

## US/CHINA: Biden's Taiwan comments and pending law risk further provocation

- US President Joe Biden stated unequivocally that the US military would defend Taiwan against a mainland invasion; this and similar remarks can no longer be regarded as gaffes.
- Biden's statement coincides with pending US legislation, the Taiwan Policy Act, that would infuriate Beijing by adopting various symbolic steps to strengthen Taiwan's sovereignty.
- The most likely scenario for mainland aggression against Taiwan is one in which Beijing determines that the accumulation of provocations is tantamount to *de facto* independence.

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Biden's statement on 18 September marks the fourth instance in which he has [appeared to depart](#) from Washington's longstanding policy of avoiding explicit security guarantees for Taiwan. This policy of "strategic ambiguity" has been a key element of Washington's broader One China Policy. He also said that "Taiwan makes their own judgments about their independence...that's their decision," a departure from Washington's traditional stance of explicitly not supporting Taiwanese independence.

As with his previous three off-script remarks, White House officials insisted that Biden's remarks do not represent an official policy change. Still, after four such statements, Biden's remarks can no longer be regarded as unintentional gaffes. Rather, his statements are probably motivated by a combination of two factors: genuine intention to deter mainland aggression and concern that a more equivocal statement would invite "soft on China" attacks from domestic critics.

Biden's statement coincides with legislation moving through the US Congress that would significantly alter official US policy towards Taiwan. The Senate Foreign Relations Committee approved the Taiwan Policy Act with bipartisan support on 15 September. The bill combines increased material support for the Taiwanese military with symbolic elements that Beijing would regard as further evidence of Washington's [flagging commitment](#) to the One China Policy.

### Taiwan Policy Act – key provisions

The Senate Foreign Relations Committee removed or amended at least three of the most controversial elements of the original bill. First was the renaming of the "Taipei Economic and Cultural Representative Office," Taipei's *de facto* embassy in Washington, to the "Taiwan Representative Office." Second was a requirement of Senate confirmation for directors of the American Institute in Taiwan, Washington's *de facto* embassy in Taipei. Such a requirement would place institute directors on par with formal US ambassadors. Third, the committee amended a provision that would have designated Taiwan as a "major non-NATO ally." The revised version says that "Taiwan shall be treated *as though it were designated* a major non-NATO ally" (emphasis added).

Despite these changes, other symbolic elements remain that Beijing would consider provocative because they move policy in the direction of treating Taiwan as a sovereign country. The bill establishes promoting Taiwan's inclusion in international organizations as official US policy. It similarly establishes an official policy of inviting Taiwanese officials to participate in high-level bilateral and multilateral summits. The bill also prohibits any US government agency from imposing restrictions

on contacts and interactions with Taiwanese counterparts. That provision would build on changes – initiated by the Trump administration and affirmed by the Biden administration – that liberalize guidelines on US government contact with Taiwan.

The bill's non-symbolic provisions focus on increasing arms sales to Taiwan. It provides USD 6.5bn in grants to Taiwan for the island to purchase US weapons. Previously Taiwan has financed its own arms purchases. The bill also requires the Pentagon to establish a weapons reserve for use by Taiwan in the event of war and to increase the transfer of surplus US military equipment to the island. It further requires the Pentagon to establish a "comprehensive training program" for Taiwan's military and to increase interoperability between the two militaries.

In provisions designed to deter mainland aggression against Taiwan, the bill requires the president to sanction Chinese state-owned banks, natural resource companies, and government officials if he determines that Beijing has engaged in a "significant escalation in aggression" against Taiwan.

### Legislative outlook

Despite the committee's changes, the White House remains concerned about some remaining provisions, though they haven't specified which ones. Similarly, Republican Senator Mitt Romney noted that the bill is "highly provocative and bellicose." Romney still voted for the bill in committee, but he indicated that he expects further changes.

The bill appears unlikely to receive standalone votes in the House and Senate. Instead, legislators may add elements of the Taiwan bill to the National Defense Authorization Act, the annual budget bill that funds the Pentagon. This approach will grant the White House and Democratic leaders in summit greater ability to remove the most controversial provisions without forcing Biden to take the politically unpopular step of vetoing the bill. Senate Majority Leader Charles Schumer said he plans to take up that bill in early October.

### Beijing's response

If the bill passes without significant further dilution, Beijing's response would likely involve military exercises similar to those conducted in response to House Speaker [Nancy Pelosi's visit to Taiwan](#) in August. These exercises might be paired with sanctions against US members of congress who sponsored the bill. Beijing has already sanctioned US defense contractors who sell weapons to Taiwan, but these could be broadened.

Beyond Beijing's short-term response, the more important effect of the act would be to reinforce Beijing's concerns about an erosion of Washington's One China Policy, which long predate this legislation or Biden's most recent statement. These concerns would intensify further if the act emboldened Taiwanese leaders to take provocative steps of their own towards establishing *de facto* independence.

We [continue to believe](#) that a mainland attack on Taiwan is highly unlikely within the next five years if not longer. Moreover, if aggression does occur, a sudden, fully unprovoked attack is not the most plausible scenario. A more realistic scenario is one in which the accumulation of moves by both Washington and Taipei lead Chinese leaders to conclude that Taiwan has crossed a threshold to *de facto* independence. This perception would create irresistible political pressure within the mainland to respond militarily.

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