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## C O N N E C T I O N S

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**CHINA- TAIWAN RELATIONS**

## PELOSI'S "IRONCLAD COMMITMENT" OR "POLITICAL STUNT" LEADS TO CRISIS IN THE TAIWAN STRAIT

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Between May 1 and Sept. 1, tensions between Taiwan and China exploded in ways few anticipated but were in retrospect the culmination of well-established dynamics. The US once again was right in the middle. On Aug. 2, US Speaker of the House Nancy Pelosi arrived in Taiwan, which Taiwan's government celebrated as the most important visit in at least 25 years by a US politician. She promised Taiwan President Tsai Ing-wen that US support for Taiwan's security would remain "ironclad." On Aug. 4, the day after Pelosi departed Taiwan, China signaled its displeasure by conducting the most extensive military exercises ever conducted near Taiwan, closer to the island than any before, and launching ballistic missiles over Taiwan's capital to land in waters east of the island. Throughout these exercises, the Chinese, Taiwan, and US militaries avoided any interactions that might have provoked confrontation. On Aug. 10, the Chinese military announced that the exercises had concluded, achieving their objectives, but that the military would continue its activities around Taiwan.

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This crisis occurred three months after US Secretary of State Antony Blinken delivered a long-awaited speech on US China policy, claiming that policy toward Taiwan and China, and the US commitment to peaceful resolution of any disputes between them, remained unchanged. China rejected Blinken's claims of US consistency and insisted that Washington was hollowing out its commitment to respect Beijing's position as the only legal government of China, including Taiwan. China expressed particular anger at President Biden's pledges to defend Taiwan and at the continuing series of high-level US officials visiting Taiwan. Beijing warned it would react harshly if Pelosi visited Taiwan, as she had promised to do. She visited, and China reacted, [calling her visit](#) a "political stunt." China laid out its familiar claims to Taiwan in a celebration of the 30th anniversary of the 1992 consensus and again in its third White Paper on cross-Straits relations. All this comes as Chinese commentators repeat expectations that the 20<sup>th</sup> Congress of the Chinese Communist Party, scheduled for this fall, will reaffirm the party's tough Taiwan policy.

Largely obscured by these dramatic developments, Taiwan continued to expand its legitimacy as a constructive international actor, attracting more public support from major international actors beyond the US, such as the G7, the European Union, the United Kingdom, Australia, Japan, and South Korea.

### Taiwan as seen from the US and China

The stage for the confrontation over Speaker Pelosi's visit was set by the competing visions that the US and China laid out. On May 26, US Secretary of State Antony Blinken [presented](#) the Biden administration's China policy. Many complained that there was nothing new in what Blinken said, and that perhaps was Blinken's intended message: the Biden policy toward Taiwan-China relations continues policy that has been laid out over the previous nine presidential administrations since 1972. The US welcomes China's rise provided it honors the rules of the global order that facilitated its rise. The US policy toward Taiwan and China is only one element of its overall China policy, and in Blinken's presentation Taiwan was mentioned only briefly near the end of the speech.



*Figure 1 US Secretary of State Antony Blinken delivers a speech on the Biden administration's policy toward China during an event hosted by the Asia Society Policy Institute at the George Washington University. Photo: Alex Wong/Getty Images*

China's foreign ministry spokesman [said](#) that in Blinken's presentation "[t]he US has acted faithlessly, kept regressing from its own commitments and the consensus it reached with China, and attempted to weaken and undermine the one-China principle and use Taiwan to contain China." While Taiwan was a subordinate element in Blinken's presentation of US policy, it was the core of Beijing's rebuttal, premised on the claim that the US had committed itself to accepting the one-China principle as China defines it. In a mid-August press briefing, US Assistant Secretary of State for East Asian and Pacific Affairs Daniel Kritenbrink repeated the US insistence that it had never accepted Beijing's one-China principle but instead "remain[s] committed to our 'one China' policy...We oppose any unilateral changes to the status quo from either side. We do not support Taiwan independence, and we expect cross-[S]trait differences to be resolved by peaceful means." While the foundation of Beijing's policy is reunification, the basis of US policy is peaceful means in pursuit of what it calls "peaceful resolution."

US President Biden also issued a much more terse and much more noticed statement on US policy, insisting once again that the US would defend Taiwan and that this commitment did not change US policy, implying that such steps would only be called for if China initiated military action against Taiwan. And, in what seemed a curious bureaucratic misstep, the State Department issued two new summaries of US cross-Straits policy on its website in May. The first new version removed the longstanding US opposition to Taiwan independence; the second version, [issued after Blinken's speech](#),

reinstated that opposition to Taiwan independence, and balanced it with the insertion of a familiar statement from the Taiwan Relations Act, that “the United States makes available defense articles and services as necessary to enable Taiwan to maintain a sufficient self-defense capability—and maintains our capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of Taiwan.”

China’s counter to Blinken’s presentation came in two parts. The first was Wang Yang’s speech on the 30th anniversary of the 1992 meeting, which yielded what KMT Chairman [Eric Chu so aptly called](#) a “no-consensus consensus.” Wang reminded Taipei and Washington of Beijing’s insistence that they accept China’s claim that in 1992 Taiwan and China both agreed that they were part of one China, the so-called “1992 Consensus” -- China equates with the “one-China Principle” that China must be unified under Beijing’s rule.

China’s second response to Blinken’s presentation was the issuance on Aug. 10 of [its third White Paper on Taiwan](#), entitled “The Taiwan Issue and China’s Reunification Undertaking in the New Era.” The new era is the era of Xi Jinping, and the White Paper lauds at length Xi’s leadership in advancing China’s objective of reunification, peacefully if possible. While analysts parsed differences between the 2022 White Paper and its predecessors, issued in 2000 and 1993, those changes were minor. The dominant theme of the White Paper is the importance of Xi’s leadership, and in that vein it paralleled the nearly dozen publications on the importance of Xi Jinping thought and leadership in every aspect of Chinese policy and society. The white paper stresses that the reunification of Taiwan with China is the shared aspiration of all Chinese and an essential part of China’s great rejuvenation. The only obstacles to this goal are Taiwan independence “splittists” led by President Tsai Ing-wen and the Democratic Progressive Party (DPP) and supported by US efforts to use Taiwan to contain China.

China’s confrontational posture was also reflected in a series of tense bilateral meetings—between US National Security Advisor Jake Sullivan and China’s Director of the Foreign Affairs Commission Yang Jiechi by phone on May 18 and then in Luxembourg on June 13; between Secretary of State Blinken and

Foreign Minister Wang Yi on July 9; and between Defense Secretary Lloyd Austin and Minister of National Defense Gen. Wei Fenghe on the margins of the Shangri-La Dialogue in Singapore. In each case according to the official readouts from the two sides, the US cast the bilateral relationship in terms of a broad series of issues important to both sides, while China insisted that Taiwan was the inescapable prerequisite to any improvement in bilateral relations or progress on other issues.

In late July after media broke the story of Pelosi’s decision to visit Taiwan, [President Biden said](#) that the US military thought her trip was a bad idea, but he stopped short of expressing his own opposition. Pelosi said only a request from the president would stop her, which the White House clearly concluded would be too politically costly.

On July 28, four days before Pelosi’s arrival in Taiwan, Biden and Xi spoke by phone for two-and-a-half hours. Once again, the [US readout emphasized](#) the need to “manage our differences and work together where our interests align.” Biden restated the US opposition to “unilateral efforts to change the status quo or undermine peace and stability across the Taiwan Strait.” According to the Chinese readout, [Xi acknowledged](#) the need for the two countries to cooperate on global issues, but insisted that “the one-China principle is the political foundation for China-US relations” and warned that cooperation would only be possible if the US ceased “viewing China as the primary rival and the most serious long-term challenge.” [The Wall Street Journal reported](#) that Xi warned Biden of unspecified consequences if Pelosi visited Taiwan, but “he also indicated that he had no intention of going to war with the US.”

Amid these repeated confrontational exchanges between the US and China on Taiwan policy, Taiwan said almost nothing. [President Tsai Ing-wen welcomed](#) Speaker Pelosi without mentioning China directly, simply saying that Taiwan “fac[es] continued, deliberately heightened military threats.. Taiwan is committed to maintaining peace and stability in the Taiwan Strait, and we will make Taiwan a key stabilizing force for regional security.” After China issued its White Paper, [Tsai told the DPP](#) that it was “full of wishful thinking...ignoring reality on the other side of the Taiwan Strait and not renouncing the use of force against

Taiwan," While remaining low-key, [Taiwan's foreign ministry said](#) that Taiwan had been briefed by the US beforehand about Blinken's speech on China policy and [about Blinken's July 9 meeting](#) with Wang Yi in Bali, suggesting a strengthening of US-Taiwan policy coordination.



Figure 2 US House of Representatives Speaker Nancy Pelosi attends a meeting with Taiwan President Tsai Ing-wen at the presidential office in Taipei, Taiwan Aug. 3, 2022. Photo: Taiwan Presidential Office via Reuters

### Internally Divided KMT Searches for US-China Equilibrium

In June, KMT chairman Eric Chu embarked on a 12-day visit to the United States promising to dispel the party's "pro-China" image. In Washington, Chu presided over the reopening of the KMT's representative office. The party had maintained a DC office during its wilderness years of 2000-08 but shuttered it during the 2008-16 presidency of Ma Ying-jeou.

At the Brookings Institution, Chu proclaimed the KMT will remain "pro-US forever" but also promised that the party would also seek "principled dialogue" with the PRC to avoid conflict. Chu committed the party to the buildup of Taiwan's asymmetric defenses should it reclaim the presidency. In responding to an audience question about the 1992 Consensus, Chu referred to it as "no-consensus consensus" with continued utility as the foundation of cross-Straits interactions. While noncontroversial for a US audience, Chu's answer satisfied neither reformist elements in the KMT, which want to move further away from the 1992 consensus, nor Beijing, which has reframed the 1992 Consensus as its rigid "one-China principle."



Figure 3 KMT Chair Eric Chu speaks at the Brookings Institution in Washington, DC on June 6, 2022. Photo: Facebook/朱立倫

The KMT broadly supported Pelosi's visit to Taiwan and condemned China's exercises around the island. But, in a contrary move, KMT Vice Chairman Andrew Hsia, who accompanied Chu to Washington, undertook a 17-day trip to the Mainland on Aug. 11, just as the PLA's live-fire drills wrapped up. Hsia billed his trip as a listening tour to assist Taiwan businesspeople on the mainland (*Taishang*). Hsia met senior CCP officials responsible for Taiwan policy, including ARATS Chairman Zhang Zhijun and TAO Deputy Director Chen Yuanfeng, during his stay. The timing of Hsia's trip and his meetings with CCP officials generated considerable controversy in Taiwan, especially in the DPP. Chairman Eric Chu, struggling to retain support from the deep-blue wing of the party attempted to put a positive spin on Hsia's trip, calling it "brave."

### Chinese Military Intimidation Continues to Grow

Chinese military exercises near Taiwan continued unabated from May through August, even before Pelosi's visit. According to China's Eastern Theater Command, People's Liberation Army (PLA) [combat aircraft conducted exercises](#) off Taiwan's eastern and southwestern coasts, apparently operating off the *Liaoning* aircraft carrier. It also continued its practice of portraying these activities as necessary political signals. The Eastern Theater Command [described the sorties](#) of 30 aircraft near Taiwan during the visit by US Sen. Tammy Duckworth (D-Illinois) on May 30-June 1 visit as "necessary means against US-Taiwan collusion." Intrusions of multiple PLA aircraft, sometimes including drones, into Taiwan's Air Defense Identification Zone (ADIZ) occurred



nearly every other day through June and July. Taiwan's Ministry of National Defense [condemned](#) China's sorties for "intentionally breaching" the Taiwan Strait median line. This median line has never been officially recognized by China, but China had until recently honored it in practice.



Figure 4 A soldier looks through binoculars during combat exercises of the navy of the Eastern Theater Command of the Chinese People's Liberation Army in the waters around the Taiwan, Aug. 5, 2022. Photo: Lin Jian/Xinhua

### Washington Responds Calmly to "Unprecedented" PLA Activity

Once Pelosi arrived in Taiwan on Aug. 2 the Biden administration shifted from soft opposition to her trip to a full-throated defense of it, [saying](#) that she had every right to visit. In the days preceding Pelosi's visit, the carrier *Ronald Reagan* swiftly traversed the South China Sea and positioned itself in waters east of Taiwan, where it met the amphibious assault ship *Tripoli* as the Speaker landed in Taiwan. The two ships [remained](#) on station in the Philippine Sea over the next several days to monitor PLA activity.

Once the live-fire drills concluded, NSC Coordinator for Indo-Pacific Affairs Kurt Campbell [briefed](#) the media on Aug. 12, where he described the administration's response as "responsible, steady, and resolute" in the face of Beijing's "provocative, destabilizing, and unprecedented" actions. Anticipating an extended PRC pressure campaign against Taiwan, Campbell said Washington would take "calm and resolute steps" in the coming months. He enumerated four specific steps: freedom of navigation operations (FONOPS), continued arms sales, the pursuit of deeper US-Taiwan ties especially in trade, and a

recalibration of the US force posture in the region.

A US Navy cruiser sailed through the Taiwan Strait in [May](#) as did a US destroyer in [July](#). Given heightened PLA activity around Taiwan well after Pelosi's visit, observers speculated whether the next transit might go beyond the routine. Campbell and White House officials declared that a ship transit would occur "in the coming weeks" but did not give specifics. On Aug. 28, the US Seventh Fleet [announced](#) that two cruisers were in the process of transiting the Taiwan Strait.

### Chinese Military Response to Pelosi Visit, Dramatic but Contained

As Pelosi's arrival on Taiwan grew near, China's hyper-nationalist [Global Times](#) [began speculating](#) that PLA aircraft might respond by flying for the first time over Taiwan and perhaps even "escorting" Pelosi's US Air Force plane as it approached the island. No Chinese official media or spokesmen ever suggested the PLA was considering such a provocative step, but Chinese social media lit up with angry disappointment when it was reported that Pelosi had landed without any PLA action.

As Pelosi visited Taiwan, China's spokespeople and official media launched a barrage of criticism against Pelosi and the United States. The spokesman for [China's Ministry of National Defense](#) [warned](#) that "[t]he Chinese People's Liberation Army is on high alert and will take a series of targeted military operations in response to resolutely safeguard China's sovereignty and territorial integrity, and resolutely thwart the interference by external forces and the separatist schemes for 'Taiwan independence.'" On the day Pelosi arrived in Taiwan, the PLA announced six maritime exclusion zones for exercises scheduled to commence at noon on Aug. 4, the day after Pelosi's departure from Taiwan.

The PLA [launched 11 missiles](#) on Aug. 4, including at least two that flew over northern Taiwan at high altitude and landed within Japan's Exclusive Economic Zone. Over the next several days, PLA units conducted a variety of exercises. Taiwan military units observed live-fire exercises near the offshore islands of Matsu and Kinmen on Aug. 4. On the following day, Taiwan's Ministry of National Defense ([MND](#))

[reported](#) 66 PLA aircraft sorties and 13 naval vessels operating near Taiwan, some crossing the Taiwan Strait median line. On Aug. 9, [Taiwan's MND reported](#) 10 PLA naval vessels and 45 aircraft were operating around Taiwan. On Aug. 10, [China's Eastern Theater Command announced](#) that it had achieved all the objectives of its "joint military operations carried out recently in the waters and airspace around the Taiwan Island." It added however that the PLA would "continue to carry out military training for war preparedness and organize normalized combat-readiness security patrol in the Taiwan Strait."

Despite the intensity of these PLA exercises and the coverage and commentary by all sides, two judgments stand out. The first was by the Chinese leadership: The exercises should be carefully timed and designed to avoid any accidents that might spark a conflict while setting the precedent for more intensive, more intimidating PLA maneuvers closer to Taiwan. Pelosi's visit gave the PLA an opportunity to exercise capabilities, particularly joint capabilities it had wanted to practice during the summer exercise season, while also sending a political signal, but any risk of escalation must be avoided. The second judgment was made by the Taiwan public and business community, which concluded that the exercises did not immediately threaten them. The American Chamber of Commerce in Taiwan surveyed its members, and [77% of those responding said](#) that they had not been significantly affected by the exercise.

### **Beijing's Aggressiveness Provokes Global Rebuke**

The foreign ministers of the G7 and EU issued a [joint statement](#) on Aug. 3 expressing concern with Beijing's announcement of live-fire exercises. PRC Foreign Minister Wang Yi immediately [denounced](#) the statement for conflating "right and wrong" and defended China's measures as "reasonable and legitimate." Also on Aug. 3, ASEAN foreign ministers issued a [joint statement](#) urging "maximum restraint" without mentioning China by name. In much more pointed language, the foreign ministers of the US, Japan, and Australia condemned the PRC's missile launches in a [joint statement](#) on Aug. 5.

Uncowed by Beijing's saber rattling and sanctions against Pelosi, foreign

parliamentarians lined up to show support for Taiwan through visits to the island. A five-member Congressional delegation (CODEL) led by Sen. Ed Markey (D-Mass.) was the first to arrive in Taiwan in Pelosi's wake. [China insisted](#) that it had the right to respond to this "infringement on its sovereignty" with further military exercises. The following week, a delegation of influential Japanese Diet members closely involved in Taiwan policy landed in Taipei for meetings with President Tsai. Parliamentary delegations from Germany and Canada announced plans to visit the island in October, drawing Beijing's ire.

### **Japan Caught in Cross-Strait Tensions**

Taiwan Vice President William Lai traveled to Tokyo on July 11 to attend the private funeral of assassinated former Prime Minister Abe Shinzo. According to the Japanese and Taiwan governments, Lai traveled as a private citizen. Regardless, Lai became the most senior Taiwan official to set foot in Japan in five decades, prompting Beijing to lodge a strong complaint with Tokyo. Notwithstanding the peculiar circumstances surrounding Lai's invitation, his trip underscores the affinity Abe had for Taiwan and the closeness of Japan-Taiwan ties.

Five ballistic missiles landed in Japan's exclusive economic zone (EEZ) east of Taiwan during the PLA's first day of drills on Aug. 4. To many observers, this was a deliberate warning to Tokyo as it contemplates involvement in a cross-Strait military contingency alongside the United States. In late July, Japan's Ministry of Defense published a defense white paper with expanded coverage of Taiwan compared with the previous report, elucidating Japan's defense strategy and military deployments in the region. Similar to the 2021 white paper, this year's report ties Japan's security with that of Taiwan.

### **Beijing Says: No Median Line, No International Waters**

In the longer term, China poses two serious challenges to the status quo in the Taiwan Strait as it has been understood by all sides. The first is China's renewed promise to ignore the median line of the Taiwan Strait, which it had long treated as a restraint on its military operations. In the wake of the Pelosi visit and the repeated flights of PLA aircraft over the median line, [China's Taiwan Affairs Office](#)

[stated](#) that “the so-called median line is non-existent.” It should be noted, however, that most of the PLA sorties seemed to very carefully cross the median line from west to east and immediately make a U-turn and fly back toward the Chinese mainland, almost emphasizing rather than ignoring the line. We do not know if or how that might change.

The second challenge is potentially more perilous. Foreign ministry spokesman Wang Wenbin said on June 13 that “Taiwan is an inalienable part of China’s territory. . . . China has sovereignty, sovereign rights and jurisdiction over the Taiwan Strait...It is a false claim when certain countries call the Taiwan Strait ‘international waters’ in order to find a pretext for manipulating issues related to Taiwan and threatening China’s sovereignty and security.” According to reports, Chinese diplomats had already been making this point to US counterparts.

US State Department spokesman [Ned Price](#) [replied](#) a few days later: “The Taiwan Strait is an international waterway, meaning that the Taiwan Strait is an area where high-seas freedoms, including freedom of navigation and overflight, are guaranteed under international law.” Assistant Secretary [Kritenbrink](#) [underscored this point](#) in his Aug. 17 press briefing: “[I]t would be deeply destabilizing and irresponsible if China were to try to take steps designed to control or restrict the ability of the United States or others to transit the strait or were to take steps that would threaten the ability of shipping and commerce to go through the strait.” There is no indication that China has taken or contemplates taking any concrete steps to enforce its claim, or that it has defined what the legal status of the Taiwan Strait is if it is not international waters, or that it has explained how such a claim might be justified under the UN Convention on the Law of the Sea, which sets out specific rules for a country laying claim to control or benefit exclusively from a body of water.

### **A New US Arms Sales Policy?**

The Biden administration authorized two small arms sales to Taiwan, [one](#) in June involving spare parts for navy ships valued at \$120 million, and [another](#) in July to replenish parts for combat vehicles and tanks valued at \$108 million. These sustainment sales, together with the rejection of Taipei’s request for anti-

submarine helicopters and early warning aircraft in the spring, underscore an apparent shift in US arms sales policy in which only “asymmetric” weapons will be approved. Defense experts see Taiwan’s adoption of numerous, mobile, and survivable systems as its best defense against an all-out invasion instead of heavier and more expensive platforms that could be quickly neutralized.

The US-Taiwan Business Council and AmCham Taiwan brought to light this policy change in an open [letter](#) to Biden administration officials in May. The two business groups, which include US arms manufacturers in their membership ranks, argue against a singular focus on asymmetric weapons because it would undermine Taiwan’s capabilities to counter more immediate gray-zone challenges. A balance should be struck to ensure Taiwan has capabilities for the full spectrum of conflict, the associations argue.

The PLA’s destabilizing pressure campaign against Taiwan this August and efforts to change the status quo below the threshold of war could trigger a reassessment within the Biden administration toward a more flexible policy. Washington and Taipei [intend to compare](#) intelligence assessments of Beijing’s live exercises. But a far more difficult assessment involves the likelihood of a Chinese invasion and gauging Xi Jinping’s intentions, with many in the US perceiving the threat to be far more acute than the Taiwan military.

### **Taiwan’s Military Faces the Challenge, but How?**

Since Russia invaded Ukraine, Taiwan has moved to strengthen its military capabilities. It has begun moving toward reinstituting a longer conscription period and perhaps expanding the role and capabilities of its reserves. On Aug. 25, [Taiwan announced that its military budget](#) would be increased for 2023 by 12.9%, its military operations budget would increase by just over 25.4%, and its overall military budget would account for 2.4% of GDP. Taiwan’s budget ministry tied these increases directly to “recent developments in cross-Strait relations.”

While almost all Taiwan and US officials and analysts welcome these efforts to expand Taiwan’s defense capabilities, Taiwanese experts, like their US counterparts, had significant disagreement about how these

personnel and budget increases should be directed. Taiwan's former chief of the general staff [Lee Hsi-min has argued](#) that Taiwan must concentrate on asymmetric close-in defense and rely on the US for longer-range defense. Asymmetric capabilities by themselves are not sufficient, [others have argued](#), and must be complemented with the construction of larger naval vessels and purchases of additional combat aircraft to counter the gray-zone intimidation China has conducted over the past months. It remains unclear however what such larger platforms would have or could have done to deter Chinese actions without risking inadvertent conflict.

### **New Congressional Bill Seeks to Strengthen Taiwan's Security**

In June, Senators Robert Menendez (D-NJ) and Lindsay Graham (R-SC) introduced the [Taiwan Policy Act of 2022](#), which the two lawmakers billed as the “most comprehensive restructuring of US policy towards Taiwan since the Taiwan Relations Act.” The bill would, *inter alia*, provide Taiwan \$4.5 billion in arms sales financing, fast-track deliveries of arms to the island, designate Taipei as a major non-NATO ally, and impose sanctions on PRC individuals and entities that coerce the island's government and citizens. The bill would also direct the secretary of State to negotiate the renaming of Taiwan's diplomatic office in the United States from the Taipei Economic and Cultural Representative Office to the “Taiwan Representative Office.” In the theology of cross-Straits nomenclature, the change from “Taipei” to “Taiwan” would be regarded as a major acknowledgment of Taiwan's claim to sovereignty and statehood. The Biden administration has reportedly expressed [reservations](#) about some of the provisions for fear that they would antagonize Beijing. The bill has several procedural steps to pass in coming months, and refinements are likely.

### **A Quick Start to a New US-Taiwan Trade Dialogue**

The US and 12 nations launched the Indo-Pacific Economic Framework (IPEF) in late May without Taiwan. But USTR unveiled a [framework](#) for a new trade dialogue with Taiwan modeled on the IPEF the following week. In fact, the US-Taiwan Initiative on 21<sup>st</sup> Century Trade is likely to yield more meaningful bilateral outcomes for

the US and Taiwan than the multi-nation IPEF with its common denominator commitments.

Negotiators in Washington and Taipei quickly achieved consensus on [negotiating objectives](#) and launched formal negotiations on Aug. 17, ahead of the IPEF bloc. Agreements in 11 trade areas are to be explored including in digital trade, agriculture, and trade facilitation. While robust in scope, this trade initiative does not constitute a bilateral trade agreement (BTA), as the commitments are not legally binding and key components of a BTA, such as tariff elimination and IP provisions, are left out.

There is strong will in both Taipei and Washington to be ambitious and move expeditiously over the next 12-18 months. Taipei's clear desire is for the dialogue to be upgraded into a full-fledged trade agreement. In the meantime, the initiative buttresses Taiwan's CPTPP bid and pursuit of bilateral trade agreements with other countries. The US is eager to show support for Taiwan in creative ways to strengthen deterrence, as Kurt Campbell noted in his Aug. 12 remarks.

### **Looking Ahead**

In the wake of the Pelosi visit to Taiwan, analysts have debated whether it and the subsequent Chinese military exercises have provoked a fourth cross-Straits Crisis or created a “new normal.” At a minimum, these and other events over the past four months have changed the old normal. Taiwan's relations with the US and other foreign partners have grown stronger and more visible, though it is not clear to what extent that will strengthen Taiwan's security in the face of Chinese intimidation and coercion. China has established precedents for it to expand its military activity closer to Taiwan and in a larger, more threatening scale.

In the short term, all three sides can claim a short term “win” from the Pelosi visit. Xi Jinping looks tough but measured. Taiwan gets US reassurance and a way to argue for additional defense sales even given the competing US commitment to supply Ukraine's military. The US looks tough, and Biden, Pelosi, and the Democrats have prevented any Republican Party use of the Taiwan issue for domestic political advantage.



Over the next few months, political events in China and Taiwan will likely limit any destabilizing cross-Strait initiatives. In advance of the 12th Chinese Communist Party Congress in mid-October and its confirmation of Xi for a third term as party general secretary, Xi will want to appear tough toward Taiwan and the US, but he will not want to risk cross-Strait instability he cannot control. Taiwan President Tsai Ing-wen and her Democratic Progressive Party will be focused on the island-wide series of local elections in late November. The last round of local elections in 2018 forced Tsai to resign as DPP chair and seemed for a time to endanger her reelection. She will not want any provocative steps toward greater Taiwan independence before these elections that might prompt truly painful Chinese economic sanctions, which would erode her image as a steady, reliable, disciplined leader whom Taiwan's swing independent voters can trust. The US will welcome any lull in cross-Strait tensions that would make it possible to refocus the US-China relationship onto issues like trade and investment and the environment which will enhance President Biden's stature as he considers running for a second term.

Once past these short-term stabilizing factors, Xi may decide the time has come to take concrete steps to coerce Taiwan to move toward at least somewhat peaceful reunification. Tsai may want to wave the anti-China banner to help her DPP successor win the 2024 presidential election. She may even welcome Chinese threats that will strengthen the DPP's claim to be the party that can be tough against China. And US political pressures may cause Biden and his Republican adversaries to compete to show who can be the strongest supporter of Taiwan and opponent of China.

#### *Reunification would fulfill China's historical mission*

On Oct. 9, Xi Jinping celebrated the 110<sup>th</sup> anniversary of the Xinhai Revolution. Xi's remarks [depicted](#) the Chinese Communist Party (CCP) as the sole and faithful heir of the vision of Sun Yat-sen, who led the revolution and established the Republic of China (ROC). Central to Sun's vision, Xi insisted, was the unification of China. Therefore, the reunification of Taiwan with China is central to China achieving Xi's goal of rejuvenation and avoiding chaos. This statement raised reunification from being merely a policy goal of the Chinese government

to the definition of China's inevitable historical greatness.

A month later, on Nov. 11, the CCP [released](#) with great fanfare its third history of the Party, highlighting the central importance of Xi Jinping. This new resolution on Party history proclaimed that "[r]esolving the Taiwan question and realizing China's complete reunification is a historic mission and an unshakable commitment of the Party." While both Xi's Xinhai anniversary remarks and the new history were dramatic in tone, neither announced changes in policy or an accelerated timeline for reunification. In both statements, discussion of Taiwan remained near the end, its standard place in major speeches and Party and government work reports, signaling that the Party sees no reason to raise the profile of this issue above other challenges it faces.

In his yearend press conference, China's Taiwan Affairs Office spokesman Ma Xiaoguang [offered](#) a sober forecast for 2022: "cross-Strait relations will be complicated and severe, and the situation in the Taiwan Strait will face a new round of tension."

#### *Taiwan seeks to lead as a democratic beacon*

In her speech celebrating the national day of the Republic of China on Oct. 10, Taiwan President Tsai Ing-wen [offered](#) a very different vision. She too warned that cross-Strait relations face "a situation that is more complex and fluid than at any other point in the past 72 years" but blamed that directly on Chinese threats. She did not mention the Xinhai revolution, which the ROC national day commemorates. Instead, she said that she is the president of the ROC as it has existed since Chiang Kai-shek arrived in Taiwan, clearly implying that this is something different from the ROC that previously existed on the mainland. She pledged to lead this ROC in accordance with the will of the Taiwanese people and without subordinating it to the People's Republic of China.

# CHRONOLOGY OF CHINA-TAIWAN RELATIONS

## MAY—AUGUST 2022

**May 2, 2022:** Taiwan media report that the US has informed Taiwan it cannot supply M109A6 howitzers as planned because of the need to supply the artillery to Ukraine.

**May 3, 2022:** Chairman of the Joint Chiefs of Staff, Gen. Milley [tells](#) the Senate Appropriations Committee that China aims to be capable of invading Taiwan by 2027.

**May 3, 2022:** Secretary of State Antony Blinken [says](#) on Press Freedom Day that Taiwan is "quite literally on the front lines of the PRC's hybrid warfare, including disinformation and cyberattacks."

**May 13, 2022:** President Biden signs a law directing the US government to develop a strategy to help Taiwan regain observer status in the World Health Organization and the World Health Assembly.

**May 20, 2022:** US Trade Representative Katherine Tai [meets](#) Taiwan's Minister without Portfolio and chief trade negotiator James Deng during APEC trade ministerial meetings in Bangkok.

**May 23, 2022:** President Biden and 12 Asian leaders officially launch the Indo-Pacific Economic Framework in Tokyo without Taiwan.

**May 26, 2022:** Secretary Blinken delivers a long-awaited speech on US China policy, reiterating the US commitment to the US One-China Policy based on the Three Joint Communiques, the Taiwan Relations Act, and the Six Assurances.

**June 4, 2022:** Japan announces that for the first time it will send an active-duty military officer to serve as Japan's defense attaché in Taipei.

**June 11, 2022:** US secretary of Defense together with Japanese and South Korean defense ministers [addresses](#) cross-strait stability in a joint statement after they meet in Singapore: "They expressed strong opposition to any unilateral actions that seek to alter the status

quo and increase tensions in the region. They emphasized the importance of peace and stability in the Taiwan Strait."

**June 13, 2022:** PRC Ministry of Foreign Affairs spokesman Wang Wenbin [asserts](#) that China has "sovereign rights and jurisdiction over the Taiwan Strait."

**June 17, 2022:** US Senators Robert Menendez (D-NJ) and Lindsay Graham (R-SC) introduce the Taiwan Policy Act of 2022, which they billed as the "most comprehensive restructuring of US policy towards Taiwan since the Taiwan Relations Act." The bill would, *inter alia*, provide Taiwan \$4.5 billion in arms sales financing, fast-track deliveries of arms to the island, designate Taipei as a major non-NATO ally, and impose sanctions on PRC individuals and entities that coerce the island's government and citizens.

**June 23, 2022:** China [expands](#) its ban on fish imported from Taiwan, claiming the imported fish had traces of COVID virus.

**June 26, 2022:** Taiwan sends its largest ever delegation of 265 participants to the SelectUSA investment summit in Maryland.

**July 2, 2022:** Macao [bans](#) mangoes imported from Taiwan, claiming that inspectors found COVID virus traces on the fruit.

**July 4, 2022:** Taiwan's Council on Agriculture [publishes](#) data showing that China has remained Taiwan's largest market for agricultural exports since 2016 when Tsai Ing-wen became president.

**July 13, 2022:** A spokesperson for China's Taiwan Affairs Office [states](#) "the so-called median line of the Taiwan Strait" does not exist.

**July 19, 2022:** European Parliament Vice President Nicola Beer arrives in Taiwan.

**Aug. 2, 2022:** US House Speaker Nancy Pelosi arrives in Taiwan for a two-day visit.

**Aug. 4, 2022:** White House spokesman John Kirby [says](#) that Secretary of Defense Lloyd Austin had directed that the aircraft carrier USS *Ronald Reagan* and its strike group remain on station to monitor the situation as Speaker Pelosi visits Taiwan.

**Aug. 7, 2022:** Lithuania's Vice Minister of Transportation and Communications Agne Vaiciukeviciute leads a delegation to Taiwan to exchange views on 5G communications and electric buses. Beijing sanctions Vaiciukeviciute on Aug. 12 for "bad and provocative behavior."

**Aug. 9, 2022:** President Biden signs the CHIPS and Science Act of 2022. It provides \$52.7 billion in subsidies for semiconductor manufacturing within the United States, with TSMC seeking to receive a slice of the funding.

**Aug. 10, 2022:** China's Taiwan Affairs Office issues China's third White Paper on Taiwan, titled "The Taiwan Question and China's Reunification in the New Era."

**Aug. 10, 2022:** China's Eastern Theater Command announces that the People Liberation Army has achieved all its objectives and concluded its exercises near Taiwan.

**Aug. 17, 2022:** 40th anniversary of the third Joint Communiqué between China and the US on arms sales to Taiwan goes virtually unmentioned. This is a stark contrast to most anniversaries of major cross-Straits events and documents, which are celebrated by one side or another.

**Aug. 21, 2022:** Indiana Gov. Eric Holcomb arrives in Taipei and signs two MOUs to strengthen Indiana's economic and trade ties with Taiwan.

**Aug. 25, 2022:** US Sen. Marsha Blackburn (R-Tennessee) arrives in Taiwan for a three-day visit.

**Aug. 30, 2022:** Arizona Gov. Doug Ducey arrives in Taiwan for a three-day visit during which he touts the progress of the \$12 billion TSMC fab being erected in Phoenix.

**Aug. 30, 2022:** Taiwan's military [publishes](#) a four-step process for responding to Chinese

drones flying over offshore islands Taiwan controls: "firing warning flares, reporting the incursion, expelling the drone, and ultimately shooting it down."

**Aug. 31, 2022:** Taiwan troops on Kinmen, an island near the Chinese coast, [fire](#) live rounds at a Chinese drone flying over one of the Kinmen islands.

**Aug. 31, 2022:** Taiwan's Ministry of National Defense [indicates](#) in its 2023 budget that it plans to build eight light frigates instead of eight larger frigates as originally planned.

**Aug. 31, 2022:** Vice President of Japan's ruling Liberal Democratic Party Aso Taro [warns](#) Japan is likely to become involved in any military clash between Taiwan and China.

