



Background

The Heritage Foundation • 214 Massachusetts Avenue, N.E. • Washington, D.C. 20002 • (202) 546-4400 • Telex: 440235



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ASSESSING THE TAIWAN RELATIONS ACT

INTRODUCTION

Six years ago on December 15, President Jimmy Carter startled the nation and the world with a surprise televised announcement that, as of January 1, 1979, he would establish diplomatic relations with the People's Republic of China (PRC) and break relations and end the Mutual Defense Treaty with the Republic of China on Taiwan (ROC). The ROC and the U.S. Congress were kept in the dark.

The announcement was made during Christmas recess to avoid a likely congressional uproar. The few Members told of Carter's pending announcement were notified only hours before the speech. Complained Senator Robert Dole, the Kansas Republican, "Mr. Carter found it expedient to abandon Taiwan without a warning to its government or consultation with our own." Added Arizona Republican Senator Barry Goldwater: "The President downgraded, humiliated, and victimized the Republic of China on Taiwan, one of this nation's most faithful and valuable allies."¹

What prompted Carter's action in part was his conviction that closer U.S. ties with mainland China would strengthen Washington's hand in dealings with Moscow. But it also seemed that Carter was grasping for a diplomatic triple coup. He was hoping to (1) establish diplomatic relations with the PRC, (2) obtain an agreement in the Middle East, and (3) initial an arms control pact with the USSR.

¹ John Tierney, Jr., ed., About Face: The China Decision and Its Consequences (New Rochelle, New York: Arlington House, 1979), pp. 15, 23.

He failed that December in the Middle East and on arms talks, but nonetheless pushed ahead on the China issue. So determined was he to reach an agreement with the PRC that he accepted all of Beijing's terms. This meant not only breaking more than a half century of diplomatic relations with the ROC and tearing up the 1954 U.S.-ROC Mutual Defense Treaty, but also withdrawing all American troops from the ROC, removing American installations on Taiwan, shutting the U.S. embassy and hauling down the Stars and Stripes in Taipei, and forcing ROC diplomats to vacate their embassy and retire their flag in Washington. ROC official representatives, once regarded as among America's closest friends, suddenly lost their diplomatic status and became merely private citizens. To make matters worse, Carter did not even obtain Beijing's promise not to use force against Taiwan in the future.

Carter's action ignited a firestorm of protests across the U.S. and in Congress. They forced the White House to make formal assurances to the ROC that it was not being abandoned by the U.S. These guarantees are embodied in what is called the Taiwan Relations Act (TRA), which became law on April 10, 1979. In this Act, the U.S. in general promises to help the ROC defend itself and to maintain U.S.-ROC commercial, cultural, and other relations.

For a half dozen years, the TRA has governed U.S.-ROC relations. In most respects, the TRA has worked exceptionally well. Trade and investment between the two nations, for example, have increased substantially since 1979. Today the ROC is the sixth largest trading partner of the U.S. and hosts more than \$6 billion in U.S. investments and loans. In certain critical aspects, however, the spirit and substance of the TRA have not been honored fully--even by the Reagan Administration, which values U.S. ties with the ROC. Too often U.S. policy and officials seem to keep the ROC at arms length. In fulfilling agreements reached with Beijing during normalization, State Department officials routinely turn down ROC invitations, the ROC flag is not permitted to fly in the U.S., and ROC commercial officials are not allowed to open consular offices in U.S. business centers.

When the TRA was enacted, Congress promised to monitor its enforcement. But a comprehensive oversight hearing on the TRA has not been held since 1980. Since so many Americans are concerned that the TRA is not being fully enforced, it is time for Congress and the White House to assess the TRA to ensure that it is being carried out in the manner demanded by Congress in 1979. It also is time for Congress and the White House to explore ways for the U.S. to upgrade its ties with the ROC to the extent permitted by the TRA.

THE TAIWAN RELATIONS ACT

The TRA is a unique piece of legislation. It seeks to ensure that, even if the form of U.S.-ROC relations were to

change, the substance would not. Included in its provisions were: a general declaration of U.S. policy; a statement that the U.S. would continue selling the ROC defense articles and services; procedures by which the White House must notify Congress in case of a threat to Taiwan; a declaration that existing agreements between the U.S. and the ROC would remain in force (except the Mutual Defense Pact); authorization for establishment of non-governmental entities through which the U.S. and the ROC would conduct relations with each other; reporting requirements for the Secretary of State in respect to the implementation of the TRA; authorization for the President to prescribe rules and regulations to implement the TRA; and an obligation for Congress to provide oversight for fulfillment of the TRA.

Very significantly, the TRA linked U.S. national security interests with peace in the Taiwan straits and authorized American intervention should the ROC's security or social and economic system be threatened.

In specifying the extent to which a threat to Taiwan and certain offshore islands would endanger U.S. interests, the TRA goes further in some respects than did the 1954 Mutual Defense Treaty. The TRA requires the U.S. to consider any threat to the ROC "of grave concern to the United States," necessitating "appropriate action" by the President and the Congress.

Section 14 of the TRA requires the House Foreign Affairs Committee and the Senate Foreign Relations Committee and other appropriate congressional committees to monitor:

- 1) the implementation of the provisions of the TRA;
- 2) the operation and procedures of the American Institute in Taiwan;
- 3) the legal and technical aspects of the continuing relationship between the United States and Taiwan; and
- 4) the implementation of the policies of the United States concerning security and cooperation in East Asia.

Although numerous hearings on related subjects have been held and monitoring continues as part of the day-to-day activities of the responsible committees, Congress has not held hearings specifically on the implementation of the TRA since 1980.

Today, most Americans apparently feel that Carter made a mistake in breaking relations with the ROC. While many believe that U.S. interests were served by establishing diplomatic relations with the People's Republic of China, they also think that some type of official relationship should have been preserved with the Republic of China. This is reflected in a nationwide poll conducted this fall by Sindlinger & Company for The Heritage Foundation. An overwhelming 87.3 percent of the respondents said that the U.S. should have diplomatic relations with Taiwan. At the same time, 18.5 percent see the PRC as a friend of the U.S., while 5.6 percent see it as an enemy.

Ersatz Embassies

To replace the U.S. and ROC embassies closed down by Carter's breaking relations with the ROC, the Taiwan Relations Act calls for the creation of a diplomatic hybrid--an "instrumentality" that would allow the two nations to carry on unofficial contact with each other. The U.S. calls its ersatz embassy on Taiwan the American Institute in Taiwan (AIT), while the substitute ROC embassy in the U.S. is the Coordination Council for North American Affairs (CCNAA).

Both the AIT and the CCNAA keep low profiles in each other's country. The AIT office in Taipei, for example, is entered from a back alley and flies no U.S. flag. Though such self-effacement is not required by the TRA, it does coincide with the 1978 normalization agreement with the PRC, in which the U.S. recognized "the government of the PRC as the sole legal government of China" and acknowledged "the Chinese position that there is but one China and Taiwan is a part of China." In part also, the low-key posture is designed to enable Washington and Taipei to pursue more substantive aspects of their relationship without fanfare. But here again, fanfare is shunned only because it may anger Beijing. AIT has offices in Taipei and Kaohsiung, Taiwan's two largest cities. CCNAA maintains offices in Washington, Atlanta, Chicago, Houston, New York, Boston, Honolulu, Los Angeles, San Francisco, and Seattle.

AIT and CCNAA have signed more than twenty accords dealing with specific areas of concern. Among them are air transport, education and cultural exchanges, privileges and immunities of AIT and CCNAA employees, trade and commerce, and scientific cooperation. Washington and Taipei are attempting to institutionalize their relations through such bilateral agreements.

Fulfillment of the TRA

Important aspects of U.S.-ROC relations have continued improving despite derecognition.

In addition to being the sixth largest U.S. trading partner, the ROC remains the third largest recipient of U.S. Export-Import Bank funds. It could become number one if it accepted large-scale American participation in such major infrastructure projects as the Taipei subway system and the island's new nuclear power plant. (The ROC complains, however, that Ex-Im interest rates are too high.)

U.S. security assistance to the ROC remains at high levels. The Reagan Administration has interpreted the TRA as a mandate to ensure that the ROC arsenal does not deteriorate because of the decline of outdated equipment and that it is sufficient to deter and repel attack from the mainland.

U.S. - TAIWAN TRADE
(Amount: U.S. \$1,000 not adjusted for inflation)

<u>Year</u>	<u>U.S. Exports to Taiwan</u>	<u>Taiwan Exports to U.S.</u>	<u>Total</u>
1975	1,652,129	1,822,737	3,474,866
1976	1,797,540	3,038,699	4,836,239
1977	1,963,852	3,636,250	5,603,102
1978	2,376,063	5,010,378	7,386,441
1979	3,380,797	5,652,243	9,033,040
1980	4,673,486	6,760,300	11,433,786
1981	4,765,671	8,163,099	12,928,770
1982	4,563,000	8,758,000	13,321,000
1983	4,646,000	11,333,000	15,979,000

ANNUAL U.S. MILITARY SALES TO TAIWAN
(in U.S. \$1,000, not adjusted for inflation)

<u>FY Year</u>	<u>Foreign Military Sales</u>	<u>Commercial Export Licensed</u>	<u>Total</u>
1975	136,094	44,982	181,076
1976	344,662	42,531	387,193
1977	148,407	46,140	194,547
1978	353,154	73,637	426,791
1979	542,627	44,547	587,174
1980	486,756	57,770	544,526
1981	263,482	66,731	330,213
1982	504,412	75,000 (est)	579,412
1983	698,646	85,000 (est)	783,646

U.S. VISITORS TO TAIWAN

1975	123,550
1976	137,488
1977	141,837
1978	150,432
1979	113,596
1980	122,673
1981	131,358
1982	137,531
1983	157,715

TAIWAN VISITORS/STUDENTS TO U.S.

<u>Calendar Year</u>	<u>Total Visits</u>	<u>Newly Issued Visas</u>	<u>Of Which Students</u>
1979		48,336	7,267
1980		57,646	5,885
1981	76,599 ^a	61,796	5,171
1982	98,995	84,921	5,736
1983	110,148	81,289	6,050

U.S.-ROC CULTURAL/EDUCATIONAL EXCHANGES

1. Total ROC Students in USA: 21,960 in 1984, ranking no. 1 among all foreign countries.
2. U.S. Students Studying in Taiwan: 883 in school year 1983-84.
3. U.S. Scholars Visiting Taiwan (1981-83): 253 including 96 university presidents.
4. U.S. Professors Attending Summer Seminars in Taiwan (1981-83): 40.
5. Chinese-American Youth Attending Summer Courses in Taiwan (1981-83): 1,200
6. Cooperation Projects:

Since 1971, a total of 41 ROC colleges have signed cultural/educational cooperation agreements with 127 U.S. colleges.

The numerous agreements signed by Washington and Taipei since 1979 have built a strong network of relationships designed to withstand future shocks. This structural building process, although quiet and incremental, is viewed as extremely important to the continued close relationship between the two countries.

PROBLEMS IN THE RELATIONSHIP

There are, however, problems in the U.S.-ROC relationship. For its part, Washington is concerned about the U.S. trade deficit with the ROC and the Chinese on Taiwan's practice of counterfeiting American copyrighted products. In 1983 the U.S. trade deficit with the ROC was \$6.7 billion, up \$2.7 billion from 1982. Many trade practices and regulations on Taiwan present obstacles to U.S. exports. These include high tariffs; restrictive banking regulations that affect U.S. bank operations on Taiwan; denial of investment opportunities to certain U.S. manufacturers to protect Taiwan producers; infringements of U.S. intellectual property rights such as patents and copyrights; and general nontariff barriers that prevent equal access to Taiwan's domestic market.

Of considerable concern to Washington is the counterfeiting issue. Taiwan has a reputation as home port for patent and trademark pirates. Although the ROC government has begun taking steps to control this, U.S. companies continue to complain of Taiwan-based copying of copyrighted, trademarked, and patented products.

Diplomatic Problems

More difficult are problems arising from the fact that the ROC is no longer officially recognized by the United States. This has resulted in numerous American affronts to ROC national pride and remains a constant irritation to its government and people. Taipei maintains that it is the legitimate government of China and that its citizens are "Chinese." Yet as part of the derecognition process, Carter barred the U.S. from using the names "Republic of China" and "Chinese." A January 9, 1979, State Department memorandum decrees:

- 1) The term "Republic of China" is not to be used in referring to Taiwan.
- 2) The adjectival form is "Taiwan," not "Taiwanese." People should be referred to as "from Taiwan," "on Taiwan," "of Taiwan," etc., rather than as Taiwanese. The adjective "Chinese" should not be applied to the government or institutions on Taiwan. (The ethnic groups on Taiwan are, however, Chinese; the language spoken there is Chinese, and one of its dialects is Taiwanese. These terms should continue to be used in appropriate instances.)

One of the ROC's greatest concerns is that, if the U.S. and other nations cease using its proper name, then its legitimacy as an independent, sovereign political entity will be challenged. Eventually, it is feared, the ROC will lose all standing in the international community.

The ROC maintains diplomatic relations with 24 countries: Bolivia, Costa Rica, Dominican Republic, Dominica, El Salvador, Guatemala, Haiti, the Holy See, Honduras, Malawi, Nauru, Nicaragua, Panama, Paraguay, the Republic of Korea, St. Christopher and Nevis, St. Vincent and the Grenadines, Saudi Arabia, Solomon Islands, South Africa, Swaziland, Tonga, Tuvalu, and Uruguay. So-called substantive relations, however, are maintained with most noncommunist countries.

In addition, the ROC participates as a full member in nine intergovernmental organizations and some 280 private international organizations. Taipei's continued participation in these organizations may depend on the resolution of the critical issue of the ROC's name. Since Washington has formal diplomatic relations with the PRC, it does not support Taipei's position on the use of the name "Republic of China." The United States does, however, maintain that Taiwan should participate as a full member in international organizations.

The ROC also has been offended by the extent to which its access to U.S. officials has been restricted since 1979. During the Carter Administration, communications between the two governments were poor. In a definitive statement of his prospective policy toward the ROC on August 25, 1980, Ronald Reagan listed several "petty practices" adopted by Carter. Reagan said:

It is absurd and not required by the Act that our representatives are not permitted to meet with Taiwanese officials in their offices and ours. I will treat all Chinese officials with fairness and dignity.

I would not impose restrictions which are not required by the Taiwan Relations Act and which contravene its spirit and purpose. Here are other examples of how Carter has gone out of his way to humiliate our friends on Taiwan:

- Taiwanese officials are ignored at senior levels of the U.S. government....

- The Taiwan Relations Act specifically requires that the Taiwanese be permitted to keep the same number of offices in this country as they had before. Previously, Taiwan had 14 such offices. Today there are but nine....

- Recently the Carter Administration attempted to ban all imports from Taiwan labeled "Made in the Republic of China," but was forced to rescind the order after opposition began to mount in the Congress.

□ The Carter Administration unilaterally imposed a one-year moratorium on arms supplies even though the Act specifies that Taiwan shall be provided with arms of a defense character.

□ The Carter Administration abrogated the Civil Aviation Agreement with Taiwan, which had been in effect since 1947, in response to demands from the People's Republic of China.

Despite Reagan's tough words, there was little improvement in U.S.-ROC communications after Alexander Haig, Reagan's first Secretary of State, moved into the State Department. The ROC, for instance, was not adequately consulted on three important letters sent by Reagan to Chinese leaders in April and May 1982. Once Haig left in mid-1982, however, U.S.-Taiwan relations gradually improved. Channels of communication have opened and both governments sense a better atmosphere of trust and cooperation. An additional CCNAA office was opened in Boston, for example, although none yet has been established in Portland, Kansas City, Calexico, Guam, or Samoa. The Boston office brings to ten the total of ROC installations in the U.S. and its territories.

Representatives of the American Institute in Taiwan and CCNAA are still restricted in their social activities. They have limited access to government officials, must maintain a low public profile on controversial issues, and function in a rather cloistered environment. Although certain properties in the U.S. previously owned by the ROC government have been turned over to CCNAA, the present location of CCNAA offices in Washington reflects the awkwardness with which the U.S. government views its relations with Taiwan. Its main office, equivalent to an embassy, is not anywhere near Washington's elegant embassy row or even in the nation's capital. It is in suburban Maryland, although the office will move into the District of Columbia within two years. AIT offices in Taipei are located in a drab complex down a small alley, far removed from the center of town.

Taken together, these intangibles create the impression that the ROC is a problem for the U.S., rather than a nation with which Americans have been allied for decades.

The "Taiwan Issue"

More difficult still have been problems arising from the ROC's role in overall Sino-American relations. Relations with the People's Republic of China are seen as vital to U.S. national security interests. But Beijing frequently points to continued unofficial U.S. relations with the ROC as the principal obstacle to improved Sino-American ties. At times, the PRC has threatened to downgrade Sino-American relations unless Washington reduces the level of its support of Taipei.² On two important matters,

² For a discussion of PRC attempts to link Sino-American strategic cooperation with U.S. unofficial policy toward Taiwan, see Martin L. Lasater, The Taiwan Issue in Sino-American Strategic Relations (Boulder, Colorado: Westview Press, 1984).

in fact, the Reagan Administration buckled under Beijing pressure. The first was the January 11, 1982, decision regarding the possible sale to the ROC of a U.S.-made warplane known as the FX. In this case, the Administration, under heavy pressure from Secretary of State Haig and the "China hands" in the Department of State, decided not to sell the FX aircraft to the ROC.

The second instance was the signing of the August 17, 1982, Joint Communiqué between the U.S. and PRC. This Communiqué violates the intent of the Taiwan Relations Act. Paragraph 6 of the Communiqué declares:

Having in mind the foregoing statements of both sides [referring to China's "fundamental policy of striving for peaceful reunification of the Motherland"], the United States government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution.

This is in stark contrast to Section 3 of the TRA, which requires the U.S. to "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." Obviously, as Beijing increases its capabilities to utilize force against the ROC, Taipei's defense needs will increase as well. The TRA permits--possibly even obliges--the U.S. to increase quantitatively and qualitatively arms sales to the ROC to match any increased threat from the mainland. The August 17 Communiqué, however, seems to preclude this.

It should be noted, however, that President Reagan vehemently denies this interpretation of the August 17 Communiqué and has on several occasions dictated his own understanding of the agreement. In a Human Events interview in February 1983, for instance, the President stated that the TRA is the law of the land and that "we will help maintain Taiwan's defensive posture and capability" until the two sides "find that they can get together and become one China in a peaceful manner."³

TAIWAN'S SECURITY

Arms sales permitted by the TRA are critical not only to the ROC's defense, but also as a symbol of continuing American concern

³ Human Events, February 26, 1983, p. 19.

for the ROC's fate. So far, Taiwan is marginally safe from attack. While the PRC enjoys overwhelming superiority to the ROC in strategic missiles, bombers, fighters, submarines, fast attack craft, and total manpower in all branches, forces deployed in the three military regions (Guangzhou, Fuzhou, and Nanking) opposite Taiwan and in the East China Sea are not sufficient for an invasion of the ROC. A blockade could be enforced, however.

Assessments of the PRC threat must also take into consideration Beijing's intentions. The PRC often has vowed to gain control of Taiwan. Beijing's strategic objectives are elimination of the Nationalists' autonomy on Taiwan, erasing the Republic of China as a viable political entity, and the eventual socialization of the island.⁴

One high-ranking Chinese official said in February 1979, "After China has achieved peaceful reunification the long-term road for Taiwan will be the socialist road."⁵ One could also point to Tibet as an example of how the PRC might treat Taiwan. Even the recently concluded London-Beijing accord only guarantees Hong Kong's capitalist system for 50 years following the PRC's assumption of control in 1997.

Official U.S. assessments of the PRC threat to Taiwan have been consistently low, because they tend to emphasize the short-term intentions side of the equation rather than Beijing's growing military capabilities or its long-term objectives. Many American officials, however, privately voice concern over the growing disparity between the military capabilities of the PRC and the ROC. The recent deployment by Beijing of a new generation of fighters, the F-8, increases these concerns.

It is reassuring to Taipei that U.S. arms sales and scheduled sales to the ROC since the August 17 Communiqué have been relatively high. The Administration has approved the continued coproduction of 30 F-5E and 30 F-5F fighters valued at \$622 million and the sale of armored vehicles worth \$97 million; 66 used F-104G fighters for \$31 million; \$530 million in air defense missiles and various other arms; and 12 C-130H military transport aircraft valued at \$325 million. Some of this equipment suggests that Washington may be at least partially upgrading the ROC arsenal to counter Beijing's rapid military modernization.

Meanwhile, in March 1983, the State Department began applying an inflationary index to arms sales to the ROC. This meant that rising prices would not necessarily force the ROC to buy fewer

⁴ See Martin L. Lasater, Taiwan: Facing Mounting Threats (Washington, D.C.: The Heritage Foundation, 1984).

⁵ Liao Chengzhi in speech before the National Association of Overseas Chinese, February 28, 1979, reprinted in Inside China Mainland (Taipei), November 1981, p. 12.

weapons from the U.S. Taken together, these actions imply that the Reagan Administration is trying to ensure that Taipei's defense needs are met under the terms of the TRA. These needs will not be met completely, however, until the ROC is allowed to buy an advanced fighter, such as the F-20 or the F-16-79, and the Harpoon antiship missile. So far, the Administration has refused to sell these advanced weapons systems to Taipei.

If the ROC can design and produce its own advanced fighter, of course, the need for the FX from the U.S. diminishes. Taipei, however, is not able to do so at present. There is one option that Taipei does not seem to have--buying an advanced fighter from abroad. Other nations are very reluctant to sell Taipei such aircraft and risk Beijing's displeasure. As such, the TRA gives Washington the major responsibility for ensuring that the ROC's air force can counter the threat from the mainland.

A U.S.-ROC-PRC TRIANGLE

The TRA enables the U.S. to pursue friendly relations with Beijing and Taipei simultaneously. By and large, this should prompt Washington to assess the first six years of the TRA positively. Further, the Reagan Administration has assured Taipei that it will not revise the TRA.

From Taipei's perspective, the TRA has permitted the ROC to expand tremendously its commercial, cultural, scientific, and technological ties with the U.S. In the area of national security, the ROC has been served fairly well. There is no absolute guarantee of future military sales, however, because the White House has wide discretionary powers in interpreting the ROC's defense needs. If a President decides to reduce arms sales to Taipei, he need only declare that the ROC does not need them. What makes the matter even more uncertain are the contradictions between the TRA arms sale provisions and the limitations imposed by the August 17 Communiqué.

Politically, the TRA has had both positive and negative effects on the ROC's interests. On the one hand, the TRA serves as a model for other countries to emulate in their relations with Taipei while they pursue diplomatic relations with Beijing. In this sense, the TRA may have prevented a potentially complete erosion of Taipei's diplomatic status in the world. On the other hand, the TRA does not allow the use of the name "Republic of China," the name by which Taipei wants to be recognized. The use of any other name weakens the ROC's most cherished mission: the democratization of all of China.

The PRC is well aware that the TRA permits a wide range of U.S. contacts with Taiwan, which could strengthen the ROC over time. Since it is in Beijing's interests to gain control over the island, it is near certain that the PRC periodically will try to nullify, alter, or eliminate the TRA.

In the face of PRC pressure to change or abolish the TRA, will a future administration or Congress interpret its provisions in a more restrictive way? This is a question with major implications for the ROC's future. At best, the Reagan Administration can use bilateral agreements and arms sales to cement the U.S.-ROC relationship in ways that will make it difficult for future administrations to dilute the U.S. guarantees to Taipei.

RECOMMENDATIONS

High-level PRC officials recently warned that what they call the "Taiwan issue" may heat up again. Deng Xiaoping on at least two occasions has spoken of a blockade of Taiwan. Beijing continues to be angered by U.S. sales of defensive weapons to the ROC. Since the PRC is likely once again to push the Taiwan issue to the forefront of Sino-American relations, the Administration needs to draw up contingency plans to ensure that U.S. interests are protected. The PRC must realize that the quickest path to Taipei is not through Washington. If Beijing wants Taipei to negotiate, then the PRC must offer terms acceptable to the government and people of the ROC. Until then, the U.S. must continue the close relations with the ROC mandated by the TRA. This appears to be the current view of the Reagan Administration, of both sides of the aisle in the House and the Senate, and of the U.S. public.

Both Chinese governments must understand that the U.S. will not be forced into an "either/or" choice in its China policy. Washington wants relations with Beijing and with Taipei. Given the importance of the U.S. to both governments, this fundamental U.S. position, if conveyed forcefully, may prevent the reemergence of the "Taiwan issue."

In addition, the Reagan Administration should ensure that Beijing's military capabilities and intentions are monitored accurately and that assessments are not shaded by political motivations. It thus would be wise to request threat assessments prepared by qualified nongovernmental as well as governmental experts.

If Taipei, moreover, does not appear capable of purchasing advanced fighters from other sources or of producing its own fighters within the next few years, then the U.S. must remedy this serious deficiency in the ROC's defense capability. Specifically, Washington soon should reconsider the sale to the ROC of such weapons as the FX fighter, the Harpoon missile, and sophisticated anti-submarine warfare equipment.

Given the Chinese on Taiwan's sensitivity over their future, the TRA should be implemented in ways more publicly perceptible. Washington should encourage Taipei's representatives in the U.S. to express their views freely to counter the feeling that the ROC will fade from view after some sort of "decent interval." Further-

more, the spirit and the letter of the TRA would be more faithfully honored if the Reagan Administration were to:

- increase opportunities for U.S. officials to meet with CCNAA representatives and visiting ROC officials;
- relax travel restraints so that U.S. officials can travel to Taiwan in the course of their responsibilities;
- permit CCNAA representatives to visit the State Department, a public building open to virtually everyone else;
- more forcefully support the ROC's participation in international organizations;
- move the American Institute in Taiwan to new, more attractive and accessible quarters in Taipei and fly the American flag over it;
- allow the CCNAA to increase its offices to the number requested in the TRA.

In addition, the Reagan Administration should consider the opening of consular offices in Taiwan and permitting similar commercial offices of Taipei to be opened in major trading centers in the United States. Such offices are not considered diplomatic and thus would not violate the U.S.-PRC Communiqué on normalization.

For its part, Congress should convene a new round of oversight hearings on the fulfillment of the TRA, taking into account the London-Beijing pact on Hong Kong, the debate over the extent of U.S.-PRC military cooperation, and the new maturity in Sino-American relations.

Such steps would not be intended to offend the PRC or to create a permanent division between the mainland and Taiwan. They would be intended to carry out the requirements of the Taiwan Relations Act and to give the Chinese on Taiwan greater confidence in their future, which could head off potentially troublesome political developments on Taiwan itself.

CONCLUSION

During the past two years, the Taiwan Relations Act has been handled in ways generally consistent with the letter and intent of the Congress. Much of substance is being accomplished quietly and efficiently by U.S. officials. The Administration prefers this low-key approach and argues that a higher profile might result in a strong PRC reaction. This, in turn, may make it more difficult for the Administration to carry out some of the more sensitive substantive arrangements currently in place or being contemplated.

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On the other hand, there are those in Washington and Taipei who feel that important aspects of the TRA are not being carried out because of hypersensitivity to possible PRC reactions. They feel that Sino-American relations have matured to the point where Washington and Beijing can disagree over Taiwan without disrupting the wide range of their mutual interests. This group advocates a higher-profile U.S. policy toward Taiwan, including the sale of advanced weapons and the elimination of restrictions on contact between U.S. and ROC officials.

Both groups agree, however, that the TRA is the law of the land and that the ROC's substantive needs--with the possible exception of the FX fighter and other advanced weapons--are being met. There is further agreement that the "Taiwan issue" will not soon disappear as a disruptive element in Sino-American relations. What is needed, both agree, is a U.S. consensus on its own interests and policy, so that the PRC cannot take advantage of polarized American opinion to gain further concessions over Taiwan.

The eve of the second Reagan Administration is an appropriate time to reassess the implementation of the TRA. Early congressional hearings on this subject would contribute to a unified U.S. policy toward the ROC during the next four years and beyond.

Martin L. Lasater
Policy Analyst