

## Marubeni Washington Report

## The Fate of U.S.–China Deal Diplomacy

The Taiwan and Ukraine Equation Behind the Trade Talks

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- The US-China summit scheduled for this fall is expected to focus mainly on trade, with a particular focus on the extent to which the two sides can make concessions on issues such as the import of US soybeans to China, additional tariffs on both sides, and export restrictions on key products.
- If the development goes beyond trade and into geopolitics, the US may pressure China regarding Russia (to support a ceasefire in Ukraine), and China may ask the US to adjust its Taiwan policy. Given President Trump's insistence on "peace deal " and the difference in urgency between Ukraine and Taiwan, there may be room to consider slight concessions on the Taiwan policy.
- China's long-term goal is to gradually bring the US's "One China Policy" closer to its own "One China Principle" and weaken Taiwan's trust in the US. Attention is focused on whether this summit will mark a historic turning point.

At the end of October, in conjunction with the APEC summit in South Korea, U.S. President Donald Trump and Chinese President Xi Jinping are scheduled to hold a US-China summit (although President Trump hinted at a cancellation on the morning of October 10, it is currently undecided what will happen). This will be their first face-to-face meeting under the second Trump administration, and this report explores the intentions and priorities of both leaders, taking into account the historical context surrounding Taiwan and the foreign policy of the second Trump administration.

## Deal Diplomacy in the 21st Century

The previous report, "[21st Century Deal Diplomacy](#)" on April 2025 provided an overview of diplomacy in 2025 based on the current situations of the US, China, and Russia, as well as the characteristics of each leader. Although a trilateral meeting among the US, China, and Russia is unrealistic at this point, the prediction that President Trump would actively push a "deal" toward a ceasefire in Ukraine and seek individual talks with the Chinese and Russian leaders by the APEC Summit was largely accurate.

First, let's take a look at the major diplomatic events, from around the time of the launch of the second Trump administration to upcoming long-term events (Figure 1).

Figure 1: Political and Diplomatic Agenda from 2025 to 2029

| Time       | US and China                                                                     | US-Russia, China-Russia, Taiwan, and others                                                           |
|------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| January 25 | Phone call with President Xi before the inauguration of the Trump administration | Secon Trump administration inaugurated                                                                |
| February   | US fentanyl tariffs and China retaliation                                        | U.S.- Ukraine Summit Meeting                                                                          |
| March      |                                                                                  | US-Russia Presidential phone call                                                                     |
| April      | Tariffs on China rise to 145%                                                    | "Liberation Day"                                                                                      |
| May        | First cabinet-level meeting @ Geneva                                             | China-Russia Summit                                                                                   |
| June       | Phone call between the Presidents, second cabinet-level meeting @ London         | US-Russia Presidential phone call                                                                     |
| July       |                                                                                  | US-Russia Presidential phone call, both Taiwanese president's transit in the US and US-Taiwan defense |

|           |                                                                                                                                               |                                                                                                                                                                                                            |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                                                                                                                                               | senior officer's meeting in Washington were reportedly canceled?                                                                                                                                           |
| August    | Third cabinet-level meeting @ Stockholm                                                                                                       | US-Russia Summit in Alaska, US-Europe-Russia Summit, US-Russia Summit presidential phone call                                                                                                              |
| September | Fourth cabinet-level meeting in Madrid, TikTok deal agreed, leaders hold phone call                                                           | China military parade, SCO summit, Trump administration reportedly suspends arms sales to Taiwan                                                                                                           |
| October   | APEC Summit Meeting                                                                                                                           | Inauguration of new Japanese government, 4th Plenary Session in China, 80th anniversary of Taiwan's liberation                                                                                             |
| November  | Tariff suspension deadline (10th)                                                                                                             | COP30 @Brazil, G20 Summit @South Africa                                                                                                                                                                    |
| December  |                                                                                                                                               | Nobel Prize Award Ceremony                                                                                                                                                                                 |
| 2026      | President Trump's visit to China (first half)<br>President Xi's visit to the US<br>China's APEC hosting (another visit to China in the fall?) | Expiration of the US-Russia New START Treaty (February), FIFA World Cup in North America (June-July), 250th anniversary of the US founding (July), US midterm elections, Taiwan local elections (November) |
| 2027      |                                                                                                                                               | 100th anniversary of the founding of the People's Liberation Army (August)<br>Xi Jinping's term as General Secretary expires (November)                                                                    |
| 2028      |                                                                                                                                               | Taiwan's presidential election (January, inauguration in May), new Chinese regime? (Spring), Los Angeles Olympics (July), US presidential election (November)                                              |
| 2029      | 50th anniversary of the restoration of U.S.-China relations and the Taiwan Relations Act (January)                                            | Inauguration of new US administration (January), 80th anniversary of the founding of the People's Republic of China (October)                                                                              |

Source: Compiled by the Washington Office based on various reports.

The second Trump administration accelerated contact with China and Russia immediately after its inauguration. At the US-Russia summit in Alaska, President Putin was treated with courtesy, showing a strong emphasis on aiming for a swift Ukraine peace. Nonetheless, Putin did not show a ceasefire stance and instead repeatedly violated the airspace of NATO member countries (Poland, Romania, Estonia, Latvia). President Trump strongly demanded Europe and India to stop importing Russian crude oil and gas, imposing additional tariffs on India. Furthermore, he even considered supplying long-range cruise missiles "Tomahawk" to Ukraine via Europe.

Meanwhile, the U.S. and China continued cautious exchanges. In the first half of 2025, in addition to retaliatory high tariffs exceeding 100%, the U.S. leaned toward a trade dispute involving semiconductors, and China toward rare earths as bargaining chips. However, after two phone calls and four cabinet-level negotiations, tariffs remained at a relatively restrained and stalemated level. Furthermore, an agreement was reached for the U.S. to acquire TikTok. Regarding Russian energy imports, although China imports more than India or the EU<sup>1</sup>, the U.S. has not imposed additional tariffs like those on India, nor has it made demands to stop imports as strongly as it has with the EU. This is seen as reflecting President Trump's emphasis on a "deal with China."

<sup>1</sup> In the first half of 2025, China imported approximately \$32 billion worth of Russian energy—\$25 billion in crude oil and \$7 billion in natural gas—while India's imports totaled \$23 billion (all crude oil) and the EU's reached \$8 billion (primarily natural gas), according to data from the International Trade Center.

## What President Trump Wants

President Trump has continued the tendency since his first administration to prioritize trade policy, such as correcting trade imbalances and bringing manufacturing back domestically, over security policies with strong ideological tones. This time as well, it is highly likely that he will aim for a large purchase commitment in the form of a "Phase One Agreement" that aimed to reducing the trade deficit with China. Trump asserts that the failure to implement this agreement was a mistake by the previous Biden administration and does not deny the agreement framework itself.

One of the biggest focuses at present is U.S.-produced soybeans. China, which once purchased about 50% of U.S. soybean exports, has almost stopped ordering the fall harvest this year, spreading a sense of crisis among U.S. soybean farmers. Soybeans export to China accounted for [14%](#) of the whole U.S. agricultural export and \$13 billion in 2024 from U.S. agricultural products. Unable to ignore the plight of farmers, who form a solid support base, President Trump [said](#) soybeans will be a major agenda item for the next summit on Truth Social. Ambassador Purdue to China is also [hinted](#) that China was considering a large purchase of Boeing passenger planes, showing a structure aiming for increased exports of agricultural products and industrial goods to China.

At the same time, the aim is to curb imports from China to reduce the trade deficit with China. The U.S.-China goods and trade deficit reached a record high of \$418 billion annually in 2018 (an average of \$33.3 billion per month). After subsequent tariffs and other measures, it fell below \$300 billion annually in 2023-24, narrowing to an average of \$16.1 billion per month following additional tariffs from February 2025 and dipping below \$10 billion per month in June for the first time since 2004. Still, China remains the largest trade deficit partner, with top imports including lithium-ion batteries, smartphones, electrical and mechanical parts, and toys. There is a possibility the U.S. will seek China's cooperation in restricting these imports or encouraging domestic production. On the other hand, China is [reportedly](#) demanding eased investment regulations to expand Chinese investment in the U.S., and there are speculations that at the Madrid cabinet-level meeting, China referred to \$1 trillion in investments to the U.S. Having extended deadlines with extralegal measures regarding the TikTok sale, President Trump is likely to prioritize investment. If positive cooperation can also be obtained from China on fentanyl countermeasures, the U.S. could potentially phase down the 20% fentanyl tariff.

Overall, as long as China accepts purchases of U.S. goods and investment commitments, there is a high possibility that the U.S. will offer the "carrot" of gradually lowering tariffs to 15-20%, conditional on further reduction of the trade deficit, fentanyl regulation, and certain progress on market opening.

In addition to trade, the next target is "China's involvement" aimed at a ceasefire and peace agreement in Ukraine. If China is supporting Russia's continued invasion, it is necessary to separate China from Russia. However, though China and Russia are not true allies, their interests align against the U.S., making driving a wedge between them difficult. Unless the U.S. supplies oil to China under special conditions, China's imports of Russian crude will not stop. Recently, it is [said](#) Russia is providing equipment and training to the People's Liberation Army based on battle experience, and the military ties between China and Russia are strengthening. If it is judged best to exert pressure on Russia via China for a Ukraine ceasefire, the U.S. will need to offer a corresponding "carrot" to China, a candidate for which is an adjustment in Taiwan policy (mentioned later).

Nuclear disarmament is also a security issue. President Trump has repeatedly said he wants to include China in the U.S.-Russia framework<sup>2</sup>, but China's response has been sluggish. China showcased a new nuclear posture at the September military parade, increasing U.S. concerns about the Chinese nuclear threat. In the same month, President Trump demanded the return of the Bagram Air Base in Afghanistan to the U.S., citing its proximity to Chinese nuclear facilities. Both U.S. and Russia leaders have suggested possibly extending the New START treaty, which is set to expire in February 2026, for one year, with the U.S. possibly seeking "time to involve China."

Thus, in U.S.-China talks, while seeking compromises on trade and fentanyl, if a degree of cooperation on Ukraine and geopolitics can be obtained from China, the Trump administration could gain momentum toward the country's 250th anniversary in 2026 and the midterm elections, aiming to make major events like the World Cup and the Los Angeles Olympics a successful legacy.

### **What President Xi Is Aiming for**

While China aims to reduce its dependence on exports to the U.S., the current U.S. tariffs are too high and significantly impact small and medium-sized enterprises. Stabilizing U.S.-China relations is an important issue for China, and it is likely to comply with fentanyl crackdowns and increased imports from the U.S. If the U.S. seeks major concessions, it might demand the easing of export controls on advanced semiconductors to China. On the other hand, export controls on rare earths as a card against the U.S. will likely be maintained with an on/off rapid response system. Unlike soybeans and other products that the U.S. wants to "rush" due to domestic political reasons, China has little reason to hastily conclude a deal, and even just on trade, a quick settlement may be difficult.

If the United States seeks to strengthen pressure on Russia related to the Ukraine ceasefire or suggests additional tariffs on Russian energy imports as applied to India, the negotiations will be further prolonged. Geopolitically, what China truly aims for is an adjustment of the U.S. Taiwan policy. A report [say](#) China is demanding that the U.S. clearly state its opposition to Taiwan independence. Xi Jinping will complete his third term as General Secretary in the fall of 2027. If he aims for a fourth term, he needs to show greater achievements than before during the remaining term and move forward toward the "Chinese Dream" for the centennial of the founding of the country, which means the "great rejuvenation of the Chinese nation." As an essential condition, he has set the resolution of the Taiwan issue, and even if unification cannot be realized, it is important to make the public feel that the country has "moved closer to unification." China sees the final term of Trump, who prefers deals over ideology, as a once-in-a-lifetime opportunity to weaken U.S. involvement with Taiwan.

Based on this premise, the main focus of the US-China deal will be mutual compromise on trade, while security will depend on discussions regarding Taiwan (Figure 2).

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<sup>2</sup> On August, 2025, President Trump said to reporters "One of the things we're trying to do with Russia and with China is denuclearization, and it's very important"

Figure 2: US and China's Intentions

|       | Trade                                                                                                                                                 | Supply Chain                                                                                                                                                                                             | Technology                                                                                                                                                                   | Security                                                                                                                                                                 | Others                                                                                                                          |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| US    | <ul style="list-style-type: none"> <li>• Increase in agricultural product and aircraft exports to China</li> <li>• Trade deficit reduction</li> </ul> | <ul style="list-style-type: none"> <li>• China eases rare earth export restrictions</li> <li>• Manufacturing industries returning to the US (semiconductors, rare earths, shipbuilding, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>• Maintaining dominance in cutting-edge technology</li> </ul>                                                                         | <ul style="list-style-type: none"> <li>• Ukraine ceasefire</li> <li>• Nuclear Disarmament</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>• Fentanyl crackdown</li> <li>• A stable international environment until 2029</li> </ul> |
| China | <ul style="list-style-type: none"> <li>• Tariff reduction</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>• Maintaining rare earth restrictions as a US card</li> <li>• Measures to curb overproduction (Involution)</li> </ul>                                             | <ul style="list-style-type: none"> <li>• US lifts export restrictions on advanced semiconductors</li> <li>• Domestic manufacturing of cutting-edge semiconductors</li> </ul> | <ul style="list-style-type: none"> <li>• Demands that the US clearly state its opposition to Taiwan independence</li> <li>• Maintaining relations with Russia</li> </ul> | <ul style="list-style-type: none"> <li>• Momentum for the fourth term in 2027</li> </ul>                                        |

Source: Washington Office

## US Policy on Taiwan

Organizing the meaning of China's demand that the United States explicitly state its opposition to Taiwan independence. The United States' Taiwan policy is based on the Taiwan Relations Act (TRA), three US-China joint communiqués, and the Six Assurances (Figure 3).

Figure 3: Documents Forming the Basis of the United States' Taiwan Policy.<sup>3</sup>

| Name          | <a href="#">TRA</a>                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Three US-China joint communiqués</a>                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                     | <a href="#">Six Assurances</a>                                                                                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Period        | Apr. 10, 1979<br>(effective from Jan. 1)                                                                                                                                                                                                                                                                                                                                                                  | Feb. 27, 1973                                                                                                                                                                                                                                                                                                                                    | Dec. 15, 1978<br>(effective Jan. 1, 1979)                                                                                                                                                                                                                                                                                                           | Aug. 17, 1983                                                                                                                                                                                                                                                                       | Aug. 17, 1983                                                                                                                                                                                                                                                                                                                                      |
| Main contents | <ul style="list-style-type: none"> <li>• Peace and stability in the Western Pacific is in the interest of the United States</li> <li>• A peaceful resolution of the Taiwan issue is a prerequisite</li> <li>• Blockades and other non-peaceful measures are of grave concern to the United States</li> <li>• Defensive arms supply to Taiwan</li> <li>• Maintaining America's Own Capabilities</li> </ul> | <p>The "Shanghai Communiqué" during President Nixon's visit to China</p> <ul style="list-style-type: none"> <li>• The US acknowledges that Chinese people on both sides of the Strait maintain that there is "one China" and that "Taiwan is part of China."</li> <li>• Reaffirming that a peaceful resolution to the Taiwan issue is</li> </ul> | <p>Communique at the time of normalization of diplomatic relations</p> <ul style="list-style-type: none"> <li>• Recognizing the Sino-Japanese People's Republic as the sole legitimate government while maintaining cultural, commercial and informal exchanges with the Taiwanese people</li> <li>• Reaffirming China's position in the</li> </ul> | <ul style="list-style-type: none"> <li>• No long-term arms sales to Taiwan intended</li> <li>• The arms sales will not exceed the recent levels since the normalization of diplomatic relations in terms of quantity and quality.</li> <li>• Gradually reduce arms sales</li> </ul> | <ul style="list-style-type: none"> <li>• No agreement on deadline for ending arms sales to Taiwan</li> <li>• No prior consultation with China on the sale</li> <li>• Not acting as a mediator between China and Taiwan</li> <li>• No agreement on TRA amendments</li> <li>• The U.S. position on Taiwan's sovereignty remains unchanged</li> </ul> |

<sup>3</sup> For U.S. policy toward Taiwan, see also the earlier report, "[The Frontlines of Washington's Debate over Taiwan](#)" (July 2023, Japanese only).

|  |  |                                         |                        |  |                                                                                                        |
|--|--|-----------------------------------------|------------------------|--|--------------------------------------------------------------------------------------------------------|
|  |  | in the interest of the<br>United States | Shanghai<br>Communiqué |  | <ul style="list-style-type: none"> <li>Do not force Taiwan to start negotiations with China</li> </ul> |
|--|--|-----------------------------------------|------------------------|--|--------------------------------------------------------------------------------------------------------|

Source: American Institute in Taiwan (AIT), U.S. Congress

The TRA clearly states that regional peace and stability are in the U.S. national interest and shows a stance of not condoning Chinese use of force or blockades. However, it does not specify how the U.S. military would act in the event of a contingency. The joint communiqué "recognizes" China's position that Taiwan is a part of China while emphasizing peaceful resolution. The Six Assurances deny agreements on deadlines for arms sales or prior consultations with China and also deny a mediating role. These form the legal basis of "strategic ambiguity," and the U.S. administration has consistently taken the stance of "opposing unilateral changes to the status quo," "not supporting China's use of force to unify nor Taiwan's independence."

If the United States explicitly states its "opposition to Taiwan's independence," this expression is more assertive than "not supporting," but it does not necessarily signify a substantial policy shift. In fact, when the President Chen Shui-bian, the first Taiwanese president from an opposition party, DPP, in 2007 proposed a referendum on whether Taiwan should join the United Nations under the name "Taiwan," the U.S. State Department clearly [stated](#), "The United States opposes any initiative that unilaterally alters the status quo of Taiwan," making its position clear. Since the U.S. opposed even a referendum on UN membership, it can be taken as self-evident that the U.S. opposes any form of independence.

However, the message effect is significant. In January 2025, just after the inauguration of the second Trump administration, Secretary of State Rubio expressed concerns about intimidation in Taiwan and the South China Sea during his first phone call with Foreign Minister Wang Yi. It is unclear whether this prompted a response, but in February, the phrase "the United States does not support Taiwan independence" was temporarily removed from the State Department's fact sheet of Taiwan, and the description of Taiwan's participation in international organizations was [revised](#) to "support where applicable," leaving room for support even when statehood requirements are necessary. More recently, the State Department mentioned the "undetermined status of Taiwan,"<sup>4</sup> creating a situation that could sharply conflict with China's position that "Taiwan is part of China." Amid this trend, if the U.S. explicitly opposes independence, it would not only correct the sign of tilting towards Taiwan but also bring the U.S.'s "One China policy" closer to China's "One China principle." In other words, it would signal that the Trump administration could treat Taiwan as "bargaining chips" in deals. China is likely to seriously consider how much it can curtail Taiwan's international status during the remainder of the Trump administration.

<sup>4</sup> After World War II, the Republic of China at the time took control of Taiwan based on the Cairo Declaration and the Potsdam Declaration. However, the San Francisco Peace Treaty, which formally stipulated Japan's renunciation of all rights to Taiwan, did not specify Taiwan's sovereignty. Because of this, the view that Taiwan's status under international law remains undetermined is known as the "undetermined status of Taiwan" theory. Both the People's Republic of China and the Republic of China have long rejected this theory. However, on September 12, the American Institute in Taiwan (AIT), the U.S. representative office in Taiwan, referred to the "undetermined status of Taiwan" theory in response to media questions, and the U.S. State Department later [endorsed](#) AIT's remarks. According to a [Taiwanese media outlet](#) (in Chinese), Taiwan's Foreign Minister Lin Chia-lung had reportedly discussed the idea of a "theory of Taiwan's undetermined national status" with President Lai beforehand as part of efforts to counter China's information warfare based on the "One China" principle.

The impact would be serious for Taiwan. In recent years in Taiwan, there has been a [decline](#) in trust toward the United States ("US skepticism"), a trend that has intensified since the Biden administration denied U.S. military intervention during Russia's invasion of Ukraine. After the start of the second Trump administration, it is said that a policy was conveyed not to allow transit through the U.S. during Lai Ching-te's planned Latin American visit, the planned defense minister meeting in Washington was canceled and downgraded to a deputy assistant secretary-level meeting in Alaska. A \$400 million arms sales package to Taiwan was also [reportedly](#) halted by the administration's intentions. These could blow to Taiwan's defense beyond mere rhetoric. In trade, while Japan and South Korea agreed to mutually lower tariffs to 15%, Taiwan remains unresolved at a provisional tariff rate of 20%, despite equally high-level dialogues and TSMC's largest-ever single investment of \$165 billion. This is perceived as a "signal to China" ahead of a U.S.-China summit, amplifying concerns within Taiwan that "Taiwan is nothing more than a bargaining chip for the U.S." Under such circumstances, if the U.S. explicitly states its opposition to independence, Taiwan's trust and expectations toward the U.S. will be greatly damaged.

### **President Trump and His Aides' Views**

Within the pro-Trump "MAGA faction," there is a strong isolationism that prioritizes domestic issues, while there is also a "priority approach," like that of Deputy Secretary of Defense Elbridge Colby, which argues that resources should be focused on the Indo-Pacific rather than Europe to deter China. On the other hand, Trump recently repeatedly boasted that he "ended seven conflicts," positioning the resolution of international disputes as his achievement. As a ceasefire in Gaza becomes more realistic, it is natural for him to seriously pursue a ceasefire in Ukraine, which he once boldly claimed during the election would be "resolved in 24 hours."

Following the evaluation that the US-Russia talks in Alaska were unsuccessful, the administration wants to further strengthen pressure leverage against Russia. One way is the China card. However, there are still hardliners against China within and outside the administration (such as Secretary of State Rubio and the House Special Committee on Chinese Communist Party), with strong voices advocating that China deterrence in the Indo-Pacific should be the top priority. Yet, comparing President Putin, who continues his invasion, with President Xi, who formally advocates for "peaceful reunification," it is not surprising that Trump might think that restraining the former is closer to winning the Nobel Peace Prize.

Both are similar as "strongmen," but their backgrounds differ. President Putin has a military history as a lieutenant colonel in the foreign intelligence division of the Soviet Committee for State Security (KGB) and experienced the dissolution of Soviet to which he pledged loyalty. He has a strong sentiment that Ukraine was part of that. On the other hand, President Xi (born in 1953) is from the generation after the founding of the People's Republic of China, has no military background, and has no personal experience with the same regime effectively governing Taiwan. Although he is strongly intent on Taiwan's annexation, there is a time margin until the 2049 deadline for realization, and there is also the calculation that it is sufficient to show "progress" during his term. In addition, unlike Ukraine, it is difficult to predict the extent of U.S. involvement in a Taiwan contingency, and the operational difficulty of crossing the strait is high. The Trump administration might read that even if some adjustments are made to Taiwan policy expressions, as long as the core of strategic ambiguity remains, the short-term risk of Chinese military action is not high. By making some concessions to China, securing full answers in trade, and achieving a ceasefire in Ukraine, it could be considered a major success deal for President Trump. The achievement of conflict resolution following Gaza would make the Trump Nobel Peace Prize scenario realistic and provide a strong tailwind for the Republican Party just before the November 2026 midterm elections.



## **A Risky Deal in the Long Term**

However, it carries the risk of being incorporated into China's "salami slice" tactic. After first extracting a statement opposing Taiwan independence, China will likely demand even more concessions from the U.S. For President Xi, this is a gradual accumulation of small steps toward the "Chinese Dream," a different perspective from President Trump, who seeks remarkable achievements during his remaining term.

There is a near consensus among the U.S., China, and Taiwan that Taiwan cannot withstand a Chinese invasion alone without American intervention. If the U.S. treats Taiwan as a bargaining chip, hopes for support in the contingency will dwindle, and public opinion in Taiwan may instead lean toward the "peaceful integration" desired by China. This is precisely China's aim. If the President Lai's party, DPP suffers a major defeat in the 2026 unified local elections, it would boost President Xi's push for a fourth term. If pro-China forces win the 2028 Taiwanese presidential election, the restart of unification discussions will become realistic, and if all goes well, a roadmap for unification policies could be laid out by 2032.

In the course of this process, China may demand the U.S. to hollow out new joint communiques and the "Six Assurances," which are necessary for a "peaceful resolution." The background of the bill, Six Assurances to Taiwan Act" which has been submitted to the current U.S. Congress, seeking to effectively codify the "Six Assurances" into law might reflect these concerns. Additionally, China is likely to wage an information warfare campaign aimed at harming Taiwan's image by feeding Trump misinformation that the DPP has radicalized, as during Chen Shui-bian's era. This could have a different effect on deal-loving Trump.

Diplomacy is indeed a "deal" where national interests and personal ambitions intersect. However, the excessive pursuit of short-term gains can historically be recorded as a misjudgment. Will it mean becoming a Chamberlain of appeasement, or will it be akin to Churchill and Roosevelt, who supported the democratic camp with strong resolve? We want to closely watch whether the "autumn of diplomacy" in 2025 will mark a turning point in history.

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