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IN FOCUS

Taiwan: Background and U.S. Relations

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Introduction

Taiwan, which also calls itself the Republic of China (ROC) and was once known as Formosa, is a self-governing East Asian democracy located across the Taiwan Strait from mainland China. Taiwan's popularly elected leaders govern 23.2 million people on the main island of Taiwan; the archipelagoes of Penghu, Kinmen, and Matsu; and other outlying islands. Taiwan is a semiconductor manufacturing powerhouse and, in 2025, was a top-five United States merchandise trading partner.

Since 1979, when the United States broke diplomatic relations with the ROC in order to establish diplomatic relations with the People's Republic of China (PRC), the United States and Taiwan have maintained close unofficial relations. The 1979 Taiwan Relations Act (P.L. 96-8; 22 U.S.C. §§3301 et seq.) provides the legal basis for the unofficial relationship. PRC leaders have long expressed a determination to take control of Taiwan, whether peacefully or by force. U.S. policymakers have debated whether—and, if so, how and how much—to support the people of Taiwan in the face of PRC threats and coercion. A steady growth in PRC military capabilities since the 1990s and the increased intensity of PRC operations around Taiwan since 2022 have lent urgency to congressional debates.

Figure 1. Taiwan, Penghu, Kinmen, and Matsu



Source: Graphic by CRS. Map generated using data from NGA, DoS, Esri, and DeLorme.

Note: Taiwan authorities also administer Tungsha Island (Pratas) and Taiping Island (Itu Aba) in the South China Sea (not pictured).

Taiwan's Modern History

The Qing Empire—the predecessor polity to modern China—gained control of Taiwan in 1683, made Taiwan a province in 1885, and then ceded it to Japan in 1895 after losing a war to Japan. Taiwan's subsequent half century as a Japanese colony ended in 1945, with Japan's defeat in World War II. The ROC, founded on mainland China in 1912, assumed control of Taiwan and its outlying islands from the Japanese. ROC forces and the forces of the Communist Party of China (CPC) then fought for control of mainland China. In 1949, the victorious CPC established the PRC on mainland China, while the defeated ROC government retreated to Taiwan.

On Taiwan, the ROC's ruling party, the Kuomintang (KMT), imposed martial law and for decades systematically privileged "mainlanders"—those whose families had arrived on Taiwan from mainland China with the KMT—over the larger local "Taiwanese" population. In 1987, then-ROC President Chiang Ching-kuo lifted martial law, paving the way for political liberalization. His successor legalized opposition parties in 1989. Taiwan held its first direct election for the Legislative Yuan, Taiwan's unicameral parliament, in 1992, and its first direct presidential election in 1996. Since 2000, the presidency has three times passed peacefully between Taiwan's two leading parties, the Democratic Progressive Party (DPP) and the KMT.

U.S. Policy Toward Taiwan

For three decades after the ROC's 1949 retreat to Taiwan, the United States continued to recognize the ROC as the legal government of China, even as the ROC no longer controlled territory on mainland China. The United States switched diplomatic recognition to the PRC on January 1, 1979. In a U.S.-PRC joint communiqué issued on the eve of derecognition of the ROC, the U.S. government stated it "acknowledges the Chinese position that there is but one China and Taiwan is part of China." In an accompanying U.S. statement, the U.S. government said it would withdraw U.S. military personnel from Taiwan and terminate a U.S.-ROC Mutual Defense Treaty in effect since 1955. Per the statement, "In the future, the American people and the people of Taiwan will maintain commercial, cultural, and other relations without official government representation and without diplomatic relations."

The policy of maintaining official relations with the PRC and unofficial relations with Taiwan is at the core of the long-standing U.S. "one-China" policy. (See CRS In Focus IF12503, *The U.S. "One-China" Policy and Taiwan*.) A U.S. Department of State spokesperson publicly confirmed the second Trump Administration's commitment to the U.S. one-China policy in July 2025. Echoing statements made in the previous two Administrations, the spokesperson referred to U.S. policy as being guided by the Taiwan Relations Act, three U.S.-China joint communiqués—concluded in 1972, 1978, and 1982—and the "Six Assurances," statements that President Ronald Reagan authorized to be conveyed to Taiwan's government in 1982. They include assurances that in negotiations with the PRC over the 1982 U.S.-PRC joint communiqué, the United States did not agree to prior consultation with the PRC on arms sales to Taiwan and did not agree to take any position on Taiwan's

sovereignty. (See CRS In Focus IF11665, *President Reagan's Six Assurances to Taiwan*.)

Pursuant to the Taiwan Relations Act, the United States conducts relations with Taiwan through the American Institute in Taiwan (AIT), a nonprofit corporation that operates under a contract with the U.S. Department of State. AIT's Taipei Main Office performs many of the same functions as an embassy and is staffed by U.S. government personnel. Among the Taiwan Relations Act's provisions is a directive that the United States "will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The act states, too, that it is U.S. policy "to maintain the capacity of the United States to resist any resort to force or other forms of coercion" against Taiwan. The act creates so-called "strategic ambiguity" by not specifying whether the United States would defend Taiwan in the case of a PRC attack.

In a January 2026 statement on PRC military exercises near Taiwan, the Department of State reaffirmed other long-standing elements of U.S. policy: "We urge Beijing to exercise restraint, cease its military pressure against Taiwan, and instead engage in meaningful dialogue. The United States supports peace and stability across the Taiwan Strait and opposes unilateral changes to the status quo, including by force or coercion."

Some of President Donald Trump's statements and actions related to Taiwan have fed anxieties in Taiwan about the durability of U.S. support. While in Beijing for a May 2026 summit with PRC leader Xi Jinping, the President alleged in a Fox News interview that Taiwan President Lai Ching-te "wants to go independent." The President stated, "I'm not looking to have somebody go independent, and you know, we are supposed to travel 9,500 miles to fight a war. I'm not looking for that. I want them to cool down." (He added, "I want China to cool down.") In the same interview, the President stated that he was holding "in abeyance" a $14 billion arms sales package for Taiwan—a follow-on to the largest-ever package of U.S. arms sales to Taiwan by value, an $11 billion package that his Administration announced in December 2025. The President stated that the second arms package was "a very good negotiating chip for us." Returning to the United States from Beijing on Air Force One, the President told reporters that he and Xi had discussed Taiwan arms sales "in great detail."

After hosting Xi at the White House in September 2026, President Trump stated that he and Xi, "didn't spend a lot of time talking about Taiwan," adding that Xi "understands very much how I feel." According to a readout of Xi's visit from China's top diplomat, Xi "urged the U.S. side to adhere to the correct position of opposing 'Taiwan independence.'" The Trump Administration has not commented on the PRC statement. Longstanding U.S. policy has been to state that the United States "does not support" independence for Taiwan, rather than to state that it opposes it.

The President has repeatedly alleged that Taiwan "stole" its semiconductor industry from the United States. The second Trump Administration also imposed tariffs on Taiwan and most other U.S. trading partners starting in April 2025. (See CRS In Focus IF10256, *U.S.-Taiwan Trade and Economic Relations*.)

In June 2026 congressional budget hearings, Secretary of State and National Security Advisor Marco Rubio stated that "we don't consult with the Chinese" on arms sales to Taiwan and that "our policy on Taiwan is not changing and did not change" during the May 2026 Trump-Xi summit. In September 2026, Rubio stated of the proposed $14 billion arms package for Taiwan, "anytime we do any sales—not to Taiwan, to anybody, it is always balanced against what are our own needs in different parts of the world and whether we can afford to sell something, because we may need it for ourselves." (See CRS In Focus IF12481, *Taiwan: Defense and Military Issues*.)

Domestic Taiwan Politics

President Lai (also known as William Lai) of the DPP took office in May 2024. The KMT and the smaller Taiwan People's Party (TPP) together control the 113-seat Legislative Yuan. President Lai, who serves concurrently as DPP chairman, has highlighted "the threat of annexation from China" and asserted that Taiwan is a sovereign country. He has prioritized cooperation with the United States. The KMT broadly supports lowering tensions with the PRC through engagement and maintains openness to eventual unification with a democratic mainland China. The TPP presents itself as a centrist alternative to the DPP and KMT. Since 2024, the KMT and TPP have often worked together against the DPP executive.

Taiwan is to hold local elections—known as the Nine-in-One elections—on November 28, 2026. Voters are to elect mayors and city councilors in six special municipalities that report directly to Taiwan's central government, plus county magistrates and other positions in 16 counties and county-level cities. In 2022 elections, KMT candidates won the top positions in 14 of the 22 jurisdictions. Presidential and Legislative Yuan elections are to be held in January 2028.

Cross-Strait Relations

PRC leader Xi has declared the PRC will "strive for peaceful reunification," but "will never promise to renounce the use of force" to secure control of Taiwan. To persuade Taiwan and the world to acquiesce to unification, the PRC has stepped up its military and maritime "law enforcement" activities around Taiwan, sought to coopt elements of Taiwan society, and sought to isolate Taiwan internationally. (See CRS In Focus IF12646, *Taiwan and the International Community*). In an October 10, 2026, speech marking the anniversary of the founding of the ROC, President Lai stated, "Taiwan cherishes peace, but we will not give up our freedom. We are open to exchanges, but will not accept subordination."

Taiwan Legislation in the 119th Congress

The 119th Congress has supported security assistance for Taiwan, including Foreign Military Financing and the Taiwan Security Cooperation Initiative (P.L. 119-60 and P.L. 119-75). The Taiwan Non-Discrimination Act (P.L. 119-60) directs the U.S. governor of the International Monetary Fund to support Taiwan's admission to the Fund. The Taiwan Assurance Implementation Act (P.L. 119-45) directs the State Department to review and reissue its guidance on contacts with Taiwan every five years.

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