

The Taiwan Issue [and Comments]

Richard L. Walker

Yuan-li Wu

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CHAPTER III. THE TAIWAN ISSUE

*Richard L. Walker**

It is difficult to bring to the problem of China and Taiwan that detachment and balance usually associated with concepts of justice and a rule of law. In part, this is true because of Americans' romantic and emotional attachment to that great civilization. Since the White House has once again joined both Peking and Taipei in saying that there is but one China, and Taiwan is part of China, I believe we can expect some of the romanticism of China to wash off in our dealing with Taiwan.

With regard to the People's Republic of China (P.R.C.), its intensified relations with the Western world, and its policies and attitudes toward the Republic of China on Taiwan (R.O.C.), it is desirable to point out the fact that we Americans tend, and have tended for the last three decades, to attribute far more stability and continuity in projecting present policies into the future than has been warranted by the facts. There have been wide and frequent swings in Peking's attitudes, usually linked to internal power considerations. Thus on June 5, 1979, international news services reported from Peking that, once again, only officially authorized Chinese citizens would be allowed to speak to foreigners. This occurred after many reporters and scholars had been led to believe that the more liberal policies inaugurated earlier in the year would be the course for the remainder of the century and had written in glowing terms of China's move toward a more open society.

Again, it is worth pointing out that we have tended to postulate a unity for China and for its current leadership, a unity which is not only absent but which has now been shown to be false. If we know this was not so under Mao (and recent revelations are showing us how really deep were the fissures during his Stalin-like rule), how much more risky will be the projection of unity as a basis for evolving policies toward China in the years ahead, when a major generational transition is occurring? This will be particularly true as regards our policy towards Taiwan and our expectations of P.R.C. attitudes on the Taiwan issue.

With regard to both Taiwan and the P.R.C., there has been a general tendency in the United States to accept official plans and claims as reality. This stems, in part, from our romanticism about China and its people, but it is also a result of a general lack of verifiable information about social and political policies and developments. Time after time, we are proven wrong about China and we are misled by the projections of our own wishes and

* Director, Institute of International Studies and Professor of International Relations, University of South Carolina.

institutions onto the Chinese scene. When Chou En-lai made off-hand remarks about Chinese population, we could expect that American media would quote this as fact. Two scholarly and political camps in the United States tended to form emotional attachments to their own versions of a democratic and progressive China: one represented by the P.R.C., the other by Taiwan. All too often critical judgment was suspended even in the terminology used. Taiwan was called our "loyal democratic ally"; such terminology discouraged our reminding ourselves that those in charge in Taipei would look after their own interests, and that there was little likelihood that their loyalties were to America, rather than to their own cause.

The "Carter Shock" of December 15, 1978 tended to obscure in the emotional language which followed some of the realities of the continuing Taiwan issue, its relationship to the whole evolving Pacific Basin, and the manner in which it is linked to American credibility in a whole range of functional areas involving our national future. The manner in which Carter handled this emotional issue only tended to exacerbate the problem in many respects and has led to recriminations and antagonisms between the executive and legislative branches, between the Department of State and the American business community, and within the ranks of the "China-watchers." The rudeness associated with its style raised questions as to whether the men in Washington had profited at all from past mistakes and failures to understand the importance of manners and ceremony in dealing with areas across the Pacific where style becomes substance.

In approaching our continuing Taiwan problem, it is perhaps worthwhile to mention just a few background facts, particularly since we are frequently misled into judging Taiwan's significance by contrasting its size and population with the overwhelming character of all of mainland China: for instance, seventeen and one-half million people as opposed to one billion; nineteen thousand square miles as opposed to more than three and one-half million square miles.

Taiwan represents today one of the most balanced and successful examples of economic and social development in the world. As a world economic actor, it surpasses all of mainland China and it is among the top ten trading partners of the United States. As a political entity it ranks among the top quarter of the countries in the world in population and economic activity. Growth in the past decade has been nothing short of phenomenal. Per capita income, which in 1969 stood at \$287, has increased to over \$1500 this year — where Japan was in 1969. Taiwan's world trade was \$1.7 billion in 1968; last year it totalled \$23.7 — where Japan stood in 1967. Much more impressive has been the general extension of the benefits of modernization and social improvement to the whole population. Linked with this is the fact that it has been done while the government has placed emphasis on the maintenance of

traditional Chinese culture and family life. Thus, the R.O.C. has been a much more serious contender as an alternative way of adjusting Chinese culture to the age of the computer, the transistor and atomic power than its relatively smaller population and size would indicate.

I would like to make five major points on the future of Taiwan and the P.R.C. and our relations with both of these political entities as we point toward the last two decades of this century. First, despite opinions from the White House that the integrity of Taiwan had been preserved, the security of the R.O.C., and especially its economic security, remains a very grave problem. Taiwan's very success makes it more vulnerable. In many respects, it is like Japan because it is so dependent on trade, free access to market and secure sea lanes. In Japan's case, however, there is no rival government hoping to strangle its success.

In its initial attempt to come to grips with the Chinese problem, the White House version of the Taiwan Relations Act¹ attempted to pretend that there really is no government on Taiwan and that the United States would deal with the people there only as individual citizens. The naiveté of this proposed piece of legislation was quickly exposed in the Congressional hearings, and the Americans were reminded that there is indeed still a government on Taiwan which exercises control and sovereignty over its territories, and that we are going to have to deal with it. This becomes for us an especially sensitive area of operation because of the contrast in the successes in Taiwan as compared with the failures in so many areas in the three decades of Communist rule of the P.R.C., failures now being revealed by the men in charge in Peking. There are many reasons, therefore, for us to remember that the Taiwan problem has not been solved. Competing Chinese regimes have not been eliminated from the Western Pacific. The military-security aspects of this competition will continue to worry us even after the security treaty expires.

Second, the Taiwan issue cannot be divorced from the whole regional structure of economic and military security in the Western Pacific. Though there are China advisers in the White House who wish that somehow Taiwan would disappear, this is unlikely to happen. Taiwan has been an intimate part of the development of the whole Western Pacific area which has accelerated over the past decade. It is linked into Telstar, Telex and computer nets; it is part of an interdependent trade pattern; it is bound up in the growth of modern tourism.

Because all of this development in the 1960s and 1970s is closely related to U.S. power, posture and credibility, the Taiwan problem cannot be

1. Pub. L. No. 96-8, 93 Stat. 14 (1979). See Appendix-Selected Documents p. 114 *infra*.

separated from other regional considerations. The Defense Treaty,² whose abrogation has raised sensitive internal political problems for Washington, was not an isolated one. Other defense commitments were bound to be called into question. Thus, the future and security of Taiwan have come to be linked intimately in the Western Pacific with, for instance, the security of Japan's sea lanes, Korean development and military security, and Philippine self-confidence. In addition, too many U.S. presidential and congressional guarantees were made to Taiwan to be dismissed with impunity. The sudden announcement on December 15, 1978 could not eliminate without serious repercussions this aspect of the reality of Taiwan. That was one of the messages which eventually Congress had to carry to an Executive branch which was caught up in America's China romance.

Third, this means that contrary to what has sometimes been so easily asserted by American supporters of President Carter's precipitate action on China policy, Taiwan is not comparable either in reality or as an issue to Hong Kong. While one of the new and very successful export-processing zones in the southern port city of Kaohsiung might be comparable to Hong Kong, there is no comparison in terms of the security and political question. On Taiwan, Asia's first republic retains traditions whose roots and history are hardly insignificant. The government on Taiwan still has the trappings of a sovereign state — a bureaucracy, a national educational system and the symbols of legitimate authority: army, courts, police and capacity to enforce laws. As pointed out, the R.O.C. constitutes a challenge to Peking and many of the claims advanced by the P.R.C.

Fourth, despite actions which seemed to take away American links to the R.O.C., Taiwan remains an American responsibility. It is linked with our businesses and other broad ranging activities. The American Chamber of Commerce in Taipei represents, for instance, more than 600 American firms in Taiwan. Much of the industrial growth in the island republic has been geared to American standards and spare parts; tens of thousands of its citizens have graduated from American colleges and universities; its legal and business practices are more and more synchronized with those of the United States. Thus, when it came time for the White House to pretend that we would have no dealings whatsoever with the governmental authorities — a move which the Carter Administration agreed upon without getting any sort of a *quid pro quo* — this was quickly revealed to be a position that was impossible to maintain. One of the American Chamber representatives, who came to Washington to testify in February, 1979, wondered what would happen with the many cases which would have to be adjudicated before the

2. [1955] 6 U.S.T. 433, T.I.A.S. No. 3178.

courts in Taiwan if we decided there was no government there whose authority could be acknowledged.

Perhaps a most important part of the continuing responsibility which the United States has for the future of Taiwan lies in these very commercial dealings and the personal contacts. They are, after all, the real stuff of international relations and the sustenance of international faith and credibility. That faith has also involved the tooling of the whole R.O.C. defense establishment to U.S. weapons systems. It is of little value to say that the people in Taiwan can take care of their own security without U.S. military contracts and supplies. This is why the secret deal between President Carter's negotiators and the P.R.C., revealed in the *Washington Post* on January 12, 1979 after the White House had assured the American public there had been no secret deals, proved so alarming to Congress. If the Administration was going to close off new weapons acquisitions while the security treaty was technically still in effect, how could the United States convince others that we would honor a commitment to supply defensive arms to the R.O.C. after the treaty, renounced unilaterally, had expired? The attempt to eliminate U.S. responsibility for the future of Taiwan cannot wash. The United States retains a responsibility for the future of Taiwan, and this fact has now been legislated into the Taiwan Relations Act which the President has signed. It will require a constant and intense vigilance to ensure that the intent of this act is not violated by the China romantics who would once again be tempted to give something away for nothing.

Fifth, in the final analysis, the Chinese in Taiwan and in the P.R.C. are better prepared to handle the current duality and fiction of the American Institute in Taiwan and the Coordination Council for North American Affairs than we are. The Chinese are used to clothing stark realities in the garb of different surface appearances. This is true of both Taiwan and the P.R.C. In Taiwan, for example, the fiction of a national government has been maintained to cloak the reality of the management of the state by a small but capable group of revolutionary modernizers from the Chinese mainland. In the P.R.C. all sorts of charades were played in the name of Mao Tse-tung and the most serious power struggles remained hidden under the smooth surface of unanimity. Or again, let us remember back through history that the duality of the period of Manchu rule in China (1644-1911) remained obscure to most Westerners. Chinese understand the necessity of fictions for maintaining face.

The real problem in Taiwan is to make sure that the reality of the U.S. undergirding of the island's security remains unimpaired, that the U.S. presence in the area remains credible. What the negotiators for the "normalization" with the P.R.C. seemed to have forgotten temporarily is that on that score Peking is just as anxious for a credible U.S. presence in the

Western Pacific as is Taiwan. This is likely to continue to be the case as long as Soviet power grows unabated and the "polar bear," as the Chinese Communist leaders like to call the Soviets, swims unrestrained in the waters off China.

Such considerations would tend to point toward a couple of very clear conclusions for the future of U.S. policies on the Taiwan question. First, there is not likely to be any quick or easy solution, and the current situation cannot be expected to change rapidly. Second, there is no need for American impatience. What appears to be a still murky and unresolved issue may, in reality, be an issue which is not at all unsatisfactory and one on which any precipitate action would only make matters worse. Finally, it should be clear that the Taiwan-China relationship is more and more a part of the whole Pacific Basin security problem, and that is one from which the United States cannot and should not try to disengage.

COMMENTS

*Yuan-li Wu**

At this conference a variety of issues has been discussed: was normalization appropriate; was it instituted at the right gains or losses to the United States? But my concern is the Taiwan issue which remains unresolved and which will not be resolved in one fell swoop. I propose, therefore, to share with you some of my own thoughts. My purpose is neither to re-examine the past nor to apportion either blame or praise, but to look to the future.

First, whatever one may think of normalization, it has had the effect of changing the international environment in Northeast Asia and the Western Pacific with a special focus upon Taiwan. It has affected the perceptions of the decision-makers of the major powers; their responses have in turn affected the subsequent decisions and perceptions of other powers.

What are the advantages and disadvantages to the major powers of maintaining Taiwan as an independent entity? What if Taiwan were no longer an independent entity but subject to the influence of an adversary or potential adversary of any of the major powers?

To the People's Republic of China (P.R.C.), Taiwan is in a unique position to provide a strategic lever against Japan by virtue of its location on Japan's

* Consultant to the Hoover Institution on War, Revolution and Peace at Stanford University; Professor of Economics, University of San Francisco; Specialist in international economic and political affairs.

sea routes, through both the Taiwan Strait and the Bashi Channel. Taiwan is also important to the P.R.C. because it is on the only side of the Chinese mainland that is not blocked by the Soviet Union or by powers technically allied with it. To the Soviet Union, the control of Taiwan must be denied the P.R.C. since Taiwan is the only place that offers Peking potential leverage against Japan. Taiwan is the only remaining country besides Japan that would complete the Soviet encirclement of the P.R.C.

As long as they are hostile towards each other, neither the People's Republic of China nor the Soviet Union would wish to see Taiwan in the opponent's hands as exemplified by the reasons stated above. Consequently, stability in the Western Pacific would be disrupted if either Peking or the Soviet Union believed that Taiwan could fall into the hands of the other. That would be a situation fraught with danger.

The second point that I wish to stress is that Taiwan is also important for the United States because it is situated on the sea routes of Japan. Therefore, Taiwan should be denied to any country that is potentially hostile and interested in disrupting the U.S.-Japanese relationship. Furthermore, if the P.R.C. should turn out to be more aggressive and expansive than we would like to see, we might need an alternative — Taiwan. Finally, in the event of a Sino-Soviet rapprochement and to the extent that the Eurasian continent is under Soviet influence, we would wish to have an island defense line along the eastern coast of Asia as a bulwark west of Hawaii.

For the above reasons, it is essential that we build up Taiwan's confidence in its own security and convince Peking that it is in its own best interest not to disturb Taiwan's sense of confidence. Otherwise, Peking might compel Taiwan to undertake a radical policy change that might prove regrettable. In that connection, if you examine carefully the Taiwan Relations Act,¹ you would probably find that the American Institute is not particularly appropriate as a vehicle to preserve military liaison in matters requiring a timely response. Closer coordination and contact between the military on both sides is needed. I wish to stress that reinforcing Taiwan's confidence and security will not damage our relations with the P.R.C. Rather, only when the former feels sufficiently secure and the latter is convinced that it will be futile to use force to reincorporate Taiwan, military or otherwise, can there be a fruitful dialogue between the two countries. Such a dialogue will benefit the continuation of profitable coexistence between Taiwan and the People's Republic of China.

Finally, we have heard a great deal about the possibility of trade between the P.R.C. and the United States, with estimates ranging from

1. Pub. L. No. 96-8, 93 Stat. 14 (1979). See Appendix-Selected Documents p. 114 *infra*.

\$1.6–2 billion worth this year to \$4–5 billion by 1985. All this speculation is predicated upon the assumption that modernization programs will succeed. Basically, there are only two routes by which the Chinese might succeed in their modernization program. One is the Saudi Arabian route, *i.e.*, mineral and oil exports, the only problem being that there is a substantial time lag (seven to eight years) due to the construction of the new production facilities. The South Korea or Taiwan route is the second route to P.R.C. modernization, featuring the exportation of textiles, garments, electronic material and equipment through business firms. Those involved include the Chinese, Japanese, people from Hong Kong and other foreigners who will participate in joint ventures and other arrangements. This method is opening the bottle and letting the genie out. One may not be able to put the genie back. In the end, the Chinese may no longer have a system that they could truly call communist. That would be fine with us, but probably not with Mr. Teng and his colleagues. They probably are as truly communist as they claim to be.

Then there are two modes of failure. One is the Albania-Burma model. That is, nothing much happens for decades except some increase in the population, sufficient to offset any increase in output. The other is what I call the Iranian model, highlighted by a period of expansion which is followed by collapse. In either case, one would find east of the Soviet Union a large land mass and population that is impotent in the world arena, creating problems for everybody and of doubtful use as a counterweight to the Soviet Union.

Let me conclude with a story. One famous Peking opera is entitled "The Undefended City." Scene one opens with Chu-ke Liang, the Henry Kissinger of his time in the period of the Three Kingdoms, sitting on top of the city wall. A scout comes to him to report that the enemy's troops were about twenty miles away. Chu-ke had no troops at home and for the first time, Tsao Tsao and his troops caught the famous strategist unprepared. What was he to do? He ordered that the city gates be opened, that a banquet be set on top of the city wall and that a few old, dilapidated street sweepers work on the street, with no troops in sight.

Scene two is set in the enemy's camp. The scout of Tsao Tsao's troops came back and reported that as far as he could see the city was undefended, and that Chu-ke Liang was just enjoying himself and having a banquet laid out. So the Security Council was called and a meeting took place in Tsao Tsao's camp. The members of the meeting came to the unanimous conclusion that the moment to attack had come because the enemy was caught unprepared. But Tsao Tsao said, "No, we retreat because never would Chu-ke be caught unprepared — he is far too sagacious, too wise, too farseeing, too good a planner."

I would submit that Chou En-lai and his successor, Mr. Teng, might be playing the same game.