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# Taiwan Policy Review

By

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[The following is a reprint of a statement made by Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, before the Senate Foreign Relations Committee, Washington, DC, on September 27, 1994.]

Thank you for inviting me to testify on behalf of the Administration on an issue of substantial importance to our policy in the Asia-Pacific region. Our bonds with Taiwan are robust, friendly, growing, and complex.

Your invitation is timely. For the first time in 15 years, we have systematically enhanced the ways in which we promote American interests and manage our relationship with Taiwan. The Administration has carefully examined every facet of our unofficial ties, with a view to correcting their anomalies and strengthening their sinews. The President has taken a personal interest in this process and directed that a series of changes be implemented.

The lengthy, detailed interagency policy review that we have conducted is the first of its kind launched by any administration of either political party since we shifted recognition to Beijing in 1979. We have consulted with interested members of Congress and the private sector. The foundation of our approach has been to advance U.S. national objectives in our relations with Taiwan and the P.R.C., as well as in the Asia-Pacific area generally. The results, we believe, strike the right balance between Taipei and Beijing, laying the basis for further expanding relations with both while ensuring continued peace and stability in the Taiwan Strait.

## **POLICY FRAMEWORK**

The basic framework of our policies toward the P.R.C. and Taiwan remains unchanged. It is worth recalling how durable and productive that policy has been. During 22 years, six administrations of both political parties have closely examined this approach and concluded that it is firmly rooted in U.S. national interests. Throughout this period we have maintained our friendship and ties with Taiwan while advancing our considerable goals with the People's Republic of China.

U.S. policy toward Taiwan is governed, of course, by the Taiwan Relations Act of 1979. Three communiques with the People's Republic of China—the Shanghai Communique of 1972, the Normalization Communique of 1979, and the Joint Communique of 1982—also constitute part of the foundation. In the [1979] joint communique shifting diplomatic relations to the P.R.C. 15 years ago, the United States recognized “the Government of the People's Republic of China as the sole legal Government of China.” The document further states that “Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.” The United States also acknowledged “the Chinese position that there is but one China and Taiwan is part of China.” These formulations were repeated in the 1982 communique. Since 1978, each administration has reaffirmed this policy.

The policy has been essential in maintaining peace, stability, and economic development on both sides of the Taiwan Strait and throughout the region. It has buttressed expansion of bilateral

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contacts between China and Taiwan, including a broadening of social and economic linkages that have improved standards of living both in Taiwan and in the People's Republic of China. Meanwhile, the United States has maintained mutually beneficial ties with both the P.R.C. and Taiwan. We have focused our bilateral and multilateral agendas on working cooperatively with each while not putting at unnecessary risk our relations with either. We have made absolutely clear our expectation that cross-strait relations will evolve in a peaceful manner. We neither interfere in nor mediate this process. But we welcome any evolution in relations between Taipei and Beijing that is mutually agreed upon and peacefully reached.

## CHANGE IN THE REGION

During the past two decades, Taiwan has been one of the world's greatest economic success stories, achieving rapid growth and prosperity. Its security has been enhanced and is more solid than ever. It has taken dramatic strides toward democracy and the fulfillment of human rights. With a small population and modest resources, Taiwan has risen to become one of the world's major economic actors, while putting into practice a lively, increasingly representative political system. It has shown that political openness must accompany economic reform and that Asians value freedom as much as other peoples around the globe.

These remarkable developments are a tribute, above all, to the talents and energy of the people of Taiwan and to their enlightened leaders. They also reflect the soundness of bipartisan U.S. policies pursued through successive administrations. We have been faithful to Taiwan while addressing our wide range of goals with Beijing.

At the same time, in recent years, changes of a profound nature have taken place in the People's Republic of China. The P.R.C. is undergoing a significant transition from a command to a market economy that has brought unprecedented prosperity to millions. It has opened up to the outside world, but it clings to a repressive political system. It is an increasingly important player on the world stage.

In the end, it is only the two parties themselves—Taiwan and the P.R.C.—that will be able to resolve the issues between them. In this regard, the United States applauds the continuing progress in the cross-strait dialogue. The record is one of slow but not inconsequential advance. We should not underestimate the significance of two parties—who have a history of bitter enmity—getting together to discuss issues. While credit must go, first of all, to each for enhancing their dialogue, U.S. policy has contributed to a climate which has fostered not only these growing exchanges but also trade, investment, and travel between them. This trend toward contact and dialogue serves the interests of both parties and the United States, and of regional stability and prosperity.

Taiwan's security is one of the most important aspects of our policy. Meeting the needs of Taiwan is critical not only for Taiwan but also for peace and stability in the region. We will continue to provide material and training to Taiwan to enable it to maintain a sufficient self-defense capability, as mandated by the Taiwan Relations Act.

There is no change in our arms sales policy as a result of the adjustments we are undertaking. Our sales to Taiwan will remain fully consistent with both the Taiwan Relations Act and the 1982 U.S.-P.R.C. communique. These documents are complementary and support the same basic objectives—peace and stability in the Taiwan Strait.

## POLICY ADJUSTMENTS

Within this framework, the President has decided to enhance our unofficial ties with Taiwan. Our goal is to reinforce the success of the fundamental policy approach I have outlined, which has promoted peace and growth in the region, while accommodating changing circumstances in ways

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that advance U.S. interests. We believe it would be a serious mistake to derail this basic policy of several administrations by introducing what China would undoubtedly perceive as officiality in our relations with Taiwan. This is why the Administration strongly opposes Congressional attempts to legislate visits by top leaders of the "Republic of China" to the U.S.

Let me give you the highlights of our changes. Taken together, they represent a significant advance while remaining faithful to the undertakings of several administrations of both political parties to Beijing. I will be pleased to provide more details later in response to your questions.

We are now prepared to send high level officials from U.S. economic and technical agencies to visit Taiwan. We will make judgments as to what level of visitor best serves our interests. They will have meetings at whatever levels necessary to accomplish our objectives. We are also prepared to establish a sub-cabinet economic dialogue with Taiwan. Moreover, last week we signed a Trade and Investment Framework Agreement and anticipate an early commencement of talks. We also are making some changes in the ways we promote our commercial and technical interests in Washington, including where meetings can be held.

Taiwan will have a new name for its office here—the Taipei Economic and Cultural Representative Office. Recognizing Taiwan's important role in transnational issues, we will support its membership in organizations where statehood is not a prerequisite, and we will support opportunities for Taiwan's voice to be heard in organizations where its membership is not possible.

Due in significant part to a well-conceived and consistent U.S. policy since 1979, U.S. and Taiwan relations are thriving. We can conduct any important business. Our trade and investment levels are high and rising. Some 37,000 students from Taiwan study in the U.S.—the second-highest number in the world. Thanks to our efforts, Taiwan is a valued member of the Asia-Pacific Economic Cooperation forum—the most important regional economic body in Asia. It is engaged in serious, productive negotiations which will lead to its accession to GATT.

## CONCLUSION

Mr. Chairman, U.S. policy toward Taiwan has been a major bipartisan success story through several administrations. It is balanced, it is faithful to our obligations, our commitments, and our national purposes. It promotes our goals with both the P.R.C. and with Taiwan. Relations with the P.R.C. are official and diplomatic; with Taiwan, they are unofficial but strong. We do not believe that we can or should tamper with this successful formula. We do not seek and cannot impose a resolution of differences between Taiwan and the People's Republic of China. Nor should we permit one to manipulate us against the other.

What we can do—and what we have just done is the most thorough review and adjustment in 15 years—is to strengthen our unofficial relations with Taiwan, permit the expansion of ties with the P.R.C., promote regional peace and development, and serve American national interests.