

**RUSH!**

# Executive Memorandum

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## CHIANG CHING-KUO'S LEGACY FOR CHINA AND THE U.S.

The passing of Chiang Ching-kuo at age 77 ends an era for the Republic of China on Taiwan. As President of the ROC since 1978, he made his nation a model for economic and democratic political development in the Asia-Pacific region. He also ensured that his country remained a close and loyal friend of the United States, even when the U.S. betrayed that friendship. Just as Chiang's passing gives the people of the ROC a chance to review and reaffirm his commitment to economic growth and democratization, so it gives the U.S. the chance to reaffirm its commitment to the ROC as defined by decades of close cooperation and by the 1979 Taiwan Relations Act. It is this commitment which Washington must express forcefully to Chiang's successor as ROC President, Lee Teng-hui. It can start by sending Vice President George Bush or Secretary of State George Shultz to Chiang's funeral.

Chiang Ching-kuo began the process of democratic pluralism in the ROC after he was named Premier in 1972. He allowed the creation of an opposition party and began recruiting native Taiwanese to join the Kuomintang, the ruling political party. He lived to see the dividends of this policy. In recent local elections, for example, 80 percent of the candidates were Taiwanese. President Lee himself is native Taiwanese. Then last year, Chiang ended martial law rule. This encouraging ROC development confirms Jeane Kirkpatrick's observation that potential for evolution toward democracy stands a vastly greater chance for success within authoritarian systems than within totalitarian systems.

As the new era on Taiwan begins, Washington must maintain its legal and moral obligations to the people of the ROC. U.S. forces were based in Taiwan until 1979 and the ROC provides an alternative base should U.S. troops be forced to leave the Philippines. In the coming months, the U.S. should:

- 1) Assert the primacy of the 1979 Taiwan Relations Act over the Joint Communiqué of 1982.** In 1979, after Jimmy Carter peremptorily broke relations with the ROC, Congress passed the Taiwan Relations Act by staggering majorities. When Carter signed the Act, it became the law of the land. The Act commits the U.S. to sell arms to the ROC indefinitely "in such quantities as may be necessary"

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and assist the ROC in the event of an attack. This Act, of course, takes precedence over any unilateral statement by the Executive Branch, such as the 1982 U.S.-Beijing Communique committing the U.S. to gradually reduce its arms sales to the ROC.

**2) Maintain free trade between the ROC and U.S.** Despite a population density nine times that of the Chinese mainland and virtually no natural resources, per capita income in the ROC today exceeds \$5,000, compared to roughly \$400 on the mainland. Though diplomatically recognized by only 23 states, the ROC trades with over 140 states. The ROC currently is the sixth largest U.S. trading partner. More than most other countries, the ROC is acting to reduce its surplus with the U.S. by allowing its currency to appreciate rapidly, by sending buying missions to the U.S., and by reducing tariffs on 3,500 items. The U.S. and the ROC can improve their trade relations by establishing a U.S.-ROC Free Trade Area, based on the model recently adopted by the U.S. and Canada.

**3) Encourage Taipei and Beijing to determine their own future without outside interference.** The U.S. must remain firm that the eventual reunification of Taiwan with the mainland is a matter for Taipei and Beijing to resolve themselves and do so peacefully. Washington must avoid participation in reunification talks and let the ROC proceed with democratization without interference. President Chiang last September demonstrated Taiwan's confidence in improving relations with Beijing by announcing the beginning of limited visitation by elderly mainland-born citizens to the People's Republic of China. Already, some Taiwanese journalists have visited Beijing. Indirect trade between the ROC and the mainland exceeds \$2 billion annually.

**4) Avoid selling weapons to Beijing that threaten ROC security.** Recent arms sales to Beijing by the U.S. and other Western countries are eroding the ROC's military technological superiority that has kept the military balance in the Taiwan Strait. The U.S., in particular, should avoid selling advanced electronics and naval technology to the PRC.

U.S. friendship with the ROC has flourished through 40 years and eight U.S. Presidencies. The death of Chiang Ching-kuo, though a sad event, should provide the U.S. an opportunity to reassert its friendship and reaffirm its support for increased democracy in the ROC.

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For further information:

J. Terry Emerson, "What Determines U.S. Relations with China: The Taiwan Relations Act or the August 17 Communique with Beijing?" Heritage Foundation Asian Studies *Backgrounders* No. 72, November 30, 1987.

Martin L. Lasater, ed., "Democracy in China, Part 2: Taipei Style," *Heritage Lecture* No. 106 (1987).