



# Backgroundunder

## Executive Summary

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## AMERICA'S RESPONSE TO THE CHINA-TAIWAN TALKS: ENCOURAGE BUT DON'T INTERFERE

*HARVEY J. FELDMAN*

America's interest in preserving peace on the Taiwan Strait can be advanced by the recently resumed senior-level negotiations between the People's Republic of China (PRC) and the Republic of China on Taiwan (ROC). From October 14 to 19, after a five-year hiatus, Koo Chen-fu, Chairman of Taiwan's Straits Exchange Foundation (SEF), and Wang Daohan of China's Association for Relations Across the Taiwan Strait (ARATS) resumed talks aimed at easing tensions in the Taiwan Strait area. Although the two remain far apart on issues of supreme importance—the sovereignty question, renunciation of force, and Taiwan's hopes for an expanded international profile—they nevertheless agreed that the talks must continue.

With questions as complex as these, negotiations will be long and far from easy. Each party very likely will try to pull the U.S. to its side of the table. Critical U.S. interests are also affected by these negotiations. Washington wants a useful relationship with Beijing but must do nothing that would compromise Taiwan's multi-party democracy and free economy. Therefore, while encouraging continuation of the dialogue, the U.S. should not insert itself into the process. Washington should make clear that it can accept any solution the two parties construct as long as that solution is arrived at peacefully, without coercion, and is acceptable to the people of Taiwan.

### TENSION AND HIATUS

Although the talks between Koo Chen-fu and Wang Daohan began in 1993, they were suspended by China in 1995 to protest Taiwan President Lee Teng-hui's visit to Cornell University. China began a campaign of military intimidation, including missile tests, coinciding with legislative and presidential elections in Taiwan. The United States deployed naval forces in March 1996 to deter threatening Chinese military activity. Since then, the Clinton Administration has sought to improve relations with China, culminating in President Bill Clinton's nine-day visit to China this past June. This improved atmosphere between Washington and Beijing provided some impetus for Beijing and Taipei to resume negotiations.

Koo, a senior advisor to President Lee, was treated with elaborate courtesy while in China. He held discussions with PRC President Jiang Zemin, PRC Vice Premier Qian Qichen, and former

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Shanghai mayor Wang Daohan, in many ways a mentor to President Jiang. As a result of the Koo visit, the two sides agreed to resume the high-level talks. The two counterpart organizations will meet at regular intervals to discuss political and economic issues, as Beijing had insisted, as well as practical matters affecting trade, exchanges, and the protection of ROC citizens while in China, as Taipei had wanted. Wang agreed to pay a return visit to Taiwan at some time in the near future.

### **SERIOUS DIFFERENCES REMAIN**

But the PRC and Taiwan remain far apart on basic issues, most especially Taiwan's status. Despite earlier hints of flexibility, Chinese leaders insisted "there is only one China in the world and it is represented by the PRC." When Koo countered that China and Taiwan could be reunified only after the mainland had become a democracy in which the rule of law was respected, his Chinese interlocutors emphasized that reunification could not be conditioned on democracy. Other outstanding issues include China's refusal to renounce the use of force against Taiwan and its continuing campaign to ban the island republic from participating even in non-political international organizations.

Under these circumstances, the United States should:

- Encourage dialogue, but refuse to get involved. During his June visit to China, President Clinton unnecessarily complicated the cross-Strait dialogue by stating China's preferred "Three No's": no support for an independent Taiwan; no support for its membership in international organizations that require statehood as a condition of membership; no intention to follow a "two Chinas, or one China, one Taiwan" policy. Such a tilt weakens Taipei's position, strengthening its belief that it cannot afford to make concessions and lowering the chance that negotiations can succeed. Therefore, the U.S. should return to its former position that the future status of Taiwan is something that the

two sides will have to work out for themselves by peaceful means.

- Suggest confidence-building measures. While avoiding the temptation to become involved as a mediator, or to propose "solutions," the U.S. can tell Beijing that its campaign to squeeze Taiwan completely out of international life, such as its refusal to allow Taipei's participation in international humanitarian organizations like the World Health Assembly, only strengthens sentiment on Taiwan for a declaration of *de jure* independence. The U.S. should point out that a relaxation of this stand, perhaps even agreement to sponsor Taiwan's participation in organizations like the World Health Assembly, would have a very positive effect on cross-Strait relations.
- Urge China to renounce the use of force against Taiwan. This is another important confidence-building measure Washington can promote. Beijing has argued that such a renunciation would be a limitation on the sovereignty it claims over Taiwan, and in fact might encourage independence sentiment on the island. But PRC acceptance of the principle that unification cannot be imposed by force, and can come about only on terms agreed by the people of Taiwan, would have a positive effect on relations between the two sides. Moreover, as stated in the Taiwan Relations Act, America's decision to establish diplomatic relations with the PRC "rests upon the expectation that the future of Taiwan will be determined by peaceful means"; and "any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, [would be considered] a threat to the peace and security of the Western Pacific area and of grave concern to the United States."

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# Backgrounder

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America's interest in preserving peace on the Taiwan Strait can be advanced by the recently resumed senior-level negotiations between the People's Republic of China (PRC) and the Republic of China on Taiwan (ROC). Between October 14 and 19, Koo Chen-fu, Chairman of Taiwan's Straits Exchange Foundation (SEF), and Wang Daohan of China's Association for Relations Across the Taiwan Strait (ARATS) resumed talks aimed at easing tensions in the Taiwan Strait area. The Koo-Wang talks had been suspended for the previous three years, which saw Chinese military intimidation of Taiwan due to fears that increasingly democratic Taiwan was also moving toward a position of "independence" instead of eventual unification with China. China has threatened war if Taiwan declares a state of legal independence from China. It is critical that the United States urge a peaceful settlement of differences between Taipei and Beijing, but not a solution that endangers Taiwan's political and economic freedoms.

China and Taiwan remain far apart on important issues. These include the question of sovereignty over Taiwan, Taiwan's desire that China renounce the use of force against Taiwan, and China's opposition to Taiwan's membership in international organizations. Nevertheless, the October talks produced agreement that negotiations must continue. The complex outstanding

questions mean that negotiations will be long and far from easy. Each side likely will try to pull the United States to its side of the table.

The United States' greatest interest is that China and Taiwan produce a solution that does not endanger the democratic system on Taiwan. The U.S. needs a useful relationship with China but must not make concessions to Beijing that weaken Taipei's position. The Clinton Administration blundered badly last June when President Clinton embraced China's preferred "Three No's": no support for an independent Taiwan; no support for its membership in international organizations that require statehood as a condition of membership; no intention to follow a "two Chinas, or one China, one Taiwan" policy. By embracing China's position, the U.S. weakened Taiwan's negotiating position. To lessen this danger, Washington should return to its previous stand: The United States can accept any solution constructed by the two parties as long as that solution is

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arrived at peacefully, without coercion, and is acceptable to the people of Taiwan.

## BACKGROUND TO THE TALKS

The principal negotiators for Taiwan and China, Koo Chen-fu and Wang Daohan, are highly influential in their respective governments. Koo is a senior advisor to Taiwanese President Lee Teng-hui. Wang Daohan is a former mayor of Shanghai and political mentor of Chinese President Jiang Zemin. Koo and Wang inaugurated the first round of high-level talks in Singapore in 1993, agreeing on a modest series of practical measures to promote trade and contacts across the Strait. A follow-on meeting, scheduled for July 1995, was canceled by Beijing to protest the visit to Cornell University by President Lee. Thereafter, the PRC began a series of threatening military exercises and missile tests culminating in the March 1996 attempt to influence Taiwan's presidential election by lobbing missiles into waters adjacent to the island's two major seaports, Keelung and Kaohsiung. Beijing's escalation and threats led the United States to send two carrier battle groups to the area.

By late 1996, an intricate game of pseudo invitations to resume the talks began. These were aimed more at influencing world opinion—particularly American—than at getting the discussions going again. China said it was ready for talks at any time, provided Taiwan was willing to agree to its version of a “one China policy”—that China's capital is Beijing and that Taiwan is nothing more than a province. The talks, said Beijing, should focus on political issues and outline a path to reunification. The Taiwan government said that it hoped to see a reconstituted China in the future after the mainland had become democratic and followed the rule of law; the present reality, however, was the existence of two governments with equal claims to international legitimacy. Nevertheless, said Taipei, it was prepared to meet at any time to discuss practical, but not political, questions.

Beijing escalated the propaganda war after Hong

Kong's reversion to Chinese sovereignty on July 1, 1997, saying that under the “one country, two systems” rubric, “the degree of autonomy enjoyed in Taiwan will be even greater than that enjoyed in Hong Kong.”<sup>1</sup> But accepting China's version of “one China” remained a precondition, and few in Taiwan saw—or see—any advantage in trading its present independence for the promise of autonomy within Communist China.

The December 1997 victory of Taiwan's Democratic Progressive Party (DPP) in island-wide county magistrate elections shocked the Beijing leadership and led to a reassessment of policy. Although some DPP factions now take a more moderate stance, the party historically has stood for declaring *de jure* independence. The prospect that the DPP might do well enough in parliamentary elections this December to force the ruling Nationalist Party (the Kuomintang, or KMT) into a coalition government, or that it might even be able to elect one of its members president in 2000, forced Beijing to agree to talks without its usual precondition. After an intricate diplomatic ballet through the spring of this year, Koo was invited to meet Wang Daohan in Shanghai on October 14. Then, as a sign of the importance he gave to the talks, Chinese President Jiang Zemin invited Koo to take tea with him in Beijing.

## THE OCTOBER 1998 DISCUSSIONS

Koo Chen-fu met twice in Shanghai with Wang Daohan, then traveled to Beijing for talks with Vice Premier (and former foreign minister) Qian Qichen and his tea with Jiang Zemin. The principal substantive result—agreement to resume the cross-Strait dialogue on a regular basis—may appear to be small, but it represents a step away from confrontation. Each side got some of what it wanted. For the first time in these meetings, Taiwan conceded that the dialogue would be “on various topics, including political and economic issues.” And the PRC agreed on the importance of dealing with such issues as “safety, property and

1. PRC Foreign Ministry spokesman Tang Guoqiang, September 29, 1997, quoted in Julian Baum and Susan V. Lawrence, “Breaking the Ice,” *Far Eastern Economic Review*, October 15, 1998, p. 25.

the protection of residents in each other's territory."<sup>2</sup>

In the end, however, the procedural agreements were overshadowed by the ability of Koo Chen-fu to make a key point to Chinese leaders. Koo told them that while Taiwan's government looks forward to a unified China at some time in the future, this can happen only when the mainland has embraced democracy and the rule of law. Koo emphasized that in the meantime, Taiwan will maintain its separate status as a free-market democracy: "Only when the Chinese mainland has achieved democracy can the two sides of the Taiwan Strait talk about reunification. That will also be the time when China's reunification would not be a threat to neighboring countries in the Asia-Pacific region."<sup>3</sup>

Koo's frankness forced Beijing to clarify its own position. For many months now China has played a game of bait-and-switch. In conversations with foreign leaders and journalists, Chinese officials have talked of their flexibility on the "one China" issue. Wang Daohan himself was quoted as saying that "one China" does not refer to the People's Republic of China, but instead to "a unified China created by fellow countrymen on the two sides of the Taiwan Strait."<sup>4</sup> There were even hints that this new creation might be a confederation rather than a centralized state. The implication was that China would allow Taiwan a great deal of freedom in many areas.

In the discussions with Koo, however—as earlier in domestic media—Chinese leaders took quite a different and much tougher line. Vice Premier Qian Qichen and senior negotiator Tang

Shubei told Koo that the basis for their policy is "there is only one China in the world and it is represented by the People's Republic of China." To believe otherwise, said Tang, is to adopt an "ostrich mentality." Qian added that reunification cannot be conditioned on the PRC's becoming a democracy, and flatly rejected Koo's appeal to allow Taiwan more international space.<sup>5</sup>

## UNRESOLVED ISSUES BETWEEN TAIWAN AND CHINA

Contentious though the process may have been, the clarification of positions should be welcome because it allows the each side to see where the other stands without the obfuscation of propaganda. This creates the possibility of working toward a realistic *modus vivendi*, although the number and complexity of the outstanding issues make this far from certain.

Three major outstanding issues include:

1. The sovereignty issue. The subtext of Qian Qichen's position that "one China" equals the People's Republic of China is that Taiwan is and can never be anything more than a province of that China. After half a century of independent life, however, the 21.6 million people of Taiwan and their government will not buy that proposition any more than the people of the United States during the presidency of Andrew Jackson would have accepted that they were simply a renegade colony of England. A survey conducted on Taiwan from September 25–26, 1998, by a pro-reunification organization showed that 84 percent believed Taiwan's future should be

2. See Foo Choy Peng, "Taiwan Agrees to Talk Politics with Mainland," *South China Morning Post* (Hong Kong), Internet edition, October 16, 1998, [www.scmp.com](http://www.scmp.com).

3. Quoted in Jasper Becker, "Democracy Key to Unity, Jiang Told," *South China Morning Post* (Hong Kong), Internet edition, October 19, 1998, [www.scmp.com](http://www.scmp.com).

4. See unsigned article, "Taipei Mulls Peking's New 'One China' Idea," *Free China Journal* (Taipei, Taiwan), November 21, 1997, p. 1. Additional and similar remarks from other Chinese officials reported by the Associated Press in "China Makes Overture to Taiwan for Talks on Ties," *The Washington Times*, January 21, 1998, p. A12.

5. See unsigned article, "Taipei Envoy Firm on Sovereignty," *South China Morning Post* (Hong Kong), Internet edition, October 19, 1998, [www.scmp.com](http://www.scmp.com), and Liz Sly, "China, Taiwan Envoys Take Tea, Talk Tough," *The Chicago Tribune*, Internet edition, October 20, 1998, [www.chicagotribune.com](http://www.chicagotribune.com).



decided by the people of Taiwan and no one else. This does not mean 84 percent support for independence, but it does mean that Taiwan's people will not accept the diktat of China or of other outsiders.<sup>6</sup>

2. PRC refusal to renounce the use of force. As recently as last July, in a 30,000-word defense policy white paper issued by the State Council and released in full by the New China News Agency, China reiterated its right to use military force against Taiwan and implicitly criticized the United States for suggesting that the PRC should renounce that right. In addition, referring to the new memorandum of understanding between Washington and Tokyo, the white paper said, "Directly or indirectly incorporating the Taiwan Strait into the security and co-operation sphere of any country or any military alliance is an infringement upon and interference in China's sovereignty."<sup>7</sup> In connection with this question of the use of force, it is well to remember that the Taiwan Relations Act specifies that "the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means."<sup>8</sup>
3. PRC determination to keep Taiwan from participating in international life. Chinese pressure and a supine international community, including the United States, have kept Taiwan from participation even in non-political and humanitarian organizations like the World Health Assembly, or in purely technical agencies that deal with telecommunications, aviation, and maritime transportation. Although Beijing itself has not yet been admitted to the World Trade Organization, it has managed to

block free-trading Taiwan's admission. Earlier this year, Beijing rejected a suggestion by Taiwan's Premier Vincent Siew that the two sides meet to coordinate assistance to South-east Asian states hit by the current financial crisis. "Taiwan authorities have no right to participate in something that has to be done by sovereign states," said a Foreign Ministry spokesman.<sup>9</sup>

## THE U.S. STAKE IN THE PRC-TAIWAN DIALOGUE

Since the Korean War, the United States has sought to preserve peace on the Taiwan Strait as a component of ensuring peace in Asia. The United States was a military ally of Taiwan until 1979, when President Jimmy Carter ended relations with Taiwan in favor of China. That same year, the U.S. Congress enacted the Taiwan Relations Act to preserve the U.S. ability to help ensure Taiwan's survival. As the island republic's only reliable supplier of the arms and materials necessary to its defense, as mandated in the Taiwan Relations Act, the U.S. has made a decisive contribution to deterring conflict. This peace has helped enable its people to transform Taiwan from a one-party dictatorship into a functioning multi-party democracy, and from a poor, undeveloped island into one of the world's wealthiest trading nations. More than a million American citizens have family ties to Taiwan. Taiwan's people, on a per capita basis, buy more American goods than any other nation in the world save Canada. For moral, economic, and strategic reasons, the ability of the people of Taiwan to determine their own future, free of the threat of coercion or the use against them of military force, remains, as the Taiwan Relations Act

6. Reported in "84% of Taiwanese Support Self-Determination," press release by the Taiwan Democratic Progressive Party Mission in the United States, October 7, 1998.
7. Vivian Pik-Kwan Chan, "Beijing Defends 'Right' to Attack Taiwan," *South China Morning Post* (Hong Kong), Internet edition, July 28, 1998, [www.scmp.com](http://www.scmp.com).
8. Taiwan Relations Act, Public Law 96-8, Section 2(a)(3).
9. Unsigned article, "Beijing Rejects Taipei Call to Join Crisis Talks," *South China Morning Post* (Hong Kong), Internet edition, April 7, 1998, [www.scmp.com](http://www.scmp.com).

says, a matter of “grave concern” to the United States.

As the cross-Strait negotiations proceed, the United States has a keen interest in their success. Washington needs a useful, cooperative relationship with Beijing, but not at the cost of potentially compromising Taiwan’s multi-party democracy or the free economy it has built.

Under these circumstances, the United States should:

- Encourage the Taiwan–China dialogue but refuse attempts by either side to drag America into the process. During his June 1998 visit to China, President Clinton unnecessarily inserted the U.S. into the cross-Strait process when he stated China’s preferred “Three No’s”: no support for an independent Taiwan; no support for Taiwan’s membership in international organizations that require statehood as a condition of membership; no intention to follow a “two Chinas, or one China one Taiwan” policy. Clinton’s statement meant that Chinese leaders were able to pull the Clinton Administration to their side of the table on the sovereignty question. Both before and during the Koo visit, Chinese officials argued that Clinton’s Three No’s logically must mean that the United States, which recognized the People’s Republic of China as the only legal government of China, regards Taiwan as a province of China.

Tilting the playing field in Beijing’s direction obviously weakens Taiwan’s position and strengthens the conviction that it cannot afford to make concessions. In this way, the U.S. tilt inhibits rather than promotes the possibility of a negotiated *modus vivendi*. The United States should return to its former stance, which was that it takes no position on the status of Taiwan because this is a matter for negotiation between the two sides. Before Clinton’s statement, for example, the U.S. made no binding commitment or promise regarding the independence of Taiwan. Previous Administrations stated that

the U.S. could accept any solution that is arrived at peacefully, without coercion of any kind, and is acceptable to the people of Taiwan. Such a formulation avoids the danger of tilting to one side in the delicate negotiations to come between Taiwan and China.

- Suggest confidence-building measures. While the United States should avoid becoming a mediator between Taiwan and China (and thereby also avoid running the risk of being forced to choose sides), it is quite different for the U.S. to propose confidence-building measures that promote progress in negotiations. Washington can tell Beijing that its continuing campaign to squeeze Taiwan out of international life, such as its refusal to allow participation in the work of international humanitarian organizations like the World Health Assembly and technical bodies that handle telecommunications and air and maritime transportation, only serves to strengthen antipathy toward the PRC and sentiment for the declaration of *de jure* independence. The U.S. should point out that a relaxation of this stand, perhaps even agreement to sponsor Taiwan’s participation in organizations like the World Health Assembly, would have a very positive effect on cross-Strait relations.
- Press for a renunciation of the use of force against Taiwan. One of the most important confidence-building measures the U.S. can pursue would be to convince China to abandon the option of military force as a means of achieving unification with Taiwan. Beijing has argued that such a renunciation would be a limitation on the sovereignty it claims over Taiwan and might encourage independence sentiment on the island. But China also is modernizing its military in a manner threatening to Taiwan, forcing Taipei to seek additional defense arms and fueling suspicion of Beijing’s real intent. Should China be convinced of the principle that unification cannot be imposed by force and can come about only on terms acceptable to the people of Taiwan, there

would be a positive effect on China–Taiwan relations.

Convincing China to renounce the use of force against Taiwan also advances important American interests in preserving peace on the Taiwan Strait. As stated in the Taiwan Relations Act, the U.S. decision “to establish diplomatic relations with the People’s Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means”; and “any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes [would be considered] a threat to the peace and security of the Western Pacific area, and of grave concern to the United States.”<sup>10</sup>

## CONCLUSION

In contrast to the military tension on the Taiwan Strait in 1995 and 1996, the resumption of the China–Taiwan dialogue this October is a positive development for U.S. interests in Asia. Koo Chen-fu, Chairman of Taiwan’s Straits Exchange Foundation, was received well by his counterpart, Wang Daohan of the Association for Relations Across the Taiwan Strait, and Chinese President Jiang Zemin. However, many difficult issues remain to be resolved between Taiwan and China,

including the matter of sovereignty over Taiwan, China’s refusal to renounce the use of force against Taiwan, and China’s refusal to allow Taiwan to participate in international organizations.

America’s primary interest is that this dialogue continue and produce a result that does not endanger Taiwan’s democratic or economic freedoms. The key to ensuring this result is to pursue a policy that does not force the United States to choose sides. President Clinton made a dangerous move in this direction when, in China last June, he embraced China’s preferred “Three No’s”: no support for independence for Taiwan; no one-China, one Taiwan formulation; and no support for Taiwan’s membership in international organizations requiring statehood for membership. In the ensuing talks, China used Clinton’s statement to put pressure on Taiwan.

The U.S. should return to its previous policy of refusing to state a preferred outcome on these specific issues. Washington should encourage dialogue but only state its conviction that differences must be resolved peacefully in a way that does not prejudice freedoms on Taiwan.

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10. Taiwan Relations Act, Sections 2(a)(3) and 2(a)(4).