

# The Heritage Lectures

---

34

## An American Interest: U.S. Policy Toward Taiwan

by Richard V. Allen



**The Heritage Foundation** is one of the country's leading public policy research institutes. With offices just two blocks from the United States Capitol, The Heritage Foundation's research and studies programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

The key to Heritage's research effort is timeliness—providing the policy-making community with up-to-date research on the important issues of the day. Heritage publishes its findings in a variety of formats for the benefit of decision makers, the media, the academic community, businessmen, and the public at large. Over the past five years The Heritage Foundation has published more than 400 books, monographs, and studies, ranging in size from the 1,093-page government blueprint, *Mandate for Leadership: Policy Management in a Conservative Administration*, to more frequent "Critical Issues" monographs and the topical "Backgrounders" and "Issue Bulletins" of a few thousand words. Heritage's other regular publications include *National Security Record*, *Policy Digest*, *Education Update*, and *Policy Review*, a quarterly journal of analysis and opinion.

The Heritage Foundation's 100-member staff—which includes several internationally recognized scholars and former government officials—concentrates on four areas of general study: domestic and economic policy; foreign policy and defense; the United Nations; and Asian studies. With some 1,600 individual scholars and research organizations working with its Resource Bank, The Heritage Foundation is uniquely equipped to provide U.S. policy makers with the intellectual resources needed to guide America into the 21st century.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a variety of formal and informal settings. Through a continuing series of seminars, lectures, debates, and briefings, The Heritage Foundation provides a forum for the exchange of ideas and a laboratory for developing these ideas into practical public policy proposals.

The Heritage Foundation was established in 1973 as a nonpartisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and a strong national defense. Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

# **An American Interest: U.S. Policy Toward Taiwan**

**by Richard V. Allen**

**Richard V. Allen** is Distinguished Fellow at The Heritage Foundation. Assistant to the President for national security affairs during the first year of the Reagan administration, Mr. Allen writes and lectures on U.S.-Asian policy for Heritage and serves as chairman of Heritage's Asian Studies Center Advisory Council. He is also a senior counselor for foreign policy and national security affairs for the Republican National Committee. Mr. Allen was a member of the President's Commission on International Trade and Investment Policy and a senior staff member of the National Security Council during the Nixon administration.

ISSN 0272-1155

Copyright © 1984 by The Heritage Foundation

# **An American Interest: U.S. Policy Toward Taiwan**

**RICHARD V. ALLEN**

What comes to mind as we meet here in Taipei is my first impression of, and contact with, the Republic of China. As the President of the United States is at this very moment visiting Mainland China in the pursuit of what he believes to be the national interest of my country and the interests of world peace generally, we need to think long and hard about a wide range of issues that affect the future of our relationship.

My first vivid and meaningful impressions came precisely thirty years ago, when, as a university debater, I had to deal with a national debate topic that posed the provocative question: "Resolved, that the United States should recognize Red China, and that nation should be admitted to the United Nations." All collegiate debaters are necessarily sophists, and must therefore be equipped to argue both sides of any question with equal conviction; we were certainly no exceptions at the University of Notre Dame. My research into this vexing topic, however, led me to some very interesting discoveries and, in a direct way, contributed to my awakening to the future historical importance of the matter.

After half a dozen intercollegiate debates, I had a good grasp of the facts and had begun to develop firm opinions about the merits of each case. I will not keep you in suspense, if you expected any, by describing to you in detail the evolution of those opinions; it is enough to say that I made my choices without flinching, and have been compelled to live with them ever since.

It is said that prudent persons never hesitate to change opinions when confronted with their shortcomings. That should really require very little courage and is, furthermore, a function of good common sense; if you are wrong, why remain in error?

Like many in this room, I was a child during the Second World War; when it ended, I was nine years old. I had been deeply impressed by the brutality of the assault by totalitarians against the free world, and I was proud of what my country had done to restore freedom in many areas of the world where it had disappeared at the hands of the aggressors. Then, the postwar years gradually blended into the new Cold War, and soon we were drawn into the defense of Korea, less than a year after the Communists had completed their subversion and conquest of Mainland China. It did not require much sophistication to understand that some-

where, somehow, the United States and the other major Western powers had made policy decisions that had resulted in a series of disasters. Whether those decisions were made consciously or in error mattered very little; the strategic consequences of the mistaken policies were enormous, and the penalties imposed on those who fell victim to totalitarian aggression and expansionism were none the less severe.

United States policy toward China has been the subject of a great debate for many years; the last twelve years, since the initiatives by President Richard Nixon, have been a period in which American perspectives have been slowly shifting back and forth between euphoria and gloom, optimism and uncertainty, illusion and reality.

What does the future hold? Will there be continuity and steadiness in our policy, and will we ground it in the reality of our times; or will this cycle continue for years to come? Peace, security, friendship, our national interest and yours, fidelity to our principles and to our friends—all this, and more will be determined by the decisions we must make as we consider the future course of our policy toward China.

The United States does not determine everything that happens in the world, but what my country does, says, and feels will have a profound influence in every part of the globe. We are a superpower and a leader; we are dedicated to upholding freedom, democracy, human rights, the security of our friends and allies. To do all this, we must first be able to distinguish among friends, enemies, and those who consider themselves neither, and we must also weigh carefully our own national interests.

Who are our friends, our real friends, in the world? The British, the French, the Italians, the Canadians, the Israelis, the Japanese, the Koreans—all of these, and many more. The Chinese people are indeed our friends, but not all the Chinese people are permitted to be our friends.

So, when President Reagan left Honolulu the other day, he spoke from the depth of our collective national heart when he said, "We have the warmest of feelings of friendship for the Chinese people." He also chose his words with care; he spoke of the Chinese *people*, clearly distinguishing them from the regime under which their lives are ordered and their future determined. And as for his feelings for the 18 million people here in Taiwan, in free China, there can be no mistake: he is your firm and principled friend, and you should let no one deceive you in this respect.

What then does Mr. Reagan seek to accomplish by his visit to Mainland China, and what will be its implications for the United States, the Chinese people, the world? To answer this question is not easy; we do not know everything about the President's innermost thoughts, but we can make certain judgments, based on what he and members of his Adminis-

tration have said, and what we suspect is on his mind as he encounters Mainland China for the first time.

There are many premises for his trip; some are realistic, and others are the result of artificial expectations, constructs of "grand strategy" conceived within the foreign policy and defense bureaucracies of the Administration, and still others manufactured by the always imaginative media. There are also criteria by which the trip will be judged a "failure" or "success," and these have been examined in detail by the experts assembled at this conference.

I'd like to examine some of the prevailing ideas concerning our national objectives in the context of this trip and the expectations that we should have for the future of U.S. policy toward China. And as I offer you my views on this thorny subject, I should like you to keep in mind a fundamental premise of my own: namely, that President Ronald Reagan is a friend of freedom and an enemy of totalitarianism—a man who believes that keeping his word, remaining true to first principles, supporting his true allies, and protecting his country are at once his solemn obligation and his highest priorities. An addendum to this premise is that, in November of this year, he will be reelected by the American people to complete the agenda he has placed before the nation.

I cannot imagine it otherwise.

To begin with, then, the President must believe that his trip is designed to advance the national interest in some way, and that the logical byproduct would be to "reduce tensions" in Asia. Who will quarrel with the objective of reducing tensions? If, by his visit, Mr. Reagan succeeds in, say, infusing momentum into the dialogue between North and South Korea, he will have achieved something of value. If he succeeds in expanding trade between the United States and Mainland China in peaceful sectors, he will have certainly assisted our economy by creating jobs at home. If he is able to convince his hosts that systematic opposition to the continuing encroachment of the Soviet Union in Asia is a strategic imperative for all nations of the region, he will enhance the prospects for world peace.

But one thing is very clear: this trip, designed to permit him to become acquainted with China on a first-hand basis, cannot and must not serve as the basis to undermine the security of free people here or anywhere. No promise, no blandishment, no momentary concession will ever be worth the price that is demanded by those who suggest that "realism" and our interests are served by giving in on such a fundamental issue.

It is one thing for the image makers and the public relations men to arrange, as the *New York Times* put it, "photogenic backdrops" for the

President, whether at the Great Wall, admiring panda bears, or returning the greetings of thousands of Chinese children. That is the fluff, not the stuff, of visits such as this one. It is quite another thing to confuse this sort of public relations imagery with policy.

Americans tend to place great store in such things; we are easily misled. How many times have we seen a smiling tyrant, a Stalin, a Khrushchev, a Pol Pot, a Mao Tse-tung—and dozens more like them—and assumed that the smiles represented genuine friendship and trust? The answer is: “too often.”

Those in any administration who concern themselves with the imagery and its impact on the 1984 presidential election are the very ones who lack the substance and the experience to contribute to sound policy, but they are part of the price we pay for our political system. The danger is that many people can be misled by the lighter side of presidential diplomacy, especially when the media become the willing handmaidens of the image-makers.

And then there is the notion that China is a ready market of a billion people about to unleash a wave of consumer buying. Recently I participated in a serious national television program that began with a short film clip in which the announcer declared that Mainland China's people are queuing up to buy American consumer goods, and that the Chinese people now had plenty of money for that purpose. One got the impression that it is simply a matter of “taking orders” in China, and that the mainland will become a salesman's paradise.

On the other hand, many believe that Mainland China represents a colossal market for our capital goods. As a Department of Commerce official put it the other day, in a way unique to my country, “We're talking about megabucks.” I wonder if he remembers or has even heard of the “megabucks” theory of trade with the Soviet Union during the 1920s, when we were told that the Soviets had given up communism and had finally accepted capitalism, or the Brezhnev years during our misguided experiment with détente that enabled the Soviet Union to continue to build its nuclear and conventional arsenals for the purpose of gaining overall superiority over the United States. We should remember that there are penalties for refusing to learn from history.

The Republic of China's trade with the United States is, as every Department of Commerce official should know, far more important than Mainland China's, and will remain so for many years into the future. But some are entranced with the promise of “megabucks,” and will do anything to make sure those bucks flow into the right corporate pockets.

We have also heard too much about “card” games, and this subject has



been analyzed in detail during this conference. It is enough to say that he who tries to play another nation as a card risks being played himself, and more often than not will wind up in the unwelcome clutches of the opponent.

It is absurd to talk about a "China card." This bankrupt slogan that masqueraded as a policy for a number of years has been thoroughly discredited. Nor is it even an adequate slogan; it has failed to produce the desired result. The simple fact of the matter is that Mainland China is not, cannot, and will not be, an "ally" of the United States. Neither are we in a "loose alliance" with the communist regime there.

We do share an important interest in deterring the Soviet Union, but Deng Tsiao-ping and his colleagues harbor no illusions about subordinating their interests to those of the United States or, for that matter, anyone else. To the extent that the Peoples' Liberation Army (PLA) serves as a preoccupation for the Soviet Union, so much the better for all of us, because the Soviet Union is a dangerous enemy. But what serious person does not believe that, were Mr. Deng and his friends to consider their interests better served by turning to the Soviet Union, they would not do so, or at least try?

If Mainland China is so interested in carrying its share of the great burden of deterring the Soviets, why did its rulers not join in the condemnation of Soviet brutality in shooting down an unarmed Korean airliner? And why did they arrogantly excise the portion of President Reagan's speech that dealt with the Soviet Union? Or can they explain why they continually lump the United States together with the Soviet Union as an "hegemonist power" and a threat to world peace? Why do they insist that we threaten the safety and independence of the Third World, with which they so studiously associate themselves?

There should be no mystery here, not even to those who are searching for their megabucks. Mainland China pursues its own interest; it does not pursue ours, and certainly not those of the peaceloving and truly progressive nations of Asia.

There is one aspect of the expansion of trade that we cannot overlook: the sale of lethal weapons with the potential to threaten the security of this region. Our friends here in Taiwan are not alone in their concern about the potential threat to their security; one need only ask President Suharto of Indonesia, President Marcos of the Philippines, or Prime Minister Lee Kwan Yew of Singapore. And what if enhancing the military potential of the PLA means the transfer of additional military capability to North Korea, ruled as it is by a gang of murderers and terrorist thugs?

And after these considerations need we even ask about the inherent problem this poses to the obligations of the United States itself under the Taiwan Relations Act? But let us discuss this again in a few minutes.

Fortunately, President Reagan is clear on one aspect of his visit to the Mainland: he is in a country that does not know the meaning of freedom, much less practice it in any meaningful way. And, in my opinion, it is precisely in this respect that we can fool ourselves if we mistake form for substance.

Recently we have heard the remarkable analysis of the media people in the United States, who cite the fact that bright colors are now permitted in women's clothes, and that men may wear jeans and sneakers—and all of this is said to be a sign of growing "freedom" in China. Moreover, because the rulers know that the economic system cannot produce properly to cover the needs and desires of the people, farmers and others are permitted to exercise entrepreneurial skills in a limited way, and this is declared to be the beginning of an irreversible process leading to the adoption of capitalism. In a society where there is little humor and none officially encouraged, this must produce much private laughter in the ranks of the ruling class.

I must add that, if creeping capitalism is indeed true and can be demonstrated to be a long-term development that will not be shut off once the leadership in Peking changes, then I will happily join the ranks of those who cheer the process. I will do so because I will certainly have become convinced that the communist system will have entered a phase of self-destruction. But I will remain cautious, because I can find no historical precedent to guide me. I remember too well the predictions about other totalitarian societies that would, in the eyes of the optimists and the pundits, begin the long march to freedom and capitalism.

It is true, I think, that capitalism and freedom are truly inseparable. And if Mainland China is going capitalist, then I want to be sure that real freedom takes root, and that we are not in the meantime deceived by appearances. People from our great state of Missouri have the slogan of the ultimate realist: "Show me!"

If Mr. Deng and his friends want to take meaningful steps toward granting real freedom, then let them stop crushing dissent; let them stamp out the horror of infanticide and forced abortions; let them stop the thousands of executions that are taking place even now; let them eradicate the immense Gulag they have created, and let them admit to the nightmare of having killed, according to a very recent estimate, 15 to 30 million people during the so-called Cultural Revolution.

Just think about this for a moment: killing between 15 and 30 million

people. Who can imagine such bestiality? Who can conceive of murder on this scale? Suppose, if you will, that a President of the United States were to visit, say, a country in Latin America that had been accused of murdering ten, a hundred, or a thousand dissidents? Would we ever hear the end of it from the liberal media which so conveniently overlook the scale and the quality of crimes against humanity committed by Marxist-Leninist regimes? Of course we wouldn't, and an American President simply would not take the political risk that such a journey would entail.

If you do not believe this proposition, then consider for a moment the practical and political feasibility of a President traveling to Chile, Paraguay, or South Africa. Not even the most seductive arguments about "megabucks" could propel an American leader to those parts of the world.

In my view, President Reagan has accomplished several important steps in the formulation and implementation of United States policy toward China. Although the impression may from time to time be the contrary, the relationship between the two countries is now proceeding along the lines of Washington's agenda, not Peking's. For nearly a dozen years it was merely a matter of Mainland China shouting and our reacting to mollify the leadership and soothe its ruffled feathers. This is simply no longer so; the unfavorable slide has been stopped, and it is not a question of our granting "concessions" to demonstrate our good will.

Peking has clearly come to two important conclusions: first, it does no good to shout at Ronald Reagan, who is a different breed of American President; and two, the United States has what Mainland China badly wants and needs for its much-touted program of modernization, namely, technology, capital goods, and credit. These things are not available from the Soviet Union, and if they were, the political terms and conditions would be too steep a price for the rulers to pay.

Now, President Reagan believes that the United States can construct a stable relationship with China on the basis of these objective factors. He has decided that the urgent need to modernize can be accommodated safely within the parameters of peaceful trade, so long as Peking is committed to peaceful solutions for all outstanding problems and issues in the region. Clearly, there must be tangible evidence that the peaceful way to the resolution of differences is here to stay; otherwise, assistance in the modernization program is unwise and even dangerous to our own long-term interests, let alone the interests of others in the region, and especially Japan, our principal ally in this part of the world.

In other words, the relationship will have to be truly as much to the advantage of the United States as it is to Mainland China's. There must

be a true, not an artificial balance, one that serves clear-cut objectives. The measurement of this relationship cannot be in dollars, either; it needs to be assessed with utmost clarity, with our eyes open, and in full recognition that the relationship could actually explode in our faces one day when it could be too late.

Alexander Haig, my colleague in the first year of the Reagan Administration, argues that our relationship with the People's Republic of China is the most important one in the world for the United States. I disagree. Caring for the safety and freedom of America's friends is infinitely more important to us than a futile attempt to create a "strategic alliance" where the basis for one clearly does not exist.

If there are thought to be significant opportunities in the relationship between the United States and the People's Republic of China, what are the obstacles?

From the point of view of the Mainland, according to recent restatements of the old theme, the Taiwan issue cannot be bypassed in the development of relations between the two countries. And, in a recent visit with us at the Asian Studies Center of The Heritage Foundation, a high-powered delegation from three Peking research and policy institutes flatly declared that Taiwan is a "serious obstacle."

As you know and have discussed here, they declare as a matter of high policy that the Taiwan Relations Act, that unique and very valuable piece of legislation, is invalid, intrusive in China's internal affairs, insulting to the Chinese people, and therefore "null and void." We who have been concerned with policy-making in Washington have often heard this refrain; but, armed with the knowledge that the Taiwan Relations Act, the "law of the land" (as President Reagan recently emphasized), enjoys the overwhelming support of both Houses of the U.S. Congress, the Administration, and the American people, we simply reject these claims.

The future of our 18 million staunch friends here on Taiwan is definitely an American concern, and while the rest of the world may pretend to be disinterested, it, too, supports America's commitment to Taiwan. We must not let ourselves be ground down by threats and imprecations. The Taiwan Relations Act really is the law of our land, and the Congress and the Administration really are bound by its provisions. Whether we have been as faithful as we ought to have been in carrying out its provisions is another matter, but the world—including Peking—had better become accustomed to the facts of life.

I cannot foresee a time when this law will be repealed, abolished, declared unconstitutional by the Supreme Court, or even substantially modified, except to strengthen its safeguards. Its intent is crystal clear, and its language means what is intended.

This means, then, that the Taiwan Relations Act will remain at the center of our concerns and that our national will has been marshalled behind the law. It does not mean that there will never be conflicting policy documents, statements, communiques, and the like in the future. We have a recent case of such confusion in the August 17, 1982, Joint Communique, which appears on its face to contradict the Act. The verdict is not yet in, finally, on this matter; the real test will be in the practice of this and successor Administrations. That is why we must resist the constant pressure to erode and subvert either the spirit or the letter of this law.

There is nothing at all inconsistent with the United States pursuing what it considers to be its strategic interests with the PRC, on the one hand, and remaining faithful in every respect to the provisions of the Taiwan Relations Act, but proper care and vigilance must be exercised to assure that policy and the law are always in consonance.

To those who object that there is always the possibility that a future Administration will change direction and behave in a manner inimical to the interests of our friends here, I respond: How would you go about achieving a better situation? By this I do not mean to imply that we have been sufficiently responsive to the defensive needs of the Republic of China; we have not, and must improve in the future. But the objective must be to make the ROC secure, and we must concentrate on improving the quality of our existing relationship. I think President Reagan can be depended upon to fulfill his obligations and commitments.

To do this, for example, I would urge the implementation of the provisions of the statement by candidates Ronald Reagan and George Bush of August 25, 1980. None of its provisions are so onerous or radical as to inflict damage to our interests. But of one thing I am convinced: Mr. Reagan meant it when he said in that statement, "As President, I will not accept the interference of any foreign power in the process of protecting American interests and carrying out the laws of our land. To do otherwise would be a dereliction of my duty as President."

One important measurement of our conviction and integrity of purpose will be the quantity and quality of defensive equipment of all types to be provided to the Republic of China. In this regard, and in my opinion, the case has been made for advanced interceptor aircraft of the type known as the F-20, and for other modern equipment associated with effective patrol and defense of the sea lanes. We should not forget that the dramatic increase in Soviet air and naval activities in the Pacific Ocean is adequate justification for the provision of such equipment.

So, in the end, the "Taiwan Issue" is an issue only for one side in the U.S.'s relations with Mainland China. It is a matter about which we care very much, and if a resolution is to be achieved, then we will know in

advance that it would of necessity be a solution satisfactory to the Chinese people on both sides of the Taiwan Strait. Any attempt to alter the present situation by force on the part of the Mainland will most assuredly be a matter of grave concern to the United States, as the Taiwan Relations Act so clearly states.

Finally, a word about the necessity for a farsighted and realistic Asian policy. We have not had a comprehensive policy toward the Pacific Basin since the collapse of our efforts to sustain democracy, or at least the chance for democracy, in Vietnam. My colleagues at The Heritage Foundation and I strongly support the formulation of such a policy, and that is why we took the step to create the Asian Studies Center two years ago. We do not pretend to have rediscovered the wheel in our enthusiasm and vigorous support for clear thinking and sound actions in pursuit of our nation's interests in Asia. Rather, we came to the conclusion that so much outstanding work was already under way in academic and other research centers throughout Asia and the United States that we should bring the unique focus of Heritage Foundation attention to the work of others. As synthesizers and purveyors of sound information and policy recommendations to public policymakers in Washington, to the press and the public at large, we are committed to helping our friends wherever and whenever possible.

And this brings me to a concluding remark about this crucial topic we have been discussing. It has to do with the importance of friendship, a word we sometimes tend to use too easily without considering its deeper meaning.

Very recently President Richard Nixon, writing about the United States and China, said: "The relationship has matured to the point that we know how to live with our differences, resolving them when possible but rising above them when necessary." That is one way to look at the matter.

Another is to listen to President Reagan's admonition to the rulers of Mainland China: "Trust the people," he said. "These three words are not only the heart and soul of American history, but the most powerful force for human progress in the world today."

If I had my way, I would have recommended yet another sentence to this powerful statement: "Stand by your friends all the time, on sunny days and on stormy ones, and never sacrifice one friendship to gain another." These would not really have been my words; they would have been only a reminder to the President to use his own words again, as he has on numerous occasions in the past, when telling Chinese representatives why the United States must remain faithful to its commitments to our friends on Taiwan.

You have benefited from the wise and dedicated leadership of your own leaders. I do not hesitate to express my admiration for what President Chiang Ching-kuo has achieved, and his illustrious father and predecessor, President Chiang Kai-shek. However, I want to tell you of my admiration, respect, and deep personal friendship for another leader who is not here with us today, and to whom I dedicate these remarks as only a modest expression of my feelings. I speak of that extraordinary man whose friendship to the millions here and to countless millions throughout the world has meant so much: His Excellency Premier Sun Yun-suan, to whom we pay our special tribute for his tireless service to peace and prosperity.

# 34

# The Heritage Lectures

---

Ronald Reagan's trip to the People's Republic of China in April 1984 was a source of concern to the Republic of China on Taiwan. Taipei long had viewed President Reagan as its staunch friend and his visit to their Communist adversary perplexed and worried them.

At the same time Reagan was travelling to the Mainland, his former National Security Advisor, Richard V. Allen, was in Taiwan where he addressed the Institute of International Relations in Taipei. There Mr. Allen reviewed U.S. policy in the region and put Reagan's trip into perspective. He explained that the Presidential visit was designed to reduce tensions, to expand trade, and to explore ways to meet the growing Soviet threat to Asia. The results of Reagan's meetings would benefit the U.S. and all of Southeast Asia. But one thing was sure, insisted Allen, in trying to advance U.S. national interests, the security and freedom of the Republic of China never would be bargained away.



214 Massachusetts Avenue, N.E. • Washington, D.C. 20002

\$2.00