

# **Transatlantic Security and the Taiwan Straits**

**Sebastian Wood**

Fellow

Weatherhead Center for International Affairs

Harvard University

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## ***SUMMARY***

In this paper I try to illustrate the fundamental security interest which Europe has at stake in East Asia.<sup>1</sup>

I argue that America's global security policy, in an era of great security and prosperity for Americans, has become reactive and is dominated by domestic politics and the forces of inertia. I further argue that there is a real risk of military conflict between the United States and China in East Asia over the issue of Taiwan, the most serious of East Asia's potential flashpoints, and that such a conflict would transform the global security landscape, triggering a fundamental reappraisal by the United States of its international security posture and commitments.

In East Asia it would probably lead to a regional Cold War involving a sustained military and political confrontation between the United States and China. On the other side of the globe it would be likely to lead to a substantial and sudden withdrawal of the United States from the security affairs of Europe. I argue that this could do deep damage to European security, causing increased instability in its poorer areas and growing political disharmony among its richer countries.

I conclude that the European Union and individual European powers need to make better use of their diplomatic and economic capabilities to understand, influence and prepare for events in East Asia. This increased European effort would have the primary aim of avoiding a crisis in U.S.-China relations which could undermine America's commitment to European security, and the secondary aim of minimising the damage to Europe's interests should such a U.S.-China crisis occur. I wind up with some practical suggestions as to how Europe should go about this.

## ***AMERICAN SECURITY POLICY: INERTIA RULES, FOR NOW***

The Atlantic Alliance continues in good health more than a decade after the demise of the enemy it was brought into being to oppose, defying predictions that it would swiftly fall apart without the unifying purpose provided by the Soviet Union.<sup>2</sup> Hardly any serious politician on either side of the Atlantic today advocates withdrawing American military power from Europe. Preserving the transatlantic security link has become a political reflex in Alliance capitals. But for many this reflex is based on habit rather than analysis. Devotion to NATO is now more like an article of religious faith than a policy.

The Atlantic Alliance has become, in effect, the default position for American policy in Europe. Unless there is a seismic shock in international relations, it should endure in more or less its present form, although there will be steady adjustments to the status quo which will require careful political management by the Alliance's leaders. But seismic shocks are by no means out of the question. The Alliance is vulnerable.

America decided to station substantial forces in Europe after the end of the Second World War because of a crisis in Asia. The attack by communist North Korea on the South was the defining moment of America's Cold War security policy, convincing Washington that the Soviet Union had not just menacing capabilities, but also hostile intentions, and prompting the United States to commit its military to protecting the inner-German border in order to prevent Soviet domination of Europe. For Europe today, the risk is that another crisis in Asia, namely a military confrontation with China, will prove a similarly defining moment for America's security policy in the first part of the twenty-first century, catalysing fundamental shifts in America's global security posture which could eviscerate the Atlantic Alliance.

During the Cold War American foreign policy had a simple imperative with which hardly anyone disagreed—to contain Soviet power. With the Soviet Union's collapse, the United States arrived at a crossroads in essentially uncharted territory. The fact that one power has vastly greater political, military and economic influence across the globe than any

other is unprecedented in modern history. At the same time, the very nature of power in international relations seems to be changing and moving out of the grasp of national governments, as wideranging social, political, economic and cultural changes, loosely termed globalisation, appear to be transforming the paradigms of international affairs.

At the theoretical level, there has been a riot of debate among scholars, policymakers and analysts who have been struggling to identify the trends and principles which will shape the future of international relations. But none has succeeded in sounding the foreign policy keynote of a new age in the way George Kennan famously did when he defined the terms of the Cold War by setting out the arguments for containing Soviet power. The overwhelming impression left by the debate is one of confusion at the sheer range of policy choices available to a United States whose combination of military, economic and political power dwarfs that of any other international actor.

At the practical level, since the dramatic collapse of its global rival, after steeply reducing its deployed forces in Europe in the first half of the 1990s, the United States has adjusted its global military posture only cautiously and incrementally.<sup>3</sup> Meanwhile, in both Atlantic and Pacific spheres, American regional security policy has oscillated. In the Balkans, the United States has swung from detachment to deep military commitment and now back towards detachment; and in the Far East the tone of relations with China has veered from confrontation to partnership and now back towards confrontation. It is as though the world's solitary superpower has been feeling its way forward through a fog.

American dominance means that American preferences more than those of any other country will shape the international environment. But what will those preferences be? A decade after the end of the Cold War, the United States has no clear sense of where its overriding strategic priorities lie. A recent attempt to draw up a structured statement of such priorities by a high-powered group of foreign policy experts, the Commission on America's National Interests, began with the following assessment:

*...after five decades of extraordinary exertion, the United States is in danger of losing its way. The fatigue of many, and distraction of some with special interests, leave American foreign policy hostage to television images and the momentary passions of domestic politics. Lacking basic coordinates and a clear sense of priorities, American foreign policy becomes reactive and impulsive in a fast-changing and uncertain world.* <sup>4</sup>

But this is perhaps inevitable. Americans feel very secure. Terrorist groups or individual countries hostile to the United States may pose a credible threat of occasional, isolated outrages against American personnel overseas or even on American soil. But in today's world there is no arch-enemy like the Soviet Union, no immediate, big and tangible threat to America's vital interests, which would compel public support for a simple and consistent set of foreign policy objectives as a national political priority. In the absence of such a threat, the American public and their political representatives are inclined to care a lot more about domestic and economic issues than about foreign policy.<sup>5</sup>

A point that foreign policy specialists often overlook (as do specialists in any field of public policy) is that political leaders are not themselves specialists. They have to weigh, on a day-to-day basis, foreign policy choices in the light of domestic political priorities. Where the foreign policy issue involved is clear, compelling and vital, then most sensible leaders will tend not to allow extraneous domestic factors to intrude in their calculations. But when it is not, it is only natural for the politician, freed from overriding constraints, to make decisions on the basis of calculations which may have little to do with long-term strategies in international affairs and a lot to do with the tactics of domestic politics. Such calculations often have to be made very fast, as governments have to react quickly to events, if they are not to have the policy agenda set for them by the increasingly hyperactive and competitive news media.

The Commission on America's National Interests were correct therefore to observe that American foreign policy, freed of the necessity of containing the Soviet Union, seems by comparison with Cold War days to be "hostage to television images and the momentary passions of domestic politics". But they were perhaps rather ambitious in supposing that

the drawing up of a list of strategic priorities could do anything to change this. The only thing that will is the emergence of a clear threat to vital American interests.

If the new American Administration keeps its election promises, it will disprove this hypothesis. It has promised to bring a clear strategic focus, based on American national interests, to foreign policy.

The new Administration's first 100 days yielded some evidence that, by comparison with its predecessor, it favours a more unilateral approach to international security issues and a measure of disengagement from overseas military commitments. This is not a surprise in view of the pre-election position of the Bush campaign that the United States should spend less time telling other countries what to do ("shaping the international environment", in the jargon of the previous administration) and should preserve its military for fighting and winning wars rather than what it called "nation-building". The Administration gave early signals of its intention to take a less hands-on approach to brokering peace in Northern Ireland, in the Middle East and on the Korean Peninsular; insisted that it would pursue the goal of a defensive shield against ballistic missiles, despite the strong reservations of allies; said that it would reduce its military presence in the Balkans as early as possible; stood back from the crisis in Macedonia, leaving the European Union to lead international efforts to halt the spread of ethnic conflict; and said that it would remove American troops from the international peacekeeping force on the Israel/Egypt border.

But the traffic has not been all one way: the Administration has repeatedly stressed the value it places upon America's alliances; where, in the case of the Balkans, particularly acute concerns had arisen about American intentions, it lost no time in signalling that the United States would not unilaterally withdraw American peacekeepers from Bosnia and Kosovo; it has sent clear signals that it favours a further round of NATO enlargement in 2002, and therefore the extension further across Europe of American military guarantees; it has launched consultations with Allies about its missile defence proposals, and is trying to interest Russia in a new programme of security collaboration which would replace the



ABM Treaty and involve cooperation in the development of missile defences; President Bush has made personal efforts to broker a deal between Armenia and Azerbaijan over the disputed enclave of Nagorno-Karabakh; and, most strikingly, the Administration has made bold decisions on arms sales to Taiwan, and used strong diplomatic language to signal support for Taiwan against any aggression by Mainland China (I analyse this last example in detail below).

So the indicators have been mixed. Add the confusing signals which the Administration's leading figures have already sent about American views of the European Union's efforts to acquire its own defence capability, on Iraq and on Korea, and the picture of American security policy at this stage suggests not fresh strategic clarity but muddle.

Perhaps this is unduly critical. After all, any Administration needs time to work out its priorities in detail. And that is just what the Administration are trying to do. Shortly after taking office, President Bush asked his Secretary of Defense Donald Rumsfeld to carry out a thorough review of America's defence strategy, structure and budget. He is thus setting out to tackle what Republicans have characterised as the major deficiency of American defence policy in the Clinton years: that that it ignored the need for radical reconfiguration in a comprehensively altered post-Cold War environment, left the military configured to meet the challenges of the last century rather than this one, and was bereft of any coherent strategic rationale. Setting the scene for this exercise, President Bush said that he was giving Defense Secretary Donald Rumsfeld a broad mandate to "challenge the status quo as we design a new architecture for the defence of America and our allies" and talked of the need to exploit cutting-edge technology in order better to prepare for the challenges of the future.<sup>6</sup> Within a few weeks there were widespread rumours that the review would recommend dramatic changes to military procurement programmes and the reorientation of American defence policy around the Pacific Ocean as the most likely theatre of future military operations.

Tellingly, however, President Bush also gave strong early signals that major increases in the military budget were not on offer. In other words, more defence dollars in one area

are likely to mean fewer in another. Given the political difficulties of cutting procurement programmes, closing bases and disrupting Alliances, one would therefore expect there to be great inertial resistance from vested interests to any revolutionary changes in America's defence policy or posture.<sup>7</sup>

Put another way, the more clear-sighted and radical the Administration's new security strategy is on paper, the less likely it is rigorously to condition the Administration's policy choices over the coming years. Short of a major new international security crisis, the real and tangible demands of day-to-day management of domestic constituencies and international relationships are likely to trump the idealised organising principles of a defence policy based largely on hypothetical rather than actual threats.

In the military sphere, perhaps the likeliest scenario is the continuing gradual rationalisation of American commitments and forces (in practice the greater pressure will come on overseas establishments, as cutting bases at home is much harder politically), in order to provide funds for the gradual phasing in of expensive new military systems and hardware.

At the level of grand strategy, there is likely to be greater acknowledgement of the importance to American policy and planning of possible future challenges in the Pacific. But at this stage there are no signs that this will encompass any serious political challenge to America's security commitment to Europe, or lead to the precipitate drawing-down of American forces in Europe. To do so in today's circumstances would arouse a lot of controversy, and, conversely, there are perfectly defensible arguments for leaving American commitments in Europe broadly undisturbed: even those who maintain that America should not have intervened in the civil conflict in Kosovo because it had no national interest in doing so are by and large quite sympathetic to the argument that American military bases in Europe give the United States a big say in the security affairs of Europe, encourage wider support among the allies for American policies more generally and provide a militarily valuable bridgehead into western Eurasia for American forces; and that they are a cost-effective way of obtaining these advantages.<sup>8</sup>

If this analysis is correct, the likely prognosis for the transatlantic security relationship will be some thinning out of the visible strands, as deployed American forces are reduced over time and correspondingly greater emphasis is placed on the use of stand-off weapons systems. But, as these changes to the pattern of America's military commitments to Europe are likely to be gradual and incremental it ought to be possible, with careful management of the presentation, to avoid irreparable damage to the credibility of the United States as a European military power.

More broadly, for as long as America's people feel as secure and unthreatened as they do now, it is likely that American foreign policy will continue to appear fitful and at times opportunistic, as it responds to the pressures of domestic politics. To the extent that this affects substance rather than merely rhetoric, it will mean anxious periods for allies who depend on certain levels of American predictability, engagement and multilateralism abroad. But their discomfort should be only temporary: the center of gravity of American security policy is likely to remain broadly where it has been since the end of the Cold War, kept there by the greatest single influence upon it: inertia.

Until, that is, a new threat to the United States emerges which is big enough and clear enough to unite Americans around a new set of compelling foreign policy objectives and give them overriding priority as a basic organising principle in their political decision-making.

## ***WHY THE THREAT OF WAR BETWEEN THE UNITED STATES AND CHINA IS REAL***

Since the United States-China rapprochement in the 1970s there has been uneasy equilibrium in the Taiwan Straits.<sup>9</sup> China has been deterred from attempting forced reunification with Taiwan by America's veiled but suggestive hints that it would respond with force of its own, and by America's superior military capability in the Pacific. Taiwan has been deterred from declaring independence by China's threat that this would provoke an invasion, and by America's hints that if China was reacting to unilateral Taiwanese provocation the United States would not protect Taiwan. The United States has been deterred from changing its policy of "strategic ambiguity" by the risk that such a shift might provoke either China or Taiwan to take unilateral steps which would lead to conflict.

In the 1990s that balance has become increasingly precarious. Policy on all three sides of the triangular relationship is in flux, and the situation has become more and more unstable. The risk of conflict, whether as a result of calculation, miscalculation or desperation, is increasing.

### ***Taipei***

Perhaps the most significant single change is the advent of democracy in Taiwan. This has brought an underlying political reality increasingly close to the surface. Eighty percent of the population of Taiwan classify themselves as natives of Taiwan<sup>10</sup> and thus distinguish themselves from those who fled across the Taiwan Strait with the defeated Kuomintang (KMT) in 1949 and their descendants.<sup>11</sup> Genuine pro-unification sentiment is very limited, and confined mainly to the latter group. China has recently hinted that it is willing to be flexible about the terms on which unification might take place—Taiwan might be given more autonomy, perhaps, than the "one country two systems" model which was originally devised by Deng Xiaoping with Taiwan in mind and then applied to

Hong Kong. But, whatever the precise terms of any proposed settlement, thoughts of unification inevitably conjure up the spectre of Taiwan's economy and political system being overwhelmed and subsumed by mainland China's. Taiwan's per capita income is over four times larger than China's<sup>12</sup>, whereas China's population is roughly 70 times the size of Taiwan's. This huge asymmetry of wealth and demographics is a massive, natural disincentive to unification. When one factors in the obvious risks to a small democracy of yoking its sovereignty to that of a very large authoritarian country which has a recent history of all-consuming, bloody internal conflict and which faces a difficult and uncertain political transition then it is hard to see that many Taiwanese, given an unfettered choice, would not prefer Taiwanese independence.

Of course, Taiwan's choice is not unfettered. Ordinary Taiwanese do not want Chinese missiles raining down on their heads, or the value of their investments wiped out by a Chinese blockade of Taiwan's ports. In the minds of Taiwan's voters, anxiety about China's military threats competes with the underlying desire for independence. Over the last decade, however, the net effect of Taiwan's democratisation has been that Taiwan's official policy has moved steadily away from contemplating any form of unification and towards, if not fully acknowledged independence, then at least the indefinite preservation of Taiwan's current de facto independence.

Between 1987 and 2000, Taiwan's first native Taiwanese President, Lee Teng-Hui, took a succession of steps which effectively switched the emphasis of Taiwan's policy from competing with Beijing for sovereignty over a unified China to asserting Taiwan's de facto independence from the Mainland.<sup>13</sup> Under President Lee Taipei abandoned its claim to be the rightful legal government of mainland China; imposed as a precondition for reunification talks that the PRC should accept recognition of Taiwan as an equal political entity; and abandoned its competition with Beijing for the right to represent China in international fora, pursuing instead vigorous, pragmatic diplomacy aimed at increasing Taiwan's participation in international affairs. Overturning a long-established convention of American policy, Taiwan lobbied successfully for President Lee himself to obtain a visa for a visit to the United States, where he delivered a speech which emphasised

Taiwan's "independent sovereignty". In 1999 President Lee stated in a public interview that cross-strait relations were "special state-to-state relations".

Many analysts have emphasised the personal role of Lee Teng-Hui during the 1990s, portraying Taiwan's progressive policy shift as a personal crusade undertaken by a risk-taker with an undeclared pro-independence agenda; an agenda, moreover, which was well ahead of what the Taiwanese public actually wanted. But Lee's actions also make sense when viewed, more prosaically, as the response of a clever politician to the rapid emergence of anti-unification forces as the key constituency in Taiwanese politics. As if to bear out this interpretation, Lee comfortably won Taiwan's first free presidential election in 1996; then, during the 2000 presidential election campaign, the KMT candidate, Lien Chan, was criticised for not responding robustly to Chinese bluster and threats, and did very poorly compared with Chen Shui-Bian, the leader of the Democratic Progressive Party (the Party which brings together Taiwan's pro-independence and anti-unification groups), who won with a plurality of the votes cast.<sup>14</sup> Chen has tried to reassure Beijing that he will not make precipitate, unilateral moves towards independence but has refused to accept the proposition that there is only one China, which Beijing demands as a precondition for resuming talks on peaceful reunification. Like Lee before him, President Chen must be acutely aware of the domestic political dangers of appearing to give away too much to Beijing.

### ***Washington***

In the 1970s and 1980s, the overriding requirement to cooperate with China as a strategic counterweight to the Soviet Union provided clear coordinates for the navigation of U.S.-China relations. But in the 1990s the debate about China policy in Washington lost its moorings and became partisan and confused. The loudest voices have been those of narrowly-focussed interest groups, such as human rights organisations, pro-Taiwan lobby groups, investors and financiers, military-industrial interests, and the ideological right who contrast China's authoritarianism and (nominal) communism with Taiwan's emerging democracy. As a result, American perceptions of China are fragmented and

incoherent, and politicians have been able to use China opportunistically as a stick with which to beat their opponents.

This has not been conducive to steady or predictable policy. The Bush Administration, even though it had angered China by selling 160 F-16 fighters to Taiwan in 1992, had sought to reestablish cooperation with Beijing after the Tiananmen debacle, and was famously criticised by Bill Clinton in that year's election campaign for "coddling dictators". The Clinton Administration initially took a more pro-Taiwan line, conducting a review of policy in 1994 and deciding to upgrade the status of Taiwan's representative offices in the United States. The decision of President Clinton to grant Lee Teng-Hui a visa in 1995 seems to have convinced Beijing that they were losing their control over Taiwan's destiny. The result was a major crisis in United States-China relations: a sustained Chinese display of military intimidation in the Taiwan Straits to which the United States eventually responded by hinting strongly to the Chinese Government that Chinese aggression would invite a military response from the United States, and, more tangibly, by sailing two aircraft carrier battle groups towards the Straits.<sup>15</sup>

After this crisis, the emphasis of America's China policy shifted back towards conciliation and engagement. President Clinton publicly stated during a visit to China in June 1998 that the United States would not support unilateral moves by Taiwan towards independence.<sup>16</sup> The United States intensified bilateral contacts and sought to promote China's entry into the World Trade Organisation. It coined new jargon: the relationship with China was "building towards a strategic partnership". But this sent the political football moving the other way up the field in Washington. Now the Administration was being criticised by the Republicans for selling Taiwan short, devaluing the Alliance with Japan, and indulging in wishful thinking about Chinese intentions. China policy became an issue in the 2000 presidential election campaign: candidate George Bush said that China should be seen not as a partner but as a "strategic competitor".

The new Administration thus came to power with a certain amount of credibility invested in its willingness to take a tougher line with China over Taiwan. Their political options

were further constrained by the bitter row with China in early April 2001 over the “EP3 incident”.<sup>17</sup> The Administration subsequently took three steps which, in the sensitive context of the Taiwan issue, represent significant shifts in American policy: firstly, it agreed to the boldest package of defence sales to Taiwan since the sale of F-16 fighters in 1992. Because the package includes diesel submarines and advanced anti-submarine aircraft, it promises substantially to change the cross-straits military balance by enhancing Taiwan’s ability to deter and resist Chinese naval pressure on its ports. Secondly, President Bush said publicly that the United States would do “whatever it takes” to defend Taiwan from Chinese aggression. Although he subsequently sought to balance this by reaffirming America’s commitment to the “One China” principle, this was nevertheless the strongest public hint on record that America would resort to military force to defend Taiwan. Thirdly, the Administration permitted President Chen Shui-Bian to visit New York in May 2001. Given China’s furious reaction to the Lee Teng-Hui visit in 1995, they were bound to find this extremely provocative, even though President Chen’s visit was officially described as a transit stop, necessary for reasons of safety and comfort.

The shifting American position has been destabilising in a number of ways:

- The military crisis in the Straits of 1995/96, and President Bush’s most recent remarks about defending Taiwan, have raised the geopolitical stakes for the United States in protecting Taiwan from Chinese coercion. Having promised so much, albeit implicitly, the United States cannot now fail to deliver without doing serious damage to the credibility of its alliances. The consequence of that, much more seriously for the region and for American interests, could be renationalised defence policies in Japan and South Korea and a destabilising security competition between Japan, China and South Korea.
- This increasing sense of American commitment will, in turn, tend to embolden those in Taipei who are tempted to continue the process of edging away from unification, testing the limits of Beijing’s tolerance, or who even calculate that Taiwan should



exploit what may be a transient window of opportunity when the balance of political and military factors is in Taiwan's favour by challenging Beijing and presenting the international community with independence as a *fait accompli*.

- That risk will in turn cause deep unease in Beijing. The Chinese leadership's concern will have been compounded by the U.S. Administration's recent decision on defence sales to Taiwan, and the associated risks that Taiwan will over time acquire a substantially enhanced ability to resist Chinese military coercion, and will build up increasingly close military ties to the United States.
- Conversely, Washington's recent record of reverting under Chinese pressure to a more conciliatory stance towards Beijing, and the lack of a clear sense of bipartisan consensus in Washington on the proper limits of American commitment to Taiwan, may encourage the Chinese leadership to believe that America's support for Taiwan is shaky, and that American bluffs can be called. Under the wrong circumstances, this could lead to dangerous Chinese adventurism.

## ***Beijing***

During the first half of the 1990s, the shifts in Taiwan's and America's positions prompted the Chinese to switch their policy emphasis dramatically from peaceful negotiation to military coercion. China began a steady build-up of military forces in the coastal region opposite Taiwan. China's missile tests close to Taiwan and military exercises in the Taiwan Straits in 1995/96 had some intimidatory impact: Taiwan's markets fell sharply and overtly pro-independence candidates received fewer votes than pro-unification candidates in the 1996 presidential election which returned Lee Teng-Hui to power. But the net political effect in Taiwan appears to have been not to weaken support for independence but simultaneously to strengthen it and to drive it underground. The DPP shifted its slogan from "Taiwan independence" to "Taiwan first" and achieved fresh electoral success in 1997. Beijing attempted to revive negotiations on peaceful reunification but angrily broke off after President Lee's 1999 comments on "special state-

to-state” relations. A further round of intensified pressure on Taiwan in 1999/2000 (a continuation of the build-up of military forces, including missiles, opposite Taiwan; the introduction, in a defence white paper, of the new and threatening idea that China would consider indefinite delay in the reunification negotiations, of itself, to justify the use of force; and bellicose statements by Chinese leaders in the run-up to the 2000 presidential elections in Taiwan) failed to prevent, indeed may have helped to produce, Chen Shui-Bian’s victory.

By early 2001 China had reverted to conciliatory appeals. The PRC leadership were now hinting that negotiations could resume with the expectation of considerable flexibility over the ultimate terms of reunification, if only President Chen would commit himself to the principle that there is one China. But the existence of one China is a proposition which Chen cannot, politically, accept. The truth appears to be that the democratisation of Taiwan has brought the two sides to a point where their fundamental political differences may well be unbridgeable. For Beijing, reunification cannot be a question of whether, but of when and how. Accepting this would probably be political suicide for any DPP President, and politically very risky for any Taiwanese leader. Nor is it politically realistic for China to contemplate a deal under which China renounces the threat of force in return for a Taiwanese guarantee not to seek independence, as some commentators suggest. Meanwhile there is considerable suspicion in Beijing that Chen Shui-Bian’s current restraint on the question of independence is purely tactical, and that if his political situation strengthens he will discard pretence and openly pursue independence.

An independent Taiwan, especially if formally allied to the United States, would add to China’s feelings of encirclement by a hostile coalition of forces. It would set a potentially destabilising example to other parts of Han China’s continental empire, such as Tibet and Xinjiang. Taiwan’s democracy, endowed with an extra aura of national sovereignty and permanence, would be a standing reproach to the autocracy of the Mainland’s authorities, undermining the legitimacy of the Chinese Communist Party (CCP). The current situation is therefore a deeply worrying one for the Chinese leadership.

Various developments could induce a sense of panic and loss of control: a further pro-independence shift in Taiwan's declaratory policy, perhaps triggered by developments in American policy; or, less dramatically, the mere prospect of a further DPP victory in the next round of parliamentary elections (scheduled for the end of this year), or in the 2004 presidential elections. In responding to, or attempting to pre-empt, such eventualities, China's leaders would be quite likely, as a minimum, to revert to military threats and intimidation.<sup>18</sup> If so, China will feel the need to find a way to make its threats more compelling and chilling than in 1995/96 and 1999/2000—otherwise they are likely to be discounted by a Taiwan public which has experienced similar Chinese bluster twice before only to discover that life carried on as normal after their voters had defied Chinese wishes. But Chinese escalation of the implied threat would in turn take the relationship with Taiwan and the United States into new and uncharted areas of tension.

China's leaders might even calculate that issuing further threats was pointless; that there was no effective way to remote-control political developments in Taipei; that the situation was inexorably worsening from their point of view; and that the only way to avoid Taiwanese secession, therefore, was military action aimed at ending the problem once and for all. Such a drastic policy choice could look like the least bad option if Chinese leaders took the view that even an operation with only a partial chance of success would be better than lingering but certain transition to Taiwanese independence. They might base such a decision, for example, on the calculation that China had a chance of striking swiftly and effectively enough to impose some kind of political control in Taipei, thus presenting the international community and the United States in particular with a *fait accompli*. They might further calculate, especially if Taiwan had acted provocatively, that the United States would not risk the lives of its troops to defend a Taiwan which had behaved irresponsibly.

Some analysts find it hard to accept that China could take such a step. After all, once the rhetoric is stripped away, Chinese foreign policy, since the accession to power of Deng Xiaoping in the late 1970s, has remained steadily and pragmatically focussed on maintaining a peaceful and cooperative international environment in order to support the

central aim of economic development. Risking war with the United States would flatly contradict that established imperative. Surely the potential costs to China of military aggression against Taiwan—the risk of a major military defeat, and the likelihood, even if victorious, of a massive setback to the cause of modernisation and economic development lasting not just years but decades—would outweigh the potential costs of allowing Taiwan to proceed to independence. According to this analysis, the only realistic choice for China’s leaders, if forced to the brink of conflict over Taiwan, would be to climb down as gracefully as possible. After all, they could put a brave face on things by claiming that the long-run forces of greater economic interdependence would bring Taiwan back to the fold over time, even while tacitly accepting that reunification was a lost cause for the foreseeable future.

That view fails to give sufficient weight to two factors: the rising nationalism of the Chinese public, and the politics of regime survival. It also ignores one highly relevant – and ominous – recent precedent: the Tienanmen affair of 1989.

The monolithic appearance of the Chinese government and the repetitive mantras of Chinese official policy have a numbing effect on the observer, making it easy to forget that transitions of political power in China are often brutal affairs. History and experience have taught China’s leaders that if they are removed from power on anything other than their own terms, the personal consequences for themselves and their families are likely to be dire, ranging from political excommunication and house arrest<sup>19</sup> to (in the case of more convulsive change) trial, public humiliation, imprisonment and possible torture or death. When the survival of a political leadership is at stake, the instinct of self-preservation takes over. China’s leaders have proved themselves under such circumstances capable of taking decisions which might seem irrational or self-defeating by the lights of normal political calculations in liberal democracies. The recently released *Tienanmen Papers*, whether or not they are based on genuine documentary records of leadership meetings during the crisis, are a timely reminder of this central fact of Chinese political life.<sup>20</sup> The decision to turn the guns of the People’s Liberation Army on demonstrators in June 1989, in the full view of the world’s media, did massive damage to

China's international reputation and in the view of many set back the cause of China's development and modernisation by many years. It was a desperate act by a desperate leadership, fighting for its political survival above all other goals.

It is only a little over a decade ago that those anti-government demonstrations, born of resentment at the Chinese Communist Party's autocratic, unaccountable and corrupt rule, erupted in scores of Chinese cities, opening up deep disagreements at the highest levels of the CCP. The continuation in power of leaders such as Li Peng who are believed by the public to have the blood of demonstrators on their hands, and the lack of significant political reform in the succeeding decade can only have increased the tensions below the surface of Chinese society. Attention-spans in the western media are short, and observers of the Chinese scene rarely mention the possibility of a renewed explosion of popular discontent. But it is safe to assume that this risk, and the associated risk of the implosion of the CCP and an all-out competition for power, is one which the Chinese leaders themselves take very seriously.<sup>21</sup> Their minds will be concentrated further by the delicate task of effecting, in the period leading up to the 16<sup>th</sup> Party Congress next year, the transition to the fourth generation of the post-revolutionary leadership; and by the increasing nationalism of the Chinese public.

For most of the last two centuries, the Chinese have had to live with a deep and vexing contradiction between, on the one hand, the notion of superiority which is deeply ingrained in their history and culture and, on the other, the prostration of their nation before superior foreign power. This has tended to produce an attitude to the West which awkwardly mixes strong emotions of admiration, insecurity and resentment. China's modernisation and rapid rise up the ranks of economic powers conjure up a compelling vision of Chinese renaissance which would resolve this uncomfortable contradiction and enable the Chinese to rationalise away the last two centuries of weakness as an historical aberration. As the Chinese become more confident that this vision can become a reality, they are experiencing a surge of assertive nationalism.

The rise of nationalist sentiment puts the current leadership in a difficult position. This generation of the CCP's leadership no longer retains any post-revolutionary legitimacy. Its claim to a monopoly of political power in China's increasingly plural society rests shakily upon two foundations: delivering economic success; and responding to the public's growing nationalism. Economic success, in an era of growing international interdependence, can never be taken for granted, even given favourable domestic conditions. China's prospective membership of the WTO promises much in the long term but adds to the short-term uncertainties: China faces wrenching adjustments as it reduces state support to industry and opens domestic markets to greater international competition. If economic problems increase, so will the pressure on China's leaders to pursue more overtly nationalist policies in order to maintain support and head off challenges to their authority.

China's leaders are not fans of large-scale public demonstrations, especially if they are organised nationally. They understand that such demonstrations have a nasty habit of turning into anti-government protests. This has made them wary of condoning any spontaneous public displays of nationalist feeling. But recent events demonstrate the limits of their ability to contain the public's emotions.<sup>22</sup> For example, the leadership permitted and facilitated the large and furious demonstrations outside western embassies and establishments after the bombing in 1999 of the Chinese Embassy in Belgrade, even though they must have been concerned about the possibility of the situation running out of control.

In the atmosphere of heightened nationalism, any Chinese leadership which appears to be standing idly by while Taiwan is lost will be extremely vulnerable to challenge. This is because Taiwan is an issue which ordinary Chinese see in the context of one hundred and fifty years of foreign domination and humiliation, which awakens strong nationalist emotions and on which there is a hawkish political consensus.<sup>23</sup> This sentiment may be founded more on emotion and propaganda than reason, given the slim historical basis for the CCP's claim that Taiwan is part of China. But anyone who has travelled in China and discussed the matter with ordinary Chinese knows that it is widely and deeply felt.

It is therefore unwise to assume that China's leaders will always have the luxury of being able to base their decisions on cool, rational calculations of China's national interests. The future of Taiwan, and therefore of U.S.-China relations, is hostage to China's domestic politics, and the outlook for China's domestic politics in the short- to medium-term is one of turbulence<sup>24</sup>.

Actual use of military force across the Taiwan Straits might take different forms, ranging from attempted invasion to isolated missile strikes and/or blockades of commercial ports. For the purposes of the argument of this paper, there is no need to examine these scenarios in detail.<sup>25</sup> It suffices to note just a few points.

Military analysts seem to agree that Taiwan's defence forces would stand a good chance of defeating a Chinese invasion attempt, even without American assistance, provided they could protect a sufficiently high proportion of their military air assets from Chinese missile and air attacks. Although an attempted full-scale invasion cannot be ruled out<sup>26</sup>, it is perhaps likelier that China would use lower-range options, such as missile attacks or threats to shipping with mines and submarines, in an attempt to apply forcible coercion. Taiwan currently lacks the military capabilities necessary to neutralise such threats by itself.<sup>27</sup> Unless the United States intervened, therefore, such tactics would stand a good chance of terrorising the public and the markets, forcing Taiwan into concessions.

The United States Administration would find itself under great pressure to act to protect Taiwan from such coercion. Realists would argue that failure to defend Taiwan would destroy Japanese and Korean faith in American security guarantees, triggering the pursuit of autonomous defence policies across the region and risking a destabilising security competition between the regional powers; idealists on the other hand would argue that failure to defend a young, vibrant democracy seeking self-determination on the basis of the freely-expressed will of its population from aggression by a hostile authoritarian state would be a gross betrayal of American values.

***THE REGIONAL CONSEQUENCES OF CONFLICT BETWEEN CHINA  
AND THE UNITED STATES***

Once the United States had threatened, or used, military power, there would be serious risks of further miscalculation and/or escalation. The Chinese would characterise the situation as defending their territory from foreign aggression. They would be willing to accept much higher rates of attrition, enabling their forces, although inferior to America's, to pose the threat of significant casualties. Their missiles and submarines would pose a potential threat to American bases, planes and surface ships. The United States, correspondingly, would face the dilemma of whether to launch preemptive attacks against naval and land targets. Although it seems most unlikely that the Chinese would risk suicide by using nuclear weapons, at least one Chinese general is already widely believed to have uttered threats about nuclear retaliation against American cities<sup>28</sup> - in the context of actual military conflict, reports of such threats would be deeply disturbing to the American public. This would deepen the sense of crisis and make people on both sides more angry and frightened.

It is difficult to see how the military confrontation, once begun, could easily be brought to a definitive end. The immediate conflict would probably be over quickly, given the great superiority of American forces. But it would be extraordinarily difficult politically for the Chinese and American sides to agree the terms of any settlement. China's leaders could not accept anything which appeared to bring the prospect of Taiwan's independence any closer, but neither could the United States accept any situation in which Taiwan was not demonstrably well-protected against further Chinese aggression. Indeed, it seems very likely that, in the aftermath of conflict, Taiwan would press hard for American recognition as an independent state and formal protection as an ally, and in the changed circumstances the United States would find it politically difficult not to agree.

Military defeat might precipitate some kind of political collapse in China, with unpredictable and possibly dangerous consequences. Even if the leadership were able to retain power, China would retreat into sullen hostility.



It would take a very long time for any semblance of trust between the the United States and China to be restored. In the meantime, the best the United States could hope for would be a kind of regional-sized Cold War, or perhaps more accurately a Hot Peace, against an adversary with greatly inferior military capabilities, but at the same time the ability to sustain a dangerous threat of surprise attacks on American forces in the region, based on its sizeable economy, great strategic depth, significantly greater motivation, higher tolerance of casualties and geographic proximity. Unless it were willing to mount attacks on Chinese territory and risk all-out conflict, the United States would have to deal with this threat not by preemption but by denial. The United States would therefore be forced to devote substantially greater military resources to the area over a long period of time, in order to ensure that its forces were simultaneously able to deter aggression against Taiwan and immune from serious casualties in the event of surprise attacks.

Conflict between the United States and China would put Japan in an awkward position: the alliance with the United States remains vital to Japanese security interests, and under the 1998 guidelines for defence cooperation Japan has agreed to provide rear-area support for American military operations in the event of a crisis in the area; but the two sides have skirted around the issue of whether the area of application is understood to include Taiwan. Japan clearly has a very strong interest in avoiding hostile relations with China. If Japan was uncooperative during a crisis, for example by withholding permission for American fighter wings based in Okinawa to participate in operations against Chinese forces, Americans would be outraged and the Alliance would be put under great strain. If, on the other hand, Japan provided active rear-area support to American operations, then Japan would suffer the regional economic and political consequences of hostile relations with China, and domestic controversy about Japan's long-term interests and security orientation would intensify. In any event, Japan would worry about the increased risk of Chinese missile attacks against American military bases in Japan.

Other American allies or quasi-allies around the region (including Korea, Australia, Singapore, Malaysia and the Philippines) would suffer similar dilemmas to Japan's,

although in less acute forms. The net result of all this would be that the United States would also need to devote, over what would probably be a sustained period of confrontation with China, considerable political and diplomatic energy to shoring up its alliances and maintaining its relationships in the region. This would be a sizeable political battle. For the United States-Japan alliance to be politically sustainable in the new, more dangerous environment, it would probably be necessary for Japan to bear a bigger military burden. China, however, would use this to play on the fear of the smaller regional powers of a militarily resurgent Japan, and would seek to extend and strengthen its political influence around the strategically vital shipping lanes that pass through Southeast Asia. The United States might come under pressure to reduce the size of its military bases in Korea and Japan, and the arrangements which it has negotiated with other countries in the region for naval visits and storage of supplies might be threatened, requiring it to deploy a greater quantity of independent and self-sustaining naval power to the area.

## ***THE IMPLICATIONS FOR WIDER AMERICAN POLICY OF CONFLICT WITH CHINA***

War with China would be America's first acute confrontation with a nuclear-armed adversary since the Cuban missile crisis, and it would have a big impact on public opinion. This would generate increased political support for a thorough reappraisal and reorganisation of America's security posture to ensure that it was optimised to meet the Chinese threat. If United States forces had sustained significant casualties in the fighting, that political pressure would be all the greater.

This sea-change in public opinion would go with the grain of much contemporary expert analysis. Since the end of the Cold War, many policymakers, analysts and scholars have been predicting that East Asia would be the venue of America's greatest future security challenges. This view is based on broad agreement<sup>29</sup> on a number of points:

- that the United States has an immutable strategic interest in remaining the dominant maritime power in the West Pacific, a position on which it has insisted for over one hundred years, and which maintains the Pacific Ocean as an immense, reassuring buffer between the United States and any emerging hostile regional power;
- that America's economic interests in the region are already by some measures larger than its interests in any other region of the world, and they are growing faster too.<sup>30</sup>
- that the United States therefore has a vital economic interest in preventing war between the region's great powers, as it would cripple trade and development prospects, causing particular damage to American exports because of the inevitable capital flight out of Asian currencies and into the US dollar. Furthermore, a major war in the region would have calamitous human consequences, damage American political interests and offend American values.

- but that East Asia features asymmetric patterns of growth; fast-rising military budgets; widespread dependence on sea-lanes and secure energy supplies, tending to encourage the development of power-projection capabilities which appear threatening to neighbours; unresolved international territorial disputes; lingering and bitter historical enmities; a dearth of strong multilateral institutions; and regimes facing challenges to their legitimacy;
- that without the presence of the United States as a dominant offshore military power, therefore, the region would have a strong structural propensity towards mistrust, rising tension, offence/defence spirals and ultimately conflict;
- that America's position as the region's dominant military power faces, however, a major prospective challenge: China, a power which is potentially far larger than any other country in the region, which is increasing in strength and confidence, and which is nursing strong historical grievances, is unlikely to be content for very much longer with the regional status quo, and in particular with America's continued forward military presence along its coastline.<sup>31</sup>

As discussed in Chapter 1 above, this underlying set of security perspectives is already seeping into the the debate about America's official policy, and the Bush Administration has sent early signals that it intends to give the Pacific a higher priority in America's defence planning. After military conflict with China, popular opinion would swing strongly behind this idea, overwhelming inertial resistance to a radical reorientation of United States military posture and policy. Deep American engagement in Asia to contain the Chinese threat and maintain America's military position in the region would then become America's overriding foreign policy priority, just as engagement in Europe was between 1945 and 1990. The corresponding need to ensure that America's Asian alliances were as strong as possible and that American forces in the West Pacific were fully protected against a potentially dangerous adversary would become the most important organising principles of America's diplomatic and military activities.

This would pose potentially fatal challenges to the twin pillars on which America's credibility as a European military power is currently based: American deployed forces in Europe, and American political will to fight in Europe.

The need to put the Pacific challenge first would effectively absolve American military planners from the need to ensure that American forces maintained reasonable levels of interoperability with European Allies, and would unleash more ambitious procurement programmes which exploited more fully America's great technological and research/development advantages. The United States would be free to pursue the development of cutting-edge military assets which were stealthy, mobile, speedy, networked and able to strike accurately at long distances, aimed at increasing its ability to project power accurately over long distances while minimising the risk of casualties.

This shift in capabilities would be accompanied by an evolution of military doctrine towards a concept of operations based more on seaborne power and long-range air capabilities, less dependent upon the support of allies who might be politically constrained, and less reliant on the use of American bases overseas. Coupled with the need to free up resources and reduce the overstretch of American forces, this would result in pressure for rapid and substantial cuts in American forces stationed overseas, and American forces in Europe would be somewhere near the top of the list. A sudden reduction in the visible presence of American forces in Europe would undermine public confidence in American commitments.

This growing capabilities gap would also undermine the Atlantic Alliance by greatly accelerating the tendency towards a division of allied labour between the Americans, with their expensively-developed stand-off weapons systems providing the firepower, and lower-tech Europeans, providing the peacekeeping boots on the ground once American munitions had done their work. The experience of Bosnia between 1992 and 1995 illustrates the damaging political differences which can open up between allies when the forces of some face risks and realities which those of another do not.

More fundamentally, the political will of the United States to intervene militarily in Europe would be severely curtailed. Even under current circumstances, public support in the United States for American involvement in, for example, the Balkans is limited, and many Americans find it hard to understand why their country intervened to the extent it did in the ethnic wars of former Yugoslavia. In a changed security situation in which the Pacific was clearly acknowledged as the top military priority, preserving stability in the Gulf and holding Iraq and Iran in check would probably remain important for the United States, given the need to protect Japan's sources of energy. However, peacekeeping in the Balkans, or putting American military muscle behind diplomatic efforts to resolve small civil wars in East Europe, would recede a long way in comparative importance: America's political leaders would not wish to squander scarce political capital drumming up support for such ventures. After all, the experience of Kosovo is a recent reminder that, even for the world's greatest military power, preventing or halting a small conflict in someone else's country requires a great military and political effort. When you intervene in someone else's war, any superiority in military capabilities you may possess will be offset to some extent by the fact that your adversary is typically willing to pay a much higher price for victory. While Serbia held out for months against operation Allied Force, the imperative of avoiding casualties forced the United States to deploy a remarkably high proportion of its Air Force attack assets—together with standing operational commitments in Iraq, something well over one half. The President even began the process of calling up active reserves. Could Europe expect efforts on that scale from an the United States which was simultaneously engaged in a trial of political and military strength in East Asia with a resentful and potentially dangerous China?

A security posture tilted away from Europe and towards Asia would not be unprecedented. The American academic Philip Zelikow has pointed out that although the 1920s and 30s are commonly characterised, by those with a Euro-centric view of history, as a period of American isolationism and disengagement, things looked rather different in East Asia.<sup>32</sup> Here, the United States was attempting to create a stable international order, the Washington Conference System, based on economic and military cooperation and a multilateral treaty guaranteeing Chinese independence and integrity. In contrast to the

situation in Europe, rising Japanese militarism and nationalism were fuelled not by American isolationism but by resentment of America's determination to play a big security role in the region. In the early years after World War II the pendulum swung again: just as the United States was focussing considerable diplomatic and military energy on Europe, it adopted a passive and reactive stance to events in Asia: as Zelikow points out, the decision not to fight the Chinese Communist Party's takeover of China, which confounded the expectations of Mao Zedong, was America's biggest post war non-intervention decision. In addition, the United States made clear that South Korea and Taiwan lay outside its security perimeter, reversing this policy only after North Korea's attack on the South.

The above analysis is predicated on the assumption that, during the period in which American-China tension was rising and transforming the security situation in the Pacific, there was no dramatic rise in tension in Europe. If, however, Russian relations with the West were to deteriorate within the same timeframe, to the extent that Russia was once again seen as a threat to the security of West Europe, then the United States would probably wish to maintain a sizeable commitment to European security whatever the state of its relations with China, because of its strong interest in preventing a great power war in Europe. But whereas the danger of war over Taiwan is a near/medium-term risk, the reemergence of a Russian threat to Europe is a much more distant and hypothetical prospect, as it would require not just a sea-change in Russian politics, but also an economic recovery sufficient to support the regeneration of conventional forces with sufficient clout to threaten West Europe. The more salient possibility, therefore, is that American withdrawal from Europe, prompted by rising tension with China, would make a renewed Russian threat to West Europe more likely, by awakening Russian fears of a Germany which was no longer protected and constrained by the United States, and at the same time removing the factor which most effectively deters Russia from behaving more assertively in East Europe. As I argue below, this is one of a number of potentially serious consequences for European security of a withdrawal of American military power.

## ***THE DANGER TO EUROPEAN SECURITY***

No one would dispute that during the Cold War the presence of substantial American forces in West Europe was vital for deterring Soviet aggression and providing the security which underpinned political and economic reconstruction and the establishment of trust between former enemies. While the threats to European security and prosperity today are more diverse, less predictable and less tangible than the threat of Soviet aggression, they are potentially serious, and continuing American military commitment to Europe remains vital for meeting them.

The threats to a Europe without the benefit of American military power would fall into two broad categories: in the short to medium term, there would be a risk of greater instability and conflict in Central, East and Southeast Europe, and a sharply reduced capacity in West Europe for halting such conflicts or containing their consequences; in the longer term, and flowing from this greater instability, there would be a risk of Europe's major powers, Russia and Germany notably but others too, following more assertive and conflictual foreign policies, which would lead to progressive renationalisation of defence policies across Europe, greater friction, and the unravelling of the political achievements of the European Union. I develop these arguments in more detail in the following paragraphs.

The end of the Cold War and the break-up of the Soviet Union thrust political independence upon a large number of states with weak political institutions and deep-rooted economic problems. These states were going to have to deal with a variety of difficult intrastate and interstate tensions involving ethnic groups straddling national borders and disputes over territory and natural resources. The potential flashpoints included the problems of the Russian diaspora in the Baltic States and Ukraine; Polish minorities in Lithuania and Ukraine; Hungarian minorities in Slovakia, Serbia and Romania; the deep-rooted and complex problems of territory, history, religion and ethnicity in the Balkans, most acute in the then Yugoslav Federation but with ramifications extending into Albania, Bulgaria, Greece and Turkey; territorial and



sovereignty disputes between Russia and the Baltic States, between Ukraine and Russia, between Romania and Ukraine, between Poland and Germany, and between Moldova and its neighbours.

The end of the Cold War thus created a large zone of potential instability in Central, East and Southeast Europe. This required a fundamental shift in the strategy of West Europe and the United States, from deterring aggression to preventing conflict. The two key western institutions, the European Union and NATO, were quite slow to react to this changed imperative, but by the mid-1990s they had oriented their external policies around it, by beginning first outreach programmes and then processes of enlargement and outreach to the east and southeast.

Given the carnage of the wars of Yugoslav succession, it is in retrospect encouraging and even surprising that the rest of Central and East Europe has been free of major conflict since the end of the Cold War. Rather than whipping up domestic passions or confronting neighbouring countries, the governments concerned have, by and large, sought to manage difficult issues of sovereignty, inter-ethnic relations and territory through domestic and international conciliation and compromise rather than, as in the case of Slobodan Milosevic, grounding their political power on appeals to chauvinistic, ethnically based nationalism and aggressive foreign policy.

There is no doubt that the twin processes of NATO and EU enlargement have played an essential, perhaps *the* essential, role, by giving local leaders a strong political motive to pursue relatively enlightened policies. With the exception of the combatants in the wars of Yugoslav succession and of Ukraine, Moldova and Belarus, every European country liberated from the grip of the Soviet Bloc has pitched very hard to join the Alliance and the EU, reflecting strong political support among their publics for membership. The governments of many of the applicant countries have managed to build the necessary domestic support for substantial and difficult reform—pursuing democratic reforms, bringing military establishments under civilian control, resolving sensitive disputes with neighbouring countries—in order to make themselves more attractive candidates.

But for the most part, the roots of reconciliation are shallow and the democratic soil in which they are planted is thin. The settlements in Bosnia and Kosovo are fragile and depend upon continued and muscular international support. This is well understood in western capitals, as is the growing danger of instability in Macedonia and the threat this would pose to the surrounding region. But there are risks in other areas too, less widely discussed and understood, of a deterioration in the quality of democratic politics leading to nationalistic and destructive policies. To take three examples, Slovakia's authoritarian and nationalist former Prime Minister and current Opposition leader, Vladimir Meciar, is at the time of writing riding high in opinion polls, and on past performance he could be expected to take a hard line towards Slovakia's Hungarian minority if he returns to power; Ukraine, which has a substantial Russian minority overwhelmingly concentrated in the country's extremely poor eastern territories, has a dysfunctional democracy which appears at the time of writing to be facing a growing crisis of confidence; and the November/December 2000 general elections in Romania resulted in substantially increased votes for parties on the extreme left and right of the political spectrum, including a vote of 25 percent in the presidential election for a candidate, Vadim Tudor, who advocates policies of bellicose and xenophobic nationalism.

The governments of western Europe should not allow the the fact that since the end of the Cold War instability in Europe has been confined to a relatively small area of the Balkans to lull them into a false sense of security. In a number of areas conditions which could give rise to conflict persist, and with them the associated direct threats to western european countries posed by refugee flows, increases in transnational organised crime, and destabilisation of neighbouring countries.

Over the course of the 1990s, Russia's former imperial possessions have had time to register and adjust to the fact that Russia is not an imminent security threat, and indeed is only a second-rank military power. Meanwhile the process of EU enlargement, while ponderous, has moved forward incrementally to the point where there is no longer much room for doubt that the EU will in due course accept significant numbers of new

members (although there is continuing concern among aspirant countries about the slowness of the timetable).<sup>33</sup> And yet, following the first round of NATO enlargement (in which the Alliance admitted Poland, the Czech Republic and Hungary, and promised to return to the question of enlargement at a Summit in 2002) pressure for membership from nine other aspirant countries remains high.<sup>34</sup> Why, then, do these countries continue to press for Alliance membership when Russia is not a threat, the EU enlargement train now seems to be rolling, and NATO's "outreach" activities (Partnership for Peace and the Euro-Atlantic Partnership Council) in any case enable applicants to gain many of the benefits of membership, including military-to-military contact, joint training, discussions of regional security issues, even participation in multinational operations with NATO?

The answer is that membership in the Alliance brings two unique benefits.

Firstly, it guarantees a seat on the North Atlantic Council (NAC), which, on the basis of experience in the 1990s, will probably be the forum for decisions of any consequence on European security matters for the foreseeable future. The applicant countries have a direct stake in how the Alliance chooses to handle Europe's future security crises, because those crises are likely to engage their national interests directly, not least because they may be occurring in neighbouring territory. They will naturally wish their interests to be fully taken into account in the relevant decisions of the NAC. This is not to pretend that discussion in the Council, other than exceptionally, has the power to shape or change opinion in Washington, Paris, London or Berlin. But NATO members are entitled to expect that when their national interests are critically engaged in a problem, they will figure prominently in the informal allied consultations which lead up to a formal decision in the NAC, if for no other reason than that any ally has, at least in theory, the ability to block agreement because of the NAC's consensus principle.

Secondly, NATO membership provides a guarantee under Article 5 of the Washington Treaty that the allies, and in particular the United States, will treat an attack upon any ally's territory as an attack upon theirs. Countries in West Europe, long habituated to the Atlantic Alliance, now take this guarantee as read. But for the countries of Central and

East Europe, which have only recently regained political independence and inhabit a more fluid and uncertain geopolitical environment, such a guarantee still means a lot, even in a world where the threat of external aggression may be only hypothetical. Furthermore, in the eyes of these countries, the threat of a resurgent Russian seeking to widen its security perimeter by reincorporating them into a Russian sphere of influence probably looks a lot less hypothetical than it does when viewed from further west.

These benefits of NATO membership depend crucially on one thing: American military power. Only American forces can credibly promise to defend new members of NATO from external aggression; and only American forces give the Alliance the credible option of mounting, beyond Alliance territory, militarily demanding non-Article 5 operations. That credibility has been bolstered by the Gulf War and the Kosovo conflict, in which the technical superiority of American forces, and their ability when necessary to achieve substantial political and military goals with minimal casualties, was convincingly displayed.<sup>35</sup> American military protection is the best, indeed the only credible, guarantee of geopolitical health available in Europe today.

Indeed, there are good grounds for thinking that the same fundamental factor, American military power, adds significantly to the attraction of EU membership for aspirant countries. Part of the lure of EU membership is the assumption, rarely stated explicitly but often hinted or implied, that it brings with it some kind of security guarantee. The case of the Baltic States is instructive. In the early 90s, public survey data showed overwhelmingly strong support for NATO membership, reflecting understandable residual concerns about their security vis-à-vis Russia. At that time, public support for EU membership was substantially less. But after failing to secure membership of NATO in the first round of enlargement, the governments of the Baltic States have put a much greater emphasis on their campaigns for EU membership, partly on the basis of the assumption, tacitly encouraged by their interlocutors in Washington and other NATO capitals, that by joining the EU they would achieve substantially the same security benefits as would arise from NATO membership, but without antagonising Russia. The political and economic costs to Russia of aggressive policies towards the Baltics States

would of course be sharply increased if one or more were in the EU. But a Russian government which was seriously contemplating re-annexing the Baltic States would probably be extremely nationalist, bellicose and ready to forego the benefits of cooperation with the West. The assumption that EU membership would bring to the Baltic States an effective shield against aggression from a resurgent Russia therefore rests for its ultimate credibility upon the continuing presence of military power in Europe which could effectively deter or respond to Russian aggression in such a case. There is currently only one such military power: the United States. Without America's continued military presence in Europe, any security comfort for the Baltic States implied by EU membership would, in the most extreme scenarios, prove an illusion.

American military power thus serves as the vital energiser of the two key poles of attraction, NATO and EU, which are drawing the states of non-NATO, non-EU Europe powerfully towards western values and interests. American military power is an essential instrument in the process of peaceful transition from Europe's old geopolitical order. If that military power was withdrawn or America's will to use was seriously called into question, not just NATO but also to an extent the EU would lose their lustre to applicant countries, strengthening leaders calling for more nationalist policies, and weakening the influence and authority of West Europe as it sought to encourage norms of democracy and good-neighbourliness. Further conflicts of the kind seen recently in the Balkans would become more likely.

The damaging effects of American military withdrawal from Europe would be greatly mitigated, of course, if the big powers of West Europe were able to unite behind a strong, active security and defence policy backed by collective military capabilities that reflected their combined economic weight. In that case, the EU, even without American support, would have the capability to defend its own members from aggression. It would have the political confidence and military capacity to conduct demanding joint military operations outside EU territory, and it would acquire the diplomatic clout that went with it. Such an EU could effectively replace the United States as the core of a political magnet drawing countries on its periphery towards norms of liberal market democracy and international

cooperation. Such an EU would have the weight and unity necessary to deter adventurism by a less cooperative, more hostile Russia.

As far as the EU's military capabilities are concerned, some would argue, this vision is already becoming reality. After spending the 1990s locked in inconclusive debate about European defence capabilities, the countries of the EU (and in particular the UK, whose position in the European defence debate is pivotal) have at last bitten the bullet and agreed that the European Union should have the ability to back up its foreign policy with military force. To that end they have committed themselves to putting together the collective capabilities necessary for projecting substantial military force beyond EU borders, and the political-military machinery necessary for deciding when and how to do so. The EU has adopted a Headline Goal according to which, by 2003, the member countries should be able to deploy rapidly and sustain up to 50-60,000 troops, able to undertake a range of crisis management tasks.

This is a demanding target which will require a number of European countries, notably Germany, to undertake politically costly defence restructuring. The political demands would be all the higher in a Europe without American military support as the Europeans would be unable to rely on the loan of expensive American logistical capabilities, such as heavy-lift aircraft, which their forces do not currently possess. But supposing for the sake of argument that European governments were able to create a collective force pool which, even without American support, was effective, deployable and sustainable, the question must still be answered: would the member states of the EU, deprived of American leadership in Europe, be able to agree what to do with their forces? Would the EU be *politically* capable of taking military action to halt and contain conflicts in East and Southeast Europe; or even of responding militarily to aggression against one of its own members? More generally, would the Europeans be able to forge a strong, active common foreign and security policy?

Recent experience in the Balkans is not encouraging. The full weight of American diplomacy was required to produce in NATO the necessary unanimity and political will

to threaten force and then use it against Slobodan Milosevic. Could the Europeans have achieved similar unanimity if the United States had remained on the sidelines? It seems highly unlikely. Without the force of American persuasion, it would have been very difficult to find consensus in the face of strong pro-Serb sentiment in Italy and, especially, Greece, and the strong opposition of Russia. The lesson of Bosnia, on the other hand, seems to be that even when the EU has agreed how to manage a security crisis in Europe, it will tend to do so on the basis of a policy which avoids taking sides, because of the different interests, traditional sympathies and historic ties of the key EU members; and avoids taking risks, because of Europe's limited ability to apply coercive military force without incurring unacceptable casualties.

The EU, in other words, will tend to arrive at a lowest-common-denominator, low-octane policy to which the United States is unlikely to remain indifferent, even when it is militarily disengaged. Even after then U.S. Secretary of States James Baker famously said of the Bosnia war in the summer of 1992 that "we don't have a dog in this fight", it proved politically impossible for the United States to stand back and relinquish leadership to the EU. Indeed, the attempts of European countries to bring humanitarian relief to the non-combatant victims of the war and broker a deal between the parties were made much more complicated, and in the end comprehensively derailed, by American opposition, based on Washington's own strong view that the EU's policy failed to assign responsibility for the war where it belonged—to the Bosnian Serbs.

In Bosnia (albeit belatedly) and Kosovo, the "killer" political argument across the Alliance for using NATO's force was that NATO's future viability depended on it. By emphasising the overriding requirement of maintaining Alliance unity and credibility, allied governments were able to justify the action to their electorates, choke back even strongly felt national objections and ride out the political consequences. The fact that in both cases the proposed policy had been drawn up in Washington also helped: the Americans have the virtue of being a long way away, and it is therefore easier for everyone to believe (or pretend they believe) that the policies Washington advocates are

designed in good faith to maximise the overall security benefit to the Alliance, whatever the differential impact on individual Alliance members may be.

In other words, American leadership enables the European Allies to transcend their national differences and align their security policies. Without that leadership, the governments of West Europe would be deprived of a greater good, in the form of the continued health of NATO, to which they can subordinate their more narrowly defined national interests, without incurring fatal political penalties. They would also be deprived of an impartial and powerful broker around whose policy suggestions they can rally. If confronted with an acute crisis in East Europe, the Baltic region or the Balkans, they would inevitably struggle to agree common analyses and policy prescriptions, because of the differential political impact on the different EU players of various options. This would tend to lead either to paralysis and inaction, or to EU policies which, because they offended no-one, were ineffectual, or to unilateral initiatives outside the framework of agreed EU policy.

The likelihood of increasingly divergent security perspectives and policies among the main EU players is really part of a wider and deeper risk which would arise if American military power in Europe were to be withdrawn: the risk of the progressive renationalisation of defence policies and the undermining of political cohesion among the states of the EU.

During the Cold War, America's military power in Europe was vital not only because it protected West European nations from the Soviet Union but also because it protected them from each other. America's decision to commit substantial forces to a forward defence of the inner German border not only deterred the Soviet Union but also made it possible for politicians and publics in France, Germany and elsewhere to accept that Germany should re-arm and join the Alliance, albeit with substantial constraints imposed on its sovereignty. With the Americans taking care of everyone's security, the French and Germans were able to focus their foreign policies on an historically unprecedented project of economic and political integration.



Although that process of integration has come a very long way, there have been a number of reminders since the end of the Cold War that the anxieties which gave rise to it have not gone away. In 1989, the prospect of German reunification brought concerns which had long been dormant about German power in Europe surprisingly quickly to the surface. These concerns motivated both France and Germany to call for accelerated political integration, and motivated Alliance leaders to insist over strong Russian objections that Germany should remain a NATO member. Chancellor Kohl spoke passionately and publicly about the dangers of a return to past fears and rivalries if the momentum of of European integration were not maintained.<sup>36</sup>

Nor has integration deepened to the point where Europe's big powers are anywhere near ready to merge the core functions of their states. Since German unification, the adoption of a common currency, the incremental strengthening of the Union's common foreign and security policy, and the gradual broadening of the policy areas which are dealt with on a supranational rather than intergovernmental basis, have all deepened the political integration of the Union. But in the areas closest to the heart of national sovereignty, namely foreign policy and defence, resistance to supranational decision-making remains strong. A number of members strongly oppose the idea of extending majority voting procedures more than superficially into foreign policy matters, and insist that individual members should retain an effective national veto over any proposed use of the putative EU Rapid Reaction Force, and certainly over any participation by their own forces.

Meanwhile, there has been a bitter debate about the division of power in the supranational sphere, which came to a head in discussions at the Nice European Council about member states' representation, in an enlarged Union, in the European Commission and weighting of member states' votes in the Council. In particular, an implacable President Chirac insisted that France should retain equal voting weight with Germany in the Council of Ministers despite the fact that Germany's population is around a third greater. This headline outcome cannot have seemed particularly fair to most ordinary Germans. But look deeper into the Nice settlement and you find that, in subtler ways,

Germany's weight in the majority voting procedure has in fact been increased at the expense of France and others with smaller populations, an overall outcome about which the French remain distinctly uneasy. The stand taken by President Chirac is a reminder that since the mid 1950s France's attitude to European integration has been deeply ambivalent: to characterise it crudely, depending on the context, France has seen European integration at some times as a desirable mechanism for constraining German power and at others as threatening unacceptable erosion of French sovereignty. France's unwillingness to pursue the logic of pooling sovereignty to the point where Germany's greater size and population is fairly and openly reflected in the supranational decision-making procedures of the Union betrays, more blatantly than before, French desire to have their integrationist cake and eat it. Meanwhile Germany, now firmly into the post-World War II leadership generation, is shedding its inhibitions about pursuing a foreign policy which is explicitly based upon German, rather than European or transatlantic, interests.

All this suggests that it would be foolhardy to assume that, without continued American leadership of security policy in Europe, the momentum of political integration could be maintained, or even that its existing achievements could not be undone. Without the United States, the countries of the EU would have to find another basis for their security. However, their distinct geopolitical situations and interests would make it very difficult for them to do this by forging a credible, enduring EU security and defence identity.

The most obvious and significant case in point is that of Germany. The so-called German problem consists of the historical fact that a Germany sufficiently powerful to feel secure has always been too powerful not to seem threatening to its neighbours. America's dominant security presence during the Cold War solved this conundrum by protecting Germany from any potential Russian threat, thus relieving Germany of the need to provide its own defence and at the same time reassuring Russia (and Germany's other neighbours) that Germany would not itself become a threat. Without the American security blanket, Germany and Russia, as Henry Kissinger has observed, would be likely over time to fixate on each other.<sup>37</sup> A Russia which became increasingly concerned about

the possibility of growing German power unconstrained by transatlantic ties would be more likely to take steps to enhance its security which appeared hostile or threatening to Berlin. A Germany which came to regard the potential threat from Russia as its dominant foreign policy preoccupation would subordinate other foreign policy goals to that end. This would be unwelcome to the other big powers of the EU, France and the UK, and positively threatening to the interests of the countries of Central Europe (some of them possibly EU members by then).<sup>38</sup> Opposition from EU partners could spur Germany to act increasingly outside the framework of the EU's common foreign and security policy. In particular, if Germany felt sufficiently threatened by Russia, it would be forced to examine from first principles how much reliance it could afford to place on the French and British nuclear deterrents as protection from Russian nuclear blackmail, and whether its security interests did not demand that Germany should have its own nuclear deterrent.

Over time, or if exacerbated by a major crisis in, say, Ukraine or Romania, differences of security perspective would grow in political importance and could become severe irritants in intra-EU relations. It would be very difficult to prevent the damage to political relationships from spilling over into other areas of relations. At a minimum, the political attractions of deepening integration in Europe would evaporate. At worst, the existing achievements of the Union would be endangered, and a return to fluid great-power geopolitics of the nineteenth century would become a real possibility.

A realist theorist of international relations would argue, indeed, that such an eventual outcome would follow ineluctably from structural factors: in the absence of a regional hegemon with unquestionably superior military power, and a sufficiently serious common threat, the security policies of the West European countries must inevitably diverge, reverting over time to a state of competition, which might become acute in the event of a major crisis which impacted on the vital interests of one or more of Europe's big powers<sup>39</sup>. The argument was well expressed in a 1984 essay by Josef Joffe which is still quoted approvingly today:

*By sparing the West Europeans the necessity of autonomous choice in matters of defence, the United States removed the systemic cause of conflict that had underlain so many of Europe's past wars.*<sup>40</sup>

Is Europe's security dependence on the United States terminal? Probably not. The process of European integration has come a remarkably long way in the last 50 years, and given a peaceful and secure environment, it is possible to imagine a future in which national differences have been subsumed to the extent that a mature European superpower can take full responsibility for the security of its own continent. But that goal, realistically, is still decades away.

## ***THE LESSONS FOR EUROPEAN POLICY IN EAST ASIA***

I have tried to demonstrate that European security and East Asian security compete, in a sense, for shares of America's military power, and of its civic will to use that power. A conflict between the United States and China would have the potential to precipitate a substantial and sudden flow of American energy out of Europe and into Asia. I have chosen to highlight Taiwan, because the situation in the Straits has greater potential to lead to military conflict between the United States and China, and within a shorter timeframe, than any other easily foreseeable contingency. But it is of course only one of a number of scenarios which could trigger vigorous security competition between the United States and China. American policy could also be impelled in that direction, for example, by serious disagreement with China about how to handle the consequences of a sudden, uncontrolled reunification of the Korean Peninsula; by the eruption of a nuclear offence/defence spiral triggered by America's deployment of a missile defence capability; by a threat to commercial shipping passing through the sea-lanes of Southeast Asia arising from heightened tension over the the Spratly Islands (which are claimed by China, Vietnam, Taiwan, the Philippines, Indonesia, Malaysia and Brunei); or more gradually by a steady rise in U.S.-China tension caused by an accumulation of smaller disagreements.

Any swing of American resources and focus from Europe to Asia would be strongly accelerated if it were accompanied by a wave of anti-European public and Congressional sentiment. American debate about foreign policy priorities features a recurring caricature of Europe as a backward-looking continent, unable to shed its Old World ways of cynical power politics in international relations; a continent of ungrateful free-riders concerned only with their immediate interests and willing to share the benefits but not the costs of international security. In a situation in which the United States faced a major new security challenge in the Pacific, that feeling could easily spread, especially if there were a perception that the European countries were merely watching from the sidelines, or worse, positively obstructing the achievement of American goals. If Europe fails to

engage deeply in questions of East Asian security and prepare for the acutely difficult situations which might arise, this is precisely the outcome which Europe risks.

Broadly speaking, the debate in Europe about relations with China over the past decade or so has been dominated by trade and by concerns about human rights, which were brought to the forefront of public attention by the violent suppression of pro-democracy demonstrations in 1989.<sup>41</sup> Over this period, the limited resources allocated to East Asia by the government bureaucracies of individual European countries have been largely focussed on the promotion of commercial interests and on managing and responding to public and parliamentary concern about human rights. Although there has been some attention paid to the East Asian dimension of global security issues such as arms control and non-proliferation regimes, regional security questions have featured little in the foreign policies of European countries. Some, such as the UK, have pursued bilateral dialogues on political/military matters with the region's major powers. But these discussions have tended to take place at the official level, while agendas for higher-level meetings between political leaders have typically focussed on human rights and commercial issues.

At the collective level, the EU is an important participant in the Korean Peninsular Energy Development Organisation, founded by the US, Japan and South Korea in 1995 to replace North Korea's existing nuclear facilities with light-water reactors under IAEA supervision.<sup>42</sup> But with this exception, the EU has involved itself little in regional security matters other than to issue occasional statements. Political dialogue with China which was launched in 1994 is supposed to encompass discussions of regional security, but has been dominated by sparring over human rights. Wider fora such as the Asia-Europe Meetings (ASEM—a consultative framework under which there are two-yearly meetings of the EU with ten Asian countries at head of government level, and more frequent meetings of foreign ministers and senior officials) and the ASEAN Regional Forum (ARF—which brings together Pacific, South East Asian and South Asian countries as well as Russia and the EU) because of their inclusive memberships find it difficult to deal with sensitive political matters, and their discussion of regional security

issues has been superficial. Discussion between the EU and the United States of East Asian security has, likewise, been limited.

Europe needs to refocus its international security activity upon the paramount objective of preserving European security through a vigorous transatlantic alliance, and upon the regions of the world where its current and future economic interests are most deeply engaged.<sup>43</sup> This means that limited political/military resources are better employed in East Asia than, for example, in Africa, where Europe's currently relatively high levels of involvement are based more upon history and tradition than upon current interests.

Turning to the particular issue of Taiwan, EU statements have been infrequent, vague and insubstantial.<sup>44</sup> More importantly, the bilateral and multilateral diplomacy of the European countries has provided no clear indications that the EU, in the event that China were to use force against Taiwan, would care sufficiently to do anything other than issue further statements. Europe's failure to devote significant attention or resources to the Taiwan issue has two important and undesirable consequences:

- Firstly, there is an opportunity cost: by failing to engage more deeply with China, Taiwan and the United States on the issue, Europe is foregoing the opportunity to influence the policies of all three in ways that make conflict less likely. The threat of European political and economic punitive action might weigh in the minds of decision-makers in Beijing and Taipei and reinforce the messages of deterrence already coming from Washington. Conversely, the absence of messages of European resolve may increase the risk of Beijing calculating, in rashness or desperation, that China can call America's bluff militarily and ride out the international economic consequences. Furthermore, the lack of focus and interest in European governments reduces Europe's ability to engage with the United States, offering advice and constructive criticism based on European countries' distinct experiences of dealing with China, and helping the United States to avoid miscalculation. Britain in particular has extensive recent experience of negotiating with the Chinese on sensitive sovereignty matters arising from the handover of Hong Kong.

- Secondly, it means that European governments will be unprepared for a crisis if one should occur. This will reduce their ability to shape the media agenda and lead public opinion, and thus their control over their own policy. It will increase the risk that European governments' reactions are uncoordinated and opportunistic instead of being drawn up in the framework of Europe's long term interests.

If crisis occurs, an ill-judged European intervention could do huge damage to Europe-United States relations. To take a concrete scenario, it is possible to envisage a situation in which China attempts to coerce Taiwan by applying limited military force, and the United States issues an ultimatum demanding that China cease by a certain time or face American military countermeasures. Under such circumstances, there may well be strong temptations in some European capitals to attempt last-minute mediation in the hope of avoiding war, achieving diplomatic glory and winning China's gratitude. There are certainly precedents for such behaviour, such as French eleventh-hour diplomacy before the deadline set by the UN for Iraq to withdraw its forces from Kuwait. When it comes to policy on Iraq, the United States merely finds it irritating and inconvenient that European diplomacy often cuts across American aims. But in the case of confrontation with China, the stakes would be far higher—nothing less than America's credibility as the stabilising and balancing power in the West Pacific, a region of vital strategic importance to American interests. When you add the fact that China has the capacity at least in theory to inflict battle casualties on American forces and to strike the American mainland with nuclear missiles, the political repercussions of any European intervention which appeared to undermine America's position of deterrence or embolden the Chinese would be likely to do deep damage to the transatlantic relationship. It is not fanciful to suggest that they would include powerful demands for the withdrawal of all American military support from Europe.

There have been some recent signs of greater EU activism on East Asian security matters, but also early warning signals that this activism is being misdirected in a way which threatens to damage rather than protect Europe's long-term interests.<sup>45</sup> As Europe



attempts to develop its common foreign and security policy, there is likely to be a tendency in some European capitals to argue that the United States and Europe have distinct interests in East Asia, and that Europe should therefore stake out a distinctive security policy in the region. Given European countries' particular interest in the opportunities offered by the emerging Chinese market, there may be a special temptation to argue, as tensions between the United States and China wax and wane, that Europe should seek to advance its interests in China by dissociating itself from American policy when expedient. If carried to extremes, such an approach would threaten immense long-term damage to Europe's interests in return for only limited short-term gain.

It is true that European countries are in certain respects in a competition with the United States, and with each other, in the growing markets and economies of East Asia. Their companies, supported by their governments, vie for lucrative contracts and business opportunities, and they compete for Asian investment capital. But it makes no sense to put these minor rivalries ahead of Europe's wider strategic interests by weakening America's position in the region. An activist European policy which seeks tactical advantage at the expense of the United States will inevitably annoy Americans and thus directly undermine the transatlantic alliance. To the extent that it has an effect in the region it will tend to encourage America's opponents, especially China, to defy American wishes. This in turn will make it more likely either that the United States and China are forced into conflict, or that the United States is forced to back down in the face of Chinese demands, thus weakening its credibility in the region. The former outcome, as this paper has argued, would threaten grave, albeit indirect, damage to European security. The latter would destabilise the region, raising the spectre of great-power war and threatening huge economic costs to all the region's economic partners, including Europe as well as the United States.

Existing levels of economic and political competition between the United States and Europe in East Asia are inconsequential when set alongside their huge shared interest in the continued peaceful development and international economic integration of the countries of the region, and in particular of China. If China's domestic market can be

successfully integrated into the international system, then all of China's economic partners will benefit to a degree which dwarfs current differences of market share. By the same token, the costs to China of aggressive behaviour in the region will be greatly increased, with benefits for regional security. Commercial competition in the region between United States and Europe should emphatically not be seen as a zero-sum game but as a small part of a wider cooperative effort to keep the region secure, internationally cooperative and increasingly prosperous.

Europe needs, therefore, to take the following steps:

- At the practical level, the relevant European bureaucracies (including the Common Foreign and Security Policy machinery in Brussels) should devote more resources to the task of understanding the security problems of East Asia and formulating advice for their political leaders; and European governments and the EU should give East Asian regional security issues a higher profile in high-level bilateral and multilateral meetings. It should become routine for the leaders of individual European countries and the EU to talk about regional security issues with their counterparts in China, with the United States, with Japan and with other regional players. The EU should also press for these issues to feature more in multilateral ARF and ASEM discussions.
- The basic platform for greater European engagement in the political and security affairs of the region should be an expanded dialogue with the United States. It should be on this channel (rather than, for example, in discussions with China or Japan, or interviews with the media) that European Governments and the EU should first voice any criticism of American policy and suggest possible new approaches. Europe's current combination of disengagement and occasional opportunism, and America's current disinclination to consult Europe about East Asia, are mutually reinforcing. This unhelpful dynamic should be replaced by a constructive dynamic according to which the two sides work at understanding and influencing each other's security policies in the region, with the aim of developing the widest possible agreement and mutual confidence. Given the strength of common interests it ought to be possible for

the two sides to achieve a wide measure of policy agreement. This is not to say that Europe should slavishly follow the American line in all cases: such an approach would reduce the value of any European interventions, as well as being politically unattractive to Europe's leaders. But wherever possible policies should be thoroughly discussed before being announced and the extent of any differences fully discussed before they become public.

- Europe should pay particularly close attention to the issue of Taiwan. The EU should work to achieve a detailed EU view, and the widest possible understanding with the United States, of the range of situations which might arise in a crisis over Taiwan and the proper international response in each case. The aim would be to ensure that in the event of a real crisis, when time for consultation and coordination might be very limited, the reflexes of the EU and the United States would be closely aligned.
- The EU and the United States should discuss whether it would help to stabilise the situation to spell out red lines more clearly than before to Beijing and Taipei. At a minimum, the EU should signal its increased interest and concern by sending a firm message to the Chinese Government that there would be a strong European reaction to any Chinese attempt to resolve the situation by force; and a corresponding message to Taipei that Taiwan could not expect European support if it provoked China.
- EU countries should form a detailed common view on precisely what categories of equipment are covered by the vaguely-formulated national arms embargoes which all have maintained against China since 1989. The EU should discuss this issue with Washington in order to allay American fears that Europe may sell China technology, such as phased array radars, which would enhance China's ability to project power into the Pacific and threaten American forces.
- The EU should publicly support the principle that Taiwan has a right to purchase the military equipment it needs in order to be able to defend itself from external aggression, and European countries should be ready to make some carefully

calibrated defence sales to Taiwan. Such sales should be based on consultation with the United States and should be designed to enhance rather than undermine the stability of the cross-Straits military balance. Given the great political importance of this issue, the relevant EU governments, and the EU collectively, should not be swayed by Chinese threats of commercial retaliation, and should reduce the effectiveness of those threats by standing firmly together. This would have important benefits: by enhancing Taiwan's defensive capabilities it would increase the chances of Taiwan being able to deal by itself with Chinese military coercion without having to call on American military support; it would add substance and credibility to the EU's political messages designed to deter China from using force against Taiwan; and, by assuming from the United States part of the political burden of providing Taiwan with the means to defend itself, it would lessen the potential of this specific issue to precipitate a crisis in American-China relations, and win the gratitude of Washington, cementing American/Europe security partnership in the region.<sup>46</sup>

- If crisis looms, over the Taiwan Straits or elsewhere, Europe should do its utmost to secure an American policy which is optimally designed to protect joint European/American interests in the security and stability of East Asia; and having done so Europe should be ready to put its diplomatic and economic weight behind America's to increase the chances of that policy succeeding.

To the extent that these policies would threaten to compromise short-term European commercial interests in China, they will inevitably incur criticism from business interests, and from those who reason that there is no need for Europe to take sides in a conflict which is taking place ten thousand miles away. European governments will need to have the arguments ready firmly to rebut this criticism, by pointing to the overwhelming strategic importance of Europe's relationship with the United States, and the huge damage to Europe's economic interests which could easily result if East Asia were to be destabilised because it had become the venue of military competition between the United States and China, or between the region's great powers.

Just as United States/Europe disagreement about East Asian regional security could provoke a crisis in the transatlantic relationship, so might United States/Europe security partnership in the West Pacific revitalise it. European diplomatic and economic support would significantly strengthen Washington's hand in any confrontation with China, and the knowledge that this support could be counted on in a crisis would boost the stock of the transatlantic alliance in Washington, challenging the stereotype of Europe as self-centered and unwilling to share security burdens outside Europe with the United States. By strengthening and widening the scope of shared transatlantic security interests, Europe would give the United States a bigger stake in maintaining the health and vitality of the Atlantic Alliance.

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When I draw directly on another author's work, I will cite a specific footnote reference in the text. But I list here also, for the sake of completeness, a number of written sources which I may not have cited directly but which have helped to broaden my understanding of the various topics covered by this paper:

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<sup>2</sup> For a very good statement of the NATO-pessimist view, see Stephen Walt’s essay “The Ties that Fray: Why Europe and America Are Drifting Apart”, *the National Interest*, Vol 54, 1998, which argues that long-run demographic, economic and structural trends are pulling the two sides of the Atlantic apart, and that NATO’s outward appearance of health is deceptive.

<sup>3</sup> The official number of Active Service Military Personnel stationed in Europe declined from over 330,000 in 1988 to around 100,000 in 1995 and has remained at approximately that level ever since. Over the same period, the equivalent number for North-East Asia (Japan and Korea) has remained steady at between 80,000 and 100,000 (source: official Dept of Defense figures, available on the DoD website).

<sup>4</sup> *America’s National Interests* by the Commission on America’s National Interests, July 2000.

<sup>5</sup> This was born out by the 2000 Presidential election campaign, in the sense that:

- a) foreign policy figured little in the campaign, but
- b) to the extent that it did, the impression was that despite Al Gore’s greater experience of foreign affairs, his message of American leadership and engagement was less popular with the voters than George W. Bush’s vision of a more “humble” United States, intervening only selectively abroad and reducing rather than increasing its overseas commitments.

<sup>6</sup> Remarks of the President at the Joint Forces Command Headquarters in Norfolk, Virginia, 13 February 2001.

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<sup>7</sup> As this paper is being finalised, there are persistent rumours that Donald Rumsfeld's initial proposals are indeed arousing strong resistance from senior military officers and from Congressional Committees, who feel they have a substantial stake in the process, who are hostile towards the provisional recommendations of the review, and who are demanding that they should be properly consulted before it is finalised. The timetable for completion of the review now appears to have been delayed (a speech by President Bush on 24 May, billed in advance as presenting the key conclusions of the review, contained only generalities).

<sup>8</sup> As I finalise this paper, Donald Rumsfeld is reported as telling journalists on 3 June 2001, on the way to a NATO meeting in Europe, that "any suggestion that the United States is going to and wants to or might turn away from Europe is fundamentally flawed in logic" (New York Times, 4 June 2001).

<sup>9</sup> Purely for the sake of terminological convenience I will refer to the two parties simply as "China" and "Taiwan".

<sup>10</sup> The Taiwanese term for this is "ben di ren", perhaps most accurately translated as "local people".

<sup>11</sup> Between 1949 and the liberalising reforms which began in the late 1980s, the KMT ruled Taiwan as a one-party state. It was deeply unpopular among the local population and used a considerable degree of force and repression to sustain its rule. The first free Presidential election was held only in 1996. This resulted in the election of Taiwan's first Taiwan-born President, Lee Teng-Hui. In 2000, Taiwan elected its first President from the Democratic Progressive Party (DPP), a coalition of political groups favouring independence for Taiwan.

<sup>12</sup> CIA World Factbook 2000. The comparison of per capita GDP is on the basis of purchasing power parity – the discrepancy in U.S. dollar terms will therefore be considerably wider.

<sup>13</sup> For a good summary see "Deadlock" by Suisheng Zhao, in the March/April 2001 edition of *Problems of Post-Communism*.

<sup>14</sup> Chen won with only 39 percent of the vote, the remainder being split between the KMT and the People First Party led by James Soong, a high-profile KMT defector. The DPP's support has weakened considerably since the election, primarily because of doubts about the administration's economic competence. But, as of early 2001, this had been accompanied by an even sharper decline in the poll ratings of the KMT, which has moved back from the policies of the Lee Teng-Hui era towards its traditional pro-unification position. As James Soong is also a pro-unification politician, there are currently no sizeable Taiwanese political parties other than the DPP which do not favour unification. It is therefore possible that support for the DPP may increase in the next round of elections.

<sup>15</sup>: William Perry, then Secretary of State for Defense, warned Chinese Vice Foreign Minister Liu Huaqiu on 7 March 1996 that the United States had "more than enough military capability to protect its vital national security interests in the region and is prepared to demonstrate that", and that China would be making a serious mistake if it continued to conduct missile tests near Taiwan. See Perry's comments at the Dept of Defense news briefing, and Ashton Carter and William Perry: *Preventive Defense: a New Security Strategy for America*, Brookings 1999, p 96.

<sup>16</sup> See the record of the President's remarks at the Shanghai Library, 30 June 1998.

<sup>17</sup> A Chinese fighter pilot was killed in a collision with an American surveillance plane over the South China Sea. The American aircraft was forced to land in Hainan, and there was then a bitter argument between the two governments, egged on by outraged publics on both sides, about who was responsible for the collision before the Chinese, after some days, allowed the American crew to return home and, some weeks later, agreed to release the aircraft.



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<sup>18</sup> As I finalise this text, it appears that this is happening. News broke on 29 May of large-scale preparations for a major PLA naval and amphibious exercise. Chinese official sources have confirmed that the exercise, codenamed “Liberation No 1”, will be designed to demonstrate China’s ability to take Taiwan by force and to inflict significant casualties on foreign naval forces which attempt to defend Taiwan.

<sup>19</sup> This was the fate of Zhao Ziyang, the CCP General Secretary forced out of power by the Party Elders in 1989 as a result of the Tiananmen crisis.

<sup>20</sup> *The Tiananmen Papers*, compiled by Zhang Liang and edited by Perry Link and Andrew Nathan, published by PublicAffairs, 2001.

<sup>21</sup> For evidence that the Chinese government feels extremely vulnerable, one need look no further than their determined suppression of the Falun Gong religious movement, which betrays the leadership’s fear that any national-level movement, even an ethereally spiritual one, could easily develop into a focus for anti-government feelings.

<sup>22</sup> See “Chinese Nationalism, American Policy and Asian Security” by James Miles, *Survival*, vol 42, no 4, Winter 2000-01. I draw on his analysis of nationalism and political protest in China.

<sup>23</sup> In my own conversations with Chinese from many walks of life, I have encountered a wide variety of frank views on political issues, often at variance with official policy. But on Taiwan the responses have been strikingly and uniformly hardline—indeed, often harder than Beijing’s official policy.

<sup>24</sup> Zbigniew Brzezinski, in his article “Learning To Live with China” (*The National Interest*, Spring 2000), assesses “it is almost safe to predict that in the near future—probably within the coming decade—China will experience a serious political crisis.”

<sup>25</sup> For some analysis of military contingencies see, for example, “Dire Strait?”, RAND, 2000, and “Why China Cannot Conquer Taiwan” by Michael O’Hanlon, *International Security* vol 25 number 2, Fall 2000.

<sup>26</sup> For example, if Taiwan had behaved in an obviously provocative way, China might conclude that the United States would not be prepared to defend Taiwan. It might then decide to launch an invasion on the basis of an optimistic assessment of the PLA’s ability to decimate Taiwanese airpower with an initial wave of air and missile attacks.

<sup>27</sup> This might change in a few years, of course, following America’s unprecedented agreement, in April 2001, to sell diesel submarines to Taiwan. Although there is still a question mark over US ability to build the submarines, it is safe to assume that China’s leaders will be very concerned by the risk that they will eventually be delivered, significantly enhancing Taiwan’s ability to counter Chinese naval threats to Taiwan’s ports and Taiwan’s ability to threaten counterstrikes against Chinese ports. This enhanced Taiwanese capability would have the effect of narrowing China’s military options in the event of a crisis.

<sup>28</sup> At the height of the 1996 crisis, General Xiong Guangkai was reported in the *New York Times* as having told an American academic: “Americans care more about Los Angeles than Taiwan.” The remarks were widely interpreted as a veiled threat of nuclear strikes on America’s West Coast, although it appears that General Xiong may have been making a less provocative point: that the United States was no longer able to threaten China with nuclear strikes as it had in 1950. See “the Asian Nuclear Reaction Chain” by Joseph Cirincione, Senior Associate of the Carnegie Endowment for International Peace, available on the Carnegie Endowment’s website at <http://www.ceip.org/files/publications/AsianNuclearChain.asp>.

<sup>29</sup> Two articles which struck me as particularly lucid: “The Security Dilemma in East Asia” by Tom Christensen, *International Security*, Vol 23 No 4, Spring 1999; and “The Struggle for Mastery in Asia” by Aaron Freidberg, *Commentary*, Nov 2000.

<sup>30</sup> In 1999, 30 percent of total U.S. world trade was with Asia, as against only 20 percent for Europe. When you take into account that the United States currently operates a big trade deficit towards East Asia, and

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that East Asian economies have reverted, following the economic crisis of 1997, to faster rates of growth than those of Europe, then there is a strong overall case for American policymakers to focus strongly on East Asia as the market with the greatest potential for American exporters.

Trade, however, is only part of the story. The reciprocal ownership position of the US and Europe (total EU foreign direct investment holdings in the United States, and vice versa) in 1999 totalled \$1,136.9 billion. The equivalent total reciprocal FDI figure for the United States and Asia in 1999 was only \$300.9 billion.

<sup>31</sup> Zbigniew Brzezinski, in his essay “Living with China”, *the National Interest*, Spring 2000, argues that there are important parallels between China today and Germany around 1890: “At that time, German policy was in flux, while Germany itself was a rising power. Like today's China, Germany's ambitions were driven by a resentment of a perceived lack of recognition and respect (in the case of Germany, especially on the part of a haughty British Empire, and in the case of today's China, on the part of an arrogant United States), by fears of encirclement by a confining and increasingly antagonistic coalition, by rising nationalistic ambitions on the part of its predominantly young population, and by the resulting desire to precipitate a significant rearrangement in the global pecking order.”

<sup>32</sup> Philip Zelikow: “American Engagement in Asia”, in *America's Asian Alliances*, ed Blackwell and Dibb, the MIT Press, 2000.

<sup>33</sup> The Nice European Council of December 2000 removed a key political obstacle by agreeing how, in an enlarged Union, voting and representational weights in the Commission, the Council and the Parliament would be reapportioned.

<sup>34</sup> There are nine—Latvia, Lithuania, Estonia, Romania, Bulgaria, Slovenia, Slovakia, Albania and Macedonia.

<sup>35</sup> A more subtle analysis of Operation Allied Force suggests, of course, that NATO was quite lucky to prevail. The air operation was running out of options when Slobodan Milosevic unexpectedly threw in the towel, and it is arguable whether the Alliance could have summoned the will to mount an opposed ground operation.

<sup>36</sup> For example, in a front-page article in *Die Zeit* in 1995, Kohl argued that concerns about relative power remained important in Europe and that should Europe fail to achieve monetary union, then it would regress to a mere common market, which would be politically split between those states within the Deutschmark zone and an anti-German alliance of those that were not. What would then ensue, in his words, was that “Germany's dominance would necessarily provoke fear and envy among all our neighbors and move them toward common action against Germany.”

<sup>37</sup> Henry Kissinger: *Diplomacy*, Chapter 31.

<sup>38</sup> The German Defence Minister Rudolph Scharping commented publicly in February 2001 that “as the EU develops its security and defence policy and becomes an independent actor, we must determine our security policy with Russia, our biggest neighbour”. This statement, insofar as it appears to represent German rather than EU aspirations, appears to have caused a fair amount of concern around Europe.

<sup>39</sup> The natural counterargument is that the the paradigm of international relations based on *machtspolitik* (according to which nations must inevitably strive, in an essentially anarchic environment, to ensure their security by maximising their power in relation to others) has lost much of its power to explain the post-Cold War behaviour of states, and needs to be supplemented by other paradigms which give due weight to the nature of relations between advanced democracies in an increasingly interdependent world. But the realist would counter that European integration, below the surface, is still driven at its core by realist motivation: fear of German power, and the need to subsume it in a wider political entity which includes rather than excludes the interests of Germany's neighbours.

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<sup>40</sup> “Europe’s American Pacifier”, by Josef Joffe, in *Foreign Policy*, 1984.

<sup>41</sup> An exception to this generalisation is Britain’s focus—intense until July 1997, much diminished since then—on Hong Kong.

<sup>42</sup> The EU is a member of the Executive Board alongside the three founding members, and has provided a total of 75 m in funding for the organisation until the end of 2000, not counting the additional bilateral contributions of a number of EU Member States (source: European Commission website).

<sup>43</sup> According to European Commission figures, in 1998, Asia accounted for 24.1 percent of the EU’s external trade: more than the countries of the Mediterranean, Latin American, Africa and the former Soviet Union put together (20.5 percent).

<sup>44</sup> The last EU pronouncement on the Taiwan issue was in July 1999, after President Lee Deng-Hui of Taiwan had incurred the extreme wrath of Beijing by referring to the desirability of “special state-to-state” relations between Taiwan and the Mainland. It ran as follows:

*The European Union notes with concern recent developments concerning relations across the Taiwan Straits.*

*The EU supports the principle of ‘One China’. It underlines the necessity of resolving the question of Taiwan peacefully through constructive dialogue.*

*The EU hopes that every effort will be made to clarify misunderstandings and to maintain constructive dialogue. It urges both sides to avoid taking steps or making statements which increase tension.*

<sup>45</sup> For example, the EU’s decision at the Stockholm Summit of March 2001 to despatch a mission to North Korea, with its implied criticism of the hard-line policy towards Pyongyang articulated by President Bush at his Summit several weeks before with the South Korean President Kim Dae-Jung.

<sup>46</sup> An early opportunity has arisen to put this recommendation into practice, with the decision of the U.S. administration to sell Taiwan diesel submarines: the United States no longer has the capacity to manufacture such submarines, designs and technology for which now exist only in Germany and the Netherlands. European assistance will therefore be very important—perhaps indispensable—if this part of the defence package is to be delivered to Taiwan. But China will put intense pressure on Germany and the Netherlands not to cooperate, and a firm, united EU front will be necessary if that pressure is to be resisted.