

## U.S.-Taiwan Relations: Four Years of Commitment and Crisis

Nancy Bernkopf Tucker

Edmund Walsh School of Foreign Service, Georgetown University

U.S.-Taiwan relations over the four years of Chen Shui-bian's first term shifted unevenly between commitment and crisis. The Democratic Progressive Party's (DPP) rise to power initially frightened U.S. policymakers, who feared the radicalism of a party long identified with independence. They discovered that Chen could be pragmatic and willing to accept guidance from the U.S. Under both the Clinton and Bush administrations, Taiwan accordingly received significant support for reform and expansion of its military capabilities; support which sometimes exceeded what the DPP and the Taiwan military were prepared to accept. With the advent of the Bush administration, Taiwan enjoyed an era of unprecedented friendship in Washington, experiencing policies that accorded it more respect and dignity as well as greater access and a higher profile. Chen, however, pushed the limits by taking several initiatives considered provocative by China and the U.S. without prior consultation with his U.S. supporters. The result has been anger and friction with uncertain implications for the future.

The election of Chen Shui-bian as president of Taiwan in March 2000 brought the decades-old Kuomintang (KMT) monopoly of power on the island to an end. This peaceful transition from one political party to another signified passage of an important milestone in the achievement of full democracy and was greeted with enthusiasm in the United States. Washington's pleasure with the growth of democratic institutions, however, was offset somewhat with trepidation as to what a DPP presidency would mean for peace and stability in the Taiwan Strait. Thus the U.S. encouraged and warmly welcomed Chen's inaugural address in which he pledged his four "No's" and one "Would-Not": no declaration of independence, no change in the name of the government, no placing the two-state theory in the constitution, and no referendum on self-determination. At the same time, he would not eliminate the National Unification Council and Guidelines. Indeed in the weeks before the inauguration, Chen persuaded Taiwan supporters in the U.S. Congress to put aside plans to press for passage of the controversial Taiwan Security Enhancement Act. Generally, he sought to broadcast a moderate image abroad and at home as a pragmatic, conciliatory lawyer rather than a pro-independence firebrand. Members of the Clinton administration, who had found the final months of Lee Teng-hui's presidency alarming and difficult, began to relax.

## **Signs of promise**

Although the (DPP) had long been identified with the cause of independence, the first months of the new presidency heralded no sharp shifts in Taiwan's cross-Strait or American policies. The new DPP administration was notable for its inexperience in governmental affairs, particularly foreign relations, and it readily sought advice from Washington. U.S.-Taiwan relations improved and initially the well-worn route from Taipei through Congress to the executive branch was in less prominent use. This approach seemed to yield early returns such as a transit stop for Chen Shui-bian in Los Angeles in August 2000.

Taipei's posture toward China, to Washington's consternation, seemed somewhat more erratic. In part, this followed from Beijing's fluctuation between a "wait and see" approach and pressure on Chen to accept its "one China" principle.

Although China did not trust Chen, Vice Premier Qian Qichen first privately in the summer of 2000 and then publicly on Jan. 22, 2001, broadened and moderated the definition of "one China" to which Taipei had always objected. Appearing to dispense with the insistence that one-China equaled the PRC, he stated that in reality Taiwan and the mainland are both part of "one China" and China's sovereignty is indivisible. On the other hand, Beijing did not take up Chen's offers to move toward talks and Taiwan viewed China's initiative warily. The DPP administration downplayed but did not disavow Lee Teng-hui's two-states theory, and challenged the existence of a 1992 consensus on separate interpretations of "one China" that Beijing had revived in the spring of 2000 to get talks going.

In a more constructive vein, as one of his four "No's" Chen pledged not to put state-to-state relations in the constitution. Tsai Ing-wen, the designated head of the Mainland Affairs Council and a Lee holdover, urged the U.S. to expedite talks by mediating between China and Taiwan. In his New Year's message of 2001, Chen raised the possibility that economic integration might lead gradually to some variety of political integration. Whereas Washington abjured mediation, it hailed the concept of political integration. Americans, and perhaps Chen himself, envisioned the DPP president as a potential Richard Nixon with the credibility on all sides to hammer out a deal with Beijing. This profile, however, proved far too optimistic. Neither Chen nor China seemed willing to bend far enough to initiate a sincere dialogue.

## **A new administration, a new atmosphere**

The advent of the George W. Bush administration accelerated the upgrading of U.S.-Taiwan relations. Not only had Bush made clear during the campaign that he viewed China as a strategic competitor and so would not favor China over Taiwan, but several senior officials in the administration believed that the time had come to put more emphasis on friends and allies in the region. And Taiwan may also have benefited from the U.S.-China clash over the April 1, 2001 collision of a Chinese fighter aircraft with a

U.S. reconnaissance plane and the subsequent detention of the U.S. crew. Taiwan soon found that a new attitude governed the conduct of affairs, with greater respect and fewer restrictions facilitating intercourse.

The most startling indicators that a different approach to Taiwan would characterize the Bush presidency involved security for the island. On April 23, 2001, the administration announced the largest arms sales package for Taiwan following the 1992 F-16 deal, including four *Kidd*-class destroyers, a dozen *P-3 Orion* antisubmarine aircraft, torpedoes, minesweeping helicopters, and amphibious assault vehicles. The most controversial item on the list, however, was the eight diesel submarines the U.S. had denied Taiwan for decades, arguing that they were offensive weapons, both unnecessary and too costly for Taiwan. Even though the U.S. did not actually build diesel submarines and the government did not know whether it could find a country or countries willing to endure Beijing's wrath to fill the contract, Taiwan was thrilled and China furious. Finally, although Bush denied sale of even more sensitive *Aegis*-equipped destroyers, he indicated that if China's missile buildup threatening Taiwan continued, he might reverse that decision. If Washington had argued that the 1982 arms sales communiqué had not expired in 1992, surely it died in 2001.

Just two days later, on April 25, President Bush further escalated tensions when, being interviewed on an early morning news show, he remarked that the U.S. had an obligation to defend Taiwan and he would do "whatever it took." Administration efforts began immediately to explain that Bush's words had not changed U.S. adherence to the "one China" policy, and that the emphasis remained on peaceful resolution. Nevertheless, the phrase transmitted greater strategic clarity on U.S. policy in line with views expressed in the campaign and after. Finally, at the same time, the administration ended the anomalous Taiwan arms sales process, folding marketing and decision-making into the same institutional mechanisms that all other foreign purchasers used. Decision-makers hoped this would dampen publicity, eliminate opportunities for interference, as well as render budgeting in Taiwan more predictable.

Beyond these headline-grabbing changes, the Bush administration also picked up some of the innovations of the Clinton administration in the security sphere. Washington and Taipei had embarked, following the 1996 Taiwan Straits crisis, on a so-called software initiative that sought to raise the level of military training, planning, logistics, coordination, and strategic thinking among units under the Ministry of National Defense. Chen's administration continued these programs, pursuing the defense consultations at Monterey as well as utilizing U.S. assistance in domestic military reform. Similarly the Bush administration used Americans to assist in the professionalization of the Taiwan military services, integration of new weapons into the existing array of defense capabilities, and conduct continuing studies and evaluations of various aspects of defense requirements.

## Taiwan's tight purse strings

Taiwan's professed pleasure in the Bush administration's expansive view of its TRA arms sales commitment, however, existed in an uneasy combination with resistance to producing a defense budget adequate for acquiring the weapons suddenly available. Not only was the Legislative Yuan unwilling to vote the money, but the Chen administration was uncertain about whether it wanted to buy the hardware. In part this was because threat assessments in Taiwan and the U.S. had begun to diverge and some members of the Chen administration no longer believed that China would dare attack the island. The fiscal year 2003 defense budget released in September 2002, for example, sank to the lowest level since the mid-1990s and did not include sufficient funds for the weapons offered in April 2001. This decision became public, moreover, at the same time as the U.S. Congress in the Foreign Relations Authorization Act for fiscal year 2003 (H.R. 1646) declared Taiwan a "non-NATO ally" so that it would be eligible to acquire dual use military and industrial equipment.

Grumbling about Taipei's ingratitude was increasingly matched by discontent with its preference for allowing the U.S. to do its fighting. U.S. officials would doubtless have become cynical in any case, but the Sept. 11, 2001 terrorist attacks altered American priorities worldwide. Subsequently, the war against terrorism replaced a rising China as the primary strategic threat for Washington and expectations rose for Taiwan to assume more of the burden for its own security. The U.S. did not abandon Taiwan. The 2002 *National Security Strategy* mentioned the island and the Pentagon's *Nuclear Posture Review*, which was leaked in the spring of 2002, described the Taiwan Strait as a contingency for which U.S. nuclear forces must be prepared. But Taiwan's reluctance to do the work Taiwan could handle and endure the domestic political repercussions of unpopular military projects rankled. Dissatisfaction finally spilled into the open at the U.S.-Taiwan Defense Industry Conference in February 2003. There Deputy Assistant Secretary of Defense for Asia and the Pacific Richard Lawless warned that U.S. support could not be "a substitute for [Taiwan] investing the necessary resources in its own defense." His words were immediately echoed by Randall Schriver, deputy assistant secretary for East Asia at the State Department.

Efforts by the Bush administration to restore greater respect and dignity to the U.S.-Taiwan relationship produced smoother access for Taipei to higher level officials in the U.S. government. In May 2001, Chen Shui-bian transited New York City with a return from Latin America through Houston in June and met with members of Congress, local officials, Chinese Americans, and others in well-publicized activities that contrasted sharply with the narrow constraints of his August 2000 stay in Los Angeles. In March 2002, Deputy Secretary of Defense Paul Wolfowitz and Assistant Secretary of State for East Asian and Pacific Affairs James Kelly held unprecedented informal meetings with Taiwan's Defense Minister Tang Yiao-ming at a convention of the U.S.-Taiwan Business Council in Florida.

Other small, but significant, cues characterized the early months. AIT chairman Richard Bush spoke out against Beijing's demand that Taipei accept the "one China" principle as a precondition for dialogue across the Strait, bolstering Taiwan's position that this pre-determined the outcome of the talks. Soon after, while preparing for his February 2002 trip to Asia, Bush spoke of Taiwan as a friend. Enroute, several gestures reinforced his support. In speaking to the Japanese Diet, Bush reaffirmed the U.S. commitment to the people of Taiwan. In China, where no previous U.S. president had done so, he publicly talked about the U.S. commitment to the TRA but never mentioned the three communiqués and only declared allegiance to the "one China" policy in response to a question at Tsinghua University. Congress got into the act as well, forming an 85-member Taiwan Caucus in the House of Representatives on April 9, 2002 (the Senate would finally create its own Taiwan caucus in 2003 but could only muster 10 founding members).

### **Chen blindsides the U.S.**

In view of the positive developments in the ways Washington and Taipei worked with each other, it came as a considerable shock when on Aug. 3, 2002 President Chen blindsided the administration with an incendiary policy initiative. He declared, without consultation or forewarning, that there was "one country on each side" of the Taiwan Strait. He added that if Taiwan's future had, someday, to be determined formally that choice should be the result of a popular referendum. Chen delivered this "*yibian yiguo*" message to DPP sympathizers in Japan. The outcry was instant and damage control crucial. Members of his government denied that Chen had asserted Taiwan independence or that he would repeat it. Chen himself subsequently explained he had only been emphasizing Taiwan's equal sovereignty with China. Washington's surprise and anger made meetings for Taiwan officials with U.S. interlocutors frosty for months. Chen had not, in fact, acted totally without prior signals. In July, he had demonstrated his growing frustration with Beijing's refusal to respond to any of his conciliatory gestures when he told the DPP annual convention that Taiwan "would not rule out the possibility of going its own way." Nevertheless, even his own government was unprepared for his August statement.

Washington made its displeasure public to deter similar developments in the future and to reassure Beijing that the U.S. had not been involved in Chen's actions. When Presidents Bush and Jiang Zemin met at the Bush ranch in Crawford, Texas on Oct. 25, the U.S. president disavowed involvement in *yibian yiguo* and also told reporters, for the first time in his tenure, that the U.S. does not support independence for Taiwan. China had been moderate in its response to Chen, being preoccupied with preparations for its 16<sup>th</sup> Party Congress, and preferring to pressure the U.S. to restrain Taiwan. At Crawford, Jiang privately suggested that China would be willing to withdraw some missiles from the coast opposite Taiwan if the U.S. would reduce its arms sales to the island. Whether meant as a conciliatory gesture, it certainly had the potential of dividing Washington and Taipei. But, the offer apparently was made in such a cursory fashion that Americans

initially missed its significance and it had to be reiterated subsequently in other venues. Nevertheless, Washington rejected the idea, urging Beijing to talk directly to Taipei and not use the U.S. as an intermediary.

### **Domestic politics intrudes**

During the spring of 2003, with a presidential election looming in 2004, the DPP administration faced harsh realities. Taiwan's economy had been doing poorly since 2001 (and would not pick up until late 2003), partly as a result of a prolonged U.S. and international recession, but also due to policy mistakes and an inability to push laws through the Legislative Yuan at home. Chen had replaced Lee Teng-hui's "go slow, be patient" mainland economic policy with "active opening, effective management" with no significant payoff. Accession to the World Trade Organization on Jan. 1, 2002 proved great for morale, but not a solution for economic difficulties. The ruling party remained inexperienced in many sectors, charges of corruption had surfaced against the DPP, and efforts at political reform had stalled. In the crucial realm of cross-Strait relations there had been no progress.

The political front was equally grim for the DPP leadership. Chen's opponents Lien Chan of the KMT and James Soong of the PFP had banded together into a pan-blue alliance and polls showed them ahead by as much as 10 points. To activate the DPP core and turn out large numbers of all voters, Chen's advisers began talking about holding a referendum in conjunction with the presidential balloting. At first, the measures proposed concerned membership in the World Health Organization (WHO), which had become a sensitive issue because of the SARS crisis, and whether the government should go ahead with building a fourth nuclear power plant. Beijing objected to any plebiscites because of the precedent that would be set for future votes on sovereignty issues. To try to restrain Chen, the PRC turned to the Bush administration.

Initially Washington found the referendum issue troubling because the U.S. did not relish opposition to a fundamental practice of a democratic state. At the same time, the Bush administration did not support a deliberate challenge by Taipei to China's claims of sovereignty over Taiwan and a vote on the WHO question would do just that. Taipei might have had reason to complain about Beijing's delay in permitting assistance to reach the island in the winter of 2003, but Washington did not see this as the way.

U.S. sympathy for Beijing's position, however, remained muted until Sept. 28, when Taiwan's president declared his intention to craft a new constitution for Taiwan by 2006, one that would, he added on Oct. 4, make Taiwan a "normal, complete, great state." This draft constitution would then be approved by the people through referendum and enacted in 2008 at the end of Chen's second term. The provisions he envisioned covered simplification of Taiwan's governing structure, but indications were that the new constitution might also redefine geographical boundaries or change the name of the state. In any case, by discarding the 1947 constitution which links Taiwan to China, it would be

intolerable to Beijing. Washington objected to the idea of a new constitution, and was angered that once again Chen had announced his confrontational policy without any prior consultation.

Members of the administration began to speak out publicly against any unilateral alterations of the status quo in the Taiwan Strait. This included National Security Advisor Condoleezza Rice who also reiterated Washington's adherence to a "one China" policy. The administration's message was adulterated, however, by Chen Shui-bian's November transit through New York City. During the Taiwan president's stay in the city, he received a human rights award at a gala dinner attended by thousands and televised, despite State Department objections. Chen's delight with the treatment he had received escalated when the Chair and Managing Director of AIT Theresa Shaheen told him that the party responsible was his "secret guardian angel" George W. Bush. After Chen leaked the news, his pan-blue opponents privately told many Americans that Bush had voted for Chen.

### **Chen ups the ante**

Chen used what he chose to see as U.S. endorsement to raise the stakes, announcing that he planned to hold a "defensive referendum" March 20 in conjunction with the presidential balloting. The pan-blue alliance had tried to derail the plebiscite by legislating a circumscribed Referendum Law on Nov. 27, but it included a provision permitting a special referendum in the event of a crisis threatening Taiwan's sovereignty. Chen simply claimed that China's missiles arrayed along the Fujian coast opposite Taiwan constituted such a threat. Running out of options to deter Chen since increasingly outspoken public comments were not working, the Bush administration sent NSC Asia Director Jim Moriarty on a secret visit to Taipei with a message from Bush. But Chen defied even this, telling a campaign rally just 7 days later, on Dec. 8, that the referendum would be held. Bush responded with a harsh reproof. On Dec. 9, standing together with Chinese Prime Minister Wen Jiabao in the Oval Office, Bush told the press that unilateral actions by either China or Taiwan were unwelcome but "the comments and actions by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose." Further, Bush not only failed to correct Wen upon his statement that Bush had said he opposed Taiwan independence, but nodded in agreement

Even as many Taiwan supporters in the U.S., grudgingly agreed with Bush's sentiments, they criticized the president for chastising Chen in Wen's presence. In Taipei, however, Chen largely dismissed the incident. Election politics more-or-less required him to do so, but Chen reacted in his own unique way, spinning the warning against provocation into an endorsement. Whether Chen deliberately ignored U.S. criticism or heard too many contradictory messages remains unclear. Similarly, while pan-blue attacked his foreign policy judgment, pointing out that he had managed to alienate China and the U.S. at the same time, Chen declared that Taiwan must act in its own interests being neither a province nor a state of any country, simultaneously disparaging Beijing and Washington for trying to manipulate Taipei. The remaining months of the campaign season severely strained the patience of the Bush administration.

No one could have imagined the dramatic final hours of the presidential contest or the tense aftermath. Although pan-blue's substantial lead of the previous year had diminished, in the days before the balloting it appeared that the Lien-Soong ticket would score a solid victory in spite of the lackluster campaign that they had carried out. Chen and his vice president Annette Lu had had few achievements to run on. But, if Chen and the DPP had not yet figured out how to implement a presidency, they knew how to win votes. Chen controlled the agenda throughout the election, he ran on a pro-Taiwan, anti-China platform, characterizing pan-blue as unpatriotic, he organized a referendum to excite his base without alienating moderates who long since had concluded that having him as president would not mean war and he had Lee Teng-hui openly in his corner. But, as it turned out, the decisive factor may well have been the botched assassination attempt on the eve of the election. The sympathy vote clearly made a big difference and probably won the election for him. Rather than concede, however, pan-blue asserted voter fraud, ballot tampering, and even maintained that the shooting had been staged. Over subsequent days, huge rallies questioned the credibility of Chen's triumph and threatened peace and stability on the island, giving Beijing an opening to declare "We will not sit by unconcerned should the post-election situation in Taiwan get out of control."

Washington initially hesitated to congratulate Chen as the winner lest it be perceived as interfering in the election outcome. Many U.S. election monitors proclaimed that the polling had been carried out fairly, that ballots had been carefully scrutinized, that the 337,000 damaged ballots had been part of a "Naderite" anti-party protest and that, although a large number of military personnel had not been able to vote, the total had been exaggerated by partisan commentators. Nevertheless, questions and accusations lingered over the shooting and the U.S. government waited until the Taiwan Central Election Commission officially declared Chen's victory March 26. Even then, it noted that legal challenges were underway and that both Taiwan and China must act with restraint during the ensuing period of uncertainty. Above all, U.S. officials underlined the triumph of democratic institutions in Taiwan and congratulated the more than 80 percent of the Taiwan people for exercising their voting privileges.

Although Bush administration officials moved cautiously on the election itself, the administration plunged ahead with a contrary message. On March 31, as contention over the election continued to rage, the Pentagon announced it would sell a package of two long-range early-warning radars to Taiwan totaling \$1.8 billion. Part of a plan initially approved in 1999 to provide Taiwan improved defenses against China, these radars could one day play a role in a theater missile defense system were one to materialize. Beijing objected bitterly both at the sophisticated system and at the poor timing of the announcement, urging the U.S. not to "send the wrong signal to Taiwan's independence [seekers]."

Beijing's response to the election result reflected dismay in Chen's victory offset somewhat by pleasure in Chen's likely weakness in his second term. Confronted at least until December 2004 with a hostile pan-blue majority in the LY, Chen can not expect much progress on his political priorities. At the same time, Beijing declared triumph at the failure of the referendum, which called for China to withdraw its missiles and the



public to voice its support for Taiwan missile purchases. But although the referendum did not get enough votes to pass, more people supported its two propositions than voted for Chen. A precedent for future plebiscites, perhaps on independence, has been set.

### **The return of ambiguity?**

Someone other than Chen Shui-bian might have been chastened by the tight victory of March 2004, assuming that moderate policies and conciliation of the opposition and Washington, perhaps even Beijing, would be a high priority. Instead, Chen has appeared to believe that he emerged from the election with a mandate to move ahead with his agenda despite a mere 0.228 percent margin over pan-blue. He explained this by emphasizing how much his support had grown from 39 percent in 2000 to 50 percent of voters in 2004. Chen also evinced a messianic turn of mind regarding his second term after surviving the assassination attempt. This combination may foretell a rough road for U.S.-Taiwan relations in the next few years marked by eroding trust and continued misunderstanding. This would be a startling departure from the halcyon days of Chen's first years as president when both Bill Clinton and George Bush sought to work with him and build a better relationship between Washington and Taipei.

But irritation in Washington, even anger at Chen Shui-bian, does not necessarily mean that the U.S. is ready to give up on Taiwan. There are still ties that bind, including the TRA and the concern of many in the administration and Congress for its 23 million people. Instead, Washington may fall back upon its policy of strategic ambiguity, reminding both Taiwan and China that peace is the key U.S. national interest in the Strait and the region. Therefore, Taiwan cannot assume that the U.S. will defend it under any and all circumstances, nor can China assume that the U.S. will not be involved should it decide to attack Taiwan.

## **Chronology of U.S.-Taiwan Relations March 2000-March 2004**

**March 18, 2000:** Taiwanese voters end half a century of Nationalist Party rule and elect opposition leader Chen Shui-bian to the presidency.

**April 17, 2000:** The Clinton administration approves the sale of a package of high-tech weapons to Taiwan, including sophisticated air-to-air and anti-ship missiles as well as a "Pave Paws" long-range radar system. Consideration of the sale of four destroyers equipped with Navy's advanced *Aegis*-radar systems is deferred.

**Apr. 27, 2000:** Citing Chen's views, U.S. Senate Republicans defer action on the Taiwan Security Enhancement Act (TSEA).

**May 5, 2000:** MAC-designee Tsai states that Taipei will no longer talk of "state-to-state" relations.

**May 12, 2000:** *Washington Post* reports MAC-designee Tsai wants U.S. to mediate cross-Straits dialogues.

**May 12, 2000:** U.S. spokesman reiterates that Washington will not mediate.

**May 20, 2000:** President Chen's inaugural address mentions the "four no's" of his policy toward Beijing and talks of a "future 'one China.'"

**May 20, 2000:** PRC's Taiwan Affairs Office criticizes Chen's speech, calls for talks based, in part, on return to the 1992 consensus.

**May 29, 2000:** MAC Chairwoman Tsai questions whether there was agreement on 1992 consensus.

**June 20, 2000:** Chen proposes a reconciliation meeting without preconditions; PRC says talks are only possible on the basis of "one China."

**July 8, 2000:** Under Secretary of State John Holum tells PRC that the U.S. will not rule out providing Taiwan with theater missile defense (TMD).

**July 12, 2000:** PRC Defense Minister Chi tells U.S. Defense Secretary Cohen PRC will not attack Taiwan; Cohen urges dialogue with Taipei.

**Aug. 13, 2000:** President Chen makes a transit stop in Los Angeles on his way to Central America.

**Aug. 26, 2000:** Taiwan delegation reports Vice Premier Qian used flexible formula that "Taiwan and mainland are both parts of 'one China.'"

**Oct. 27, 2000:** Premier Chang announces decision to cancel Taiwan's fourth nuclear plant.

**Oct. 31, 2000:** KMT launches presidential recall drive.

**Nov. 10, 2000:** President Clinton signs into law the Foreign Operations, Export Financing, and Related Programs Appropriation Act of 2001 which requires the U.S. administration to consult with Congress on the sale of weapons to Taiwan.

**Dec. 18, 2000:** DoD releases the unclassified "Report to Congress on Implementation of the Taiwan Relations Act."

**Dec. 31, 2000:** President Chen's New Year's address speaks of "political integration."

**Feb. 6, 2001:** First ship from Xiamen visits Jinmen under "mini three links."

**March 8, 2001:** Secretary Powell reiterates "six assurances" in Congressional hearing.

**April 23, 2001:** The Bush administration approves several billion-dollar arms sales package to Taiwan, including eight diesel submarines, four 1970s vintage *Kidd*-class destroyers, a dozen antisubmarine *P-3 Orion* aircraft, as well as minesweeping helicopters, amphibious assault vehicles, and submarine and surface-launched torpedoes.

**April 25, 2001:** In an interview with the *Washington Post*, Bush declares that he will scrap the annual review of arms sales to Taiwan and instead use an as-needed basis.

**April 25, 2001:** In a taped ABC-TV morning show, President Bush says he will do “whatever it takes” to help Taiwan defend itself from an attack by China.

**April 25, 2001:** White House releases statement reiterating U.S. “one China” policy and opposition to independence for Taiwan.

**May 21, 2001:** Chen in transit through New York; meets U.S. congressmen.

**June 4, 2001:** Chen transits Houston; is hosted by congressmen.

**Sept. 11, 2001:** U.S. is attacked by terrorists in New York and Washington D.C. changing security priorities around the world.

**Oct. 23, 2001:** On campaign trail, Chen equates acceptance of “1992 consensus” with treason.

**Dec. 1, 2001:** Taiwan holds legislative elections; the DPP becomes largest party.

**Jan. 1, 2002:** Taiwan joins the WTO and looks ahead to “constructive cooperation” with China.

**Jan. 24, 2002:** Statement by PRC Vice Premier Qian Qichen separates DPP leaders from the rank-and-file, welcoming all but the independence activists to China in order to divide the party. Also refers to unexplained “economic cooperation mechanism” with Taiwan.

**Jan. 28, 2002:** American Institute in Taiwan (AIT) Chairman Richard Bush gives talk in Taipei voicing support for view that “one China” should not be precondition for dialogue.

**Feb. 6, 2002:** CIA Director George Tenet warns Congress that over the past year China has increasingly honed its operational military skills to be better prepared to deal with possible military action in the Taiwan Strait and to deter the U.S. from defending Taiwan in case of a mainland attack.

**March 10-12, 2002:** U.S.-Taiwan Business Council meeting in Florida. U.S. Deputy Secretary of Defense Paul Wolfowitz and Assistant Secretary of State for East Asian and Pacific Affairs James Kelly meet informally with Taiwan’s Defense Minister Tang Yiao-ming.

**April 9, 2002:** U.S. Congressional Taiwan Caucus is inaugurated by co-Founders and co-Chairs: Reps Robert Wexler, Steve Chabot, Sherrod Brown, and Dana Rohrabacher. Ambassador C.J. Chen, Representative of Taipei Economic and Cultural Representative Office, and a 14-member delegation from the Legislative Yuan, led by Hon. Trong R. Chai, also attend.

**April 9, 2002:** On the 23<sup>rd</sup> anniversary of the Taiwan Relations Act, the U.S. Congressional Taiwan Caucus is inaugurated with 85 members. The Caucus is founded by Democrat Reps Robert Wexler (D-Fl.) and Sherrod Brown (D-Oh.) and Republicans Dana Rohrabacher (R-Ca.) and Steve Cabot (R-Oh.).

**May 11, 2002:** House of Representatives passes Defense Appropriations Bill with provisions calling for report concerning joint military activities with Taiwan.

**July 12, 2002:** Department of Defense releases 2002 *Annual Report on the Military Power of the People's Republic of China*, which highlights threat to Taiwan.

**July 24, 2002:** Press reports U.S. DoD has expressed concern to visiting Taiwan delegation that Taipei is not doing enough for its own defense.

**Aug. 3, 2002:** Chen makes video conference remarks about “one country on each side.”

**Aug. 5, 2002:** Taiwan Affairs Office (TAO) warns Chen is leading Taiwan to disaster.

**Aug. 5, 2002:** Mainland Affairs Council (MAC) Chairperson Tsai Ing-wen issues four-point statement that cross-Straits policy has not changed.

**Aug. 7, 2002:** State Department reiterates U.S. “one China” policy and non-support for independence.

**Sept. 4, 2002:** Taipei's 2003 draft defense budget is lowest in eight years.

**Sept. 30, 2002:** President Bush signs into law the Foreign Relations Authorization Act, Fiscal Year 2003, which contains language favoring closer security ties between the U.S. and Taiwan.

**Oct. 25, 2002:** Presidents Bush and Jiang meet in Crawford, Texas. Jiang talks about reducing missiles opposite Taiwan in exchange for arms sales reductions.

**Nov. 22, 2002:** President Jiang meets former Defense Secretary Perry, mentions missile-arms sales idea.

**Nov. 22, 2002:** Taiwan's FM Eugene Chien says this proposed deal is an “unfair” “ploy.”

**Dec. 6, 2002:** Unnamed U.S. official says “missiles for arms sales” deal is “unthinkable.”

**Feb. 12-14, 2003:** U.S.-Taiwan Defense Industry Conference 2003 held in San Antonio, Texas.

**March 9, 2003:** Press reports National Intelligence Officer for East Asia, Mary Tighe, in Taipei for talks on missile defenses.

**May 21, 2003:** HHS Secretary Tommy Thompson expresses U.S. support for Taiwan at World Health Assembly.

**May 31, 2003:** President Bush signs new legislation about Taiwan in WHO.

**June 1, 2003:** President Bush meets President Hu Jintao at G-8 and reiterates non-support for Taiwan independence.

**June 22, 2003:** Taiwan FM Chien meets Vice President Cheney at American Enterprise Institute forum in U.S.

**July 15, 2003:** House of Representatives unanimously approves a measure calling on China to dismantle missiles aimed at Taiwan, urges President Bush to approve the sale of the *Aegis*-class destroyers battle management system to Taipei, and directs Bush to seek from China an immediate renunciation of the use of force against Taiwan. The bill is approved as an amendment to the State Department Authorization bill that funds State Department programs for fiscal 2004.

**Sept. 1, 2003:** Taiwan begins issuing new passports including name “Taiwan.”

**Sept. 17, 2003:** Taiwan Caucus formed in the Senate. Ten initial members, Sen. George Allen and Tim Johnson as the co-chairs.

**Oct. 19, 2003:** Presidents Bush and Hu meet at APEC; Bush expresses opposition to Taiwan independence.

**Oct. 31, 2003:** Chen transits New York; receives human rights award.

**Nov. 1, 2003:** AIT’s Shaheen tells Chen that Bush is his “secret guardian angel.”

**Nov. 3, 2003:** Chen and Secretary Powell shake hands at Panama ceremony.

**Nov. 11, 2003:** Chen tells Brookings delegation he hopes to draft constitution by 2006, and submit it to referendum and implement by 2008.

**Dec. 1, 2003:** NSC’s James Moriarty makes discreet visit to Taipei with message from Bush.

**Dec. 8, 2003:** Chen announces topics for “defensive referendum” to be held on March 20.

**Dec. 9, 2003:** President Bush meets with PRC Premier Wen Jiabao in the Oval Office and publicly declares that he “opposes comments and actions made by the leader of Taiwan” that “indicate that he may be willing to unilaterally change the status quo, which we oppose.”

**Dec. 10, 2003:** Chen ignores Bush warning and says the referendum will proceed as planned.

**Feb. 6, 2004:** Deputy Assistant Secretary of State Randall Schriver tells Congress it is “extremely important” for Taiwan to appropriate a sufficient defense budget.

**March 19, 2004:** Chen and VP Annette Lu shot while campaigning in Tainan.

**March 20, 2004:** Chen wins razor-thin election victory. U.S. congratulates people of Taiwan for exercising democratic voting rights. Chen’s controversial referendum fails to get enough votes.

**March 26, 2004:** Central Election Commission certifies Chen as winner. U.S. congratulates Chen, although acknowledges results still being contested.