings in Geneva for the first time, albeit under observer status. At the same time, the context of these changes is unique. It is the one-year anniversary of President Ma's administration and the 100-day anniversary of Barack Obama's administration. It is also the 30-year anniversary of the Taiwan Relations Act. In this context, policymakers are examining the state of U.S.-Taiwan relations in order to assess the current situation and possibilities for the future. **Featured speaker Congressman Ed Royce (R-CA) expressed his views regarding the current state and prospects for U.S.-Taiwan ties at a Conference on The Future of U.S.-Taiwan Relations held at the Sigur Center on May 19, 2009.**

#### The State of Affairs

Congressman Royce believes that the future of Taiwan is of serious significance to the

United States. Taiwan is the 26th largest economy on the globe and the 9th largest trading partner of the United States. It has one of the largest ports in the world, and has a strategic position along the commercial lanes that run through the South and East China Seas. Taiwan is also at the crossroads of the global supply chain; for instance, companies in Taiwan are critical suppliers to Apple, Dell, and Hewlett-Packard.

Moreover, Taiwan serves to demonstrate the feasibility of implementing democracy in a Chinese society, and "that Chinese culture is not incompatible with democracy." It transformed from an authoritarian regime and U.S. aid recipient to a democratic country, aid donor, and responsible stakeholder in the world today. Taiwan is a democratic model that China could embrace to unleash the potential of its people. Thus Taiwan plays an important role, helping the U.S. in its goals of spreading democracy and human rights.

#### Issues of Concern

Congressman Royce touched on areas that need more attention in the U.S.-Taiwan relationship. He stated that "we have not done enough in the United States to articulate why a free, democratic, prosperous,

## CONFERENCE MAY 19, 2009

### FEATURED SPEAKER

**Congressman Ed Royce, (R-CA)**, is serving in his ninth term in Congress. As an active member of the Foreign Affairs Committee, Royce is known for his knowledge of many different regions of the world and analytical foresight into key U.S. foreign policy issues. For the 111th session of Congress, Royce has been named Ranking Member of the Subcommittee on Terrorism Nonproliferation and Trade; and a member of the Subcommittee on Asia, the Pacific and the Global Environment.

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strong Taiwan is in the national interests of the U.S.” For example, a recent resolution that passed the House to mark the 30<sup>th</sup> anniversary of the Taiwan Relations Act had references to trade ties between the United States and Taiwan removed. The fact that discussion of trade links with Taiwan is not acceptable even in a congressional resolution indicates that wider articulation of Taiwan’s importance may pose a challenge.

Another challenge that the Congressman sees is posed by cross-Strait relations, which are in the midst of significant changes. China and Taiwan have reached agreements on regular sea and air transportation, and have established postal links. Trade between the two economies is transforming; shipping a fruit used to take eight days; now it is only four days. In April 2009, a Chinese company announced the country's first significant investment in Taiwan. However, despite the steps forward that Taiwan has taken and the subsequent relaxation of tensions, mainland China has not moved to lessen its coercive military force. Taiwan still faces a very real and lethal military threat from across the Strait. The mainland

has approximately 1,400 ballistic missiles aimed at Taiwan. China has also been maintaining economically antagonistic policies, preventing other countries in Asia from signing free trade agreements with Taiwan. There are over 100 FTAs in Asia, and cutting Taiwan out of these opportunities to improve trade is harming its economy.

### The Road Ahead

In looking towards the future, Congressman Royce laid down a number of policies he would like to see in place. The United States should encourage Taiwan to maintain its commitment to democracy and human rights. Additionally, the United States should review the Taiwan guidelines. The guidelines are 30 years old and have been modified only once; they have fallen behind the developments in U.S.- Taiwan relations and are inappropriate for the modern relationship. At the same time, cabinet level visits should be resumed between the two governments, and the United States should push for Taiwan’s entry into international organizations.

The United States should also continue

to play a deterrent role in the region. This will allow Taiwan to continue along its prosperous course. It will also counter the perception that the United States is a declining power in Asia, and send a positive signal to U.S. allies in the region. Additionally, continued arms sales to Taiwan will help it maintain its strength in its dealings with mainland China. U.S. naval port visits to Taiwan would also send signals of our strength in the region and displeasure over the antagonistic actions of China towards U.S. naval vessels.

Economically, the United States should pursue expansion of trade with Taiwan. The rule of law is implemented in Taiwan, resulting in a safe environment for U.S. investments, something which China lacks. Taiwan has also made advances on protection of intellectual property. Thus, pursuit of a free trade agreement with Taiwan would be beneficial for both Taiwanese and U.S. interests.

Through international cooperation, the cross-Strait détente can continue successfully and the world can give Taiwan its rightful place.



## THE SIGUR CENTER FOR ASIAN STUDIES

Sigur Center for Asian Studies  
1957 E Street, N.W., Suite 503  
Washington, D.C. 20052

Phone: (202) 994-5886  
Fax: (202) 994-6096

ON THE WEB

[HTTP://WWW.GWU.EDU/~SIGUR/](http://www.gwu.edu/~sigur/)

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