

## Russia and Taiwan

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**Russia and Taiwan**

**Bericht des BIOst Nr. 29/1996**

### **Kurzfassung**

#### *Vorbemerkung*

Dieser Bericht beschreibt und analysiert die geschichtliche Entwicklung der russischen Beziehungen zur chinesischen Insel Taiwan und zur Kuomintang (KMT), sowohl während ihrer Herrschaft über China wie nach ihrem Rückzug auf Taiwan im Jahre 1949. Das Hauptgewicht liegt auf den Ereignissen der letzten Jahre seit der Verbesserung der Beziehungen zwischen Moskau und Taipeh und den seitdem erfolgten Fortschritten.

#### *Ergebnisse*

1. Seit der Errichtung einer ständigen diplomatischen Mission in China im Jahre 1861 beobachtete Rußland aufmerksam das japanische Eindringen in Taiwan. Einige russische Diplomaten ebenso wie einige prominente Taiwanesen drängten den Zaren zur Intervention, aber St. Petersburg nahm davon aus einer Reihe von Gründen Abstand.
2. Zwischen den zwanziger und vierziger Jahren war das bolschewistische Rußland stark in die politischen Ereignisse in China verwickelt. Dies drückte dem Schicksal des Landes und insbesondere dem der KMT einen Stempel auf. Die Beziehungen zwischen dem Kreml und der KMT entwickelten sich dabei von einer revolutionären Allianz zur offenen Feindschaft.
3. Nach dem Abschluß des Vertrages zwischen Stalin und Mao (1950) und während des Korea-Krieges (1950-1953) kam es zur vollständigen Entfremdung zwischen der UdSSR und dem KMT-Regime auf Taiwan. Als sich in den sechziger Jahren die Beziehungen zwischen Moskau und Beijing verschlechterten, kam es zu Geheimkontakten mit Taipeh, die jedoch folgenlos blieben.
4. Die "Perestroika" und das "neues Denken" in der UdSSR eröffneten Möglichkeiten für ein Tauwetter in den sowjetisch-taiwanesischen Beziehungen. Aber der Annäherungsprozeß verlief langsam, da die alte Garde der KMT gegenüber Moskau mißtrauisch blieb und der Kreml eine Konfrontation mit Beijing befürchtete. 1990 konnten beide Seiten den Enthusiasmus nicht länger zügeln, der sich zwischen sowjetischen und taiwanesischen Unternehmenskreisen entwickelt hatte. Die VR China appellierte an die "sozialistische Solidarität" Gorbatschows, und dieser versuchte alles, die Forderungen Beijings in bezug auf offizielle Kontakte vis-à-vis Taiwan zufriedenzustellen.
5. 1992 veränderten sich die Bedingungen in Rußland grundlegend. Rußland hörte auf, ein "sozialistischer Staat" zu sein, und konzentrierte seine Aufmerksamkeit auf den Westen. Für die russischen Demokraten war Taiwan ein weitaus ansprechenderer Partner als das kommunistische China. Taiwan hoffte seinerseits darauf, offizielle Beziehungen mit seinem früheren Gegner zu etablieren.

6. Die anfängliche Euphorie, die mit der Verbesserung der russisch-taiwanesischen Beziehungen einherging, war nur von kurzer Dauer. Ein konservativer Schwenk in Rußland hatte eine Reorientierung der Beziehungen auf China und eine Abkühlung der Beziehungen zu Taiwan zur Folge. Entsprechend sank das Interesse Taiwans an Rußland.
7. Dennoch gab es weitere Fortschritte in den Beziehungen zwischen Moskau und Taiwan und es wurden einige rechtliche Grundlagen gelegt. Am 16. April 1992 vereinbarten beide Seiten die Bildung von "Koordinationskommissionen für wirtschaftliche und kulturelle Zusammenarbeit" (MTC und TMC) zur Förderung der Beziehungen in verschiedenen nichtpolitischen Bereichen. Beijing protestierte gegen diese Vereinbarung, und Präsident Jelzin veröffentlichte am 15. September 1992 ein Dekret, in dem er Rußlands Position des "einen China" bekräftigte und jede offiziellen oder politischen Kontakte mit Taiwan untersagte. Darüber hinaus erzielten Moskau und Beijing im Herbst 1992 Einverständnis über die Begrenzung der russisch-taiwanesischen Beziehungen. So bedürfen die rechtlichen Grundlagen der Beziehungen zwischen Rußland und der ROC (Republic of China) ohne Zweifel einer weiteren Verbesserung.
8. Heute ist der politische Dialog zwischen Moskau und Taipeh eingeschränkter als in den Jahren 1991 und 1992. Das TMC hat ein permanentes Büro in Moskau eröffnet, aber die russische Seite hat aufgrund innenpolitischer Auseinandersetzungen immer noch keinerlei Vertretung in Taiwan. Dies hat dennoch einige russische politische Parteien und parlamentarische Kreise nicht von der Förderung des Austausches mit Taiwan abgehalten.
9. Experten stimmen darin überein, daß es für die Entwicklung von Handel und wirtschaftlicher Zusammenarbeit zwischen Rußland und Taiwan ein großes Potential gibt. Aber das einzig dynamische Element stellt der bilaterale Handel dar. Bei jährlichen Wachstumsraten von über 60% ist er durch einen überwiegenden Handelsbilanzüberschuß für Rußland, das für die Insel zu einem der Hauptlieferanten von Stahl und Baumwolle geworden ist, gekennzeichnet. Zeitweilig spielten beide Seiten auch mit der Idee von Waffenlieferungen, nahmen davon aber wieder Abstand. Von Investitionen in Rußland hält sich die taiwanesishe Seite jedoch zurück, da der russische Markt als problematisch eingeschätzt wird.
10. Der humanitäre Aspekte spielt in den Beziehungen kaum eine Rolle. Dennoch gibt es einen Kulturaustausch, wissenschaftliche Zusammenarbeit und gemeinsame Forschungsprogramme. Außerdem studiert eine zunehmende Zahl taiwanesischer Studenten an russischen Universitäten. Auch die Beziehungen zwischen den Medien haben zugenommen.
11. Die Taiwan-Krise im März 1996 hat zu keiner Veränderung der Beziehungen Moskaus geführt, weder zu Beijing noch zu Taipeh. Die russische Regierung hielt sich mit Stellungnahmen zurück, die russische Medienberichterstattung war nicht offen protaiwanesisch.

## 1. Historical Overview

### 1.1 *Tsarist Russia and Taiwan*

With the establishment of the permanent diplomatic mission in China in 1861 Russia made its first contacts with Taiwan. Having closely observed Japanese encroachments on Taiwan, Russian diplomats informed the Tsarist government of Tokyo's plans to annex the island.<sup>1</sup> In the aftermath of the Sino-Japanese war of 1894-1895 Russian Foreign Minister Lobanov-Rostovsky reported to Tsar Nicholas II that "the inhabitants of Formosa have expressed through the Chinese government their desire to be taken under the protection of Russia"<sup>2</sup>. Upon receiving Tokyo's assurances of the international status of the Taiwan straits, however, the Tsar accepted the annexation of the island by the Japanese.<sup>3</sup> The unhappy inhabitants of Taiwan once again appealed to the Russian government through various channels "to move troops" to the island, "to take control over Formosa", "to make the Taiwanese subjects of Russia" etc.<sup>4</sup> The outbreak of the Russo-Japanese war in 1904 led to a resurgence of Russian interest in Taiwan. A number of Russian naval officers and military agents put forward plans to use the Russian fleet in support of the anti-Japanese movement on the island.<sup>5</sup> Tsar Nicholas II, however, cautioned the Russian military attaché in Beijing against embarking on any adventures in Taiwan and gave instructions to limit the Russian role to the gathering of information.<sup>6</sup>

### 1.2 *Moscow and the Kuomintang (KMT) from the 1920s to the 1940s*

Sun Yat-sen, founder of the Chinese republic and the KMT, used to stress that the revolution in China would not be successful unless the Chinese "learned from Russia",<sup>7</sup> and he repeatedly expressed gratitude to the Bolshevik government.<sup>8</sup> Chiang Kai-shek, as chief-of-staff of Dr. Sun's armed forces, actively participated in the development of co-operation between Moscow and the KMT. Experts in the Kremlin characterised Chiang as "a leftist", a man "very close to us".<sup>9</sup> After the death of Dr. Sun in 1925 frictions surfaced between the right and left wings of the KMT. Chiang Kai-shek crushed the left, communist wing and turned from a friend into a foe of Soviet Russia.<sup>10</sup> Hostility continued until 1937. Chiang's son and future president of the ROC, Chiang Ching-kuo, spent the period from 1925 to 1937 in the USSR.

In 1937 Chiang Kai-shek agreed to form a united front with the Chinese Communists to oppose imminent Japanese aggression. The initiative for this move had come from the Communist side,

<sup>1</sup> Foreign Policy Archives of the Russian Empire (FPARE), the main archive 1-9, list 8, 1872-1875, file 8, pp. 9-10.

<sup>2</sup> F. Toder: "Istoriya taivan'skikh issledovaniy v Rossii", in: Problemy Dal'nego Vostoka, No. 5, 1993, p. 47.

<sup>3</sup> Ibid.

<sup>4</sup> FPARE, Chinese Archive, list 491, file 1, 579, pp. 19-20. F. Toder: op. cit., p. 47. See also E. Bazhanov (Ed.): "Problems and Prospects of Development of Non-Governmental Ties between Russia and Taiwan, proceedings of a multinational conference", Moscow, The Diplomatic Academy Press, 1993, pp. 133-134.

<sup>5</sup> FPARE, Japanese Archive, list 493, file 575, p. 8.

<sup>6</sup> Ibid.

<sup>7</sup> S. Tikhvinsky/Sun Yat-sen: "Vneshnepoliticheskie vozzreniya i praktika", Moscow, Nauka, 1964, p. 323.

<sup>8</sup> "Zhongsu guanxi" (Sino-Soviet Relations), Beijing, Renmin Chubanshe, 1984, p. 2.

<sup>9</sup> "Kitaiskaya traditsionnaya kul'tura i problemy modernizatsii", Moscow, Institut Dal'nego Vostoka, 1994, p. 49.

<sup>10</sup> V. Vorontsov: "Sud'ba kitaiskogo Bonaparta", Moscow, Politizdat, 1989, pp. 79-84.



which acted on the advice of Moscow. Soviet aid began to pour into China: armaments, ammunition, transport. Chiang Kai-shek publicly expressed gratitude to the USSR for the "unselfish character of assistance to the Chinese people in their struggle against Japanese aggression"<sup>11</sup>. Nonetheless, the Kremlin's relations with the KMT were still by no means smooth: Moscow protested against Chiang's attacks on local Communists, and the KMT was shocked by the signing of the Soviet-Japanese neutrality pact.<sup>12</sup> Mutual suspicions continued throughout World War II and Chiang denounced the decision taken by the Allies during the Yalta conference of February 4-11, 1945 to bring the USSR into the anti-Japanese campaign in the Far East. Chiang was afraid that Moscow would take over Manchuria and strengthen the Chinese Communist Party (CCP).

While in fact helping the Communists, Stalin signed a "Treaty of Friendship and Alliance" with the KMT government on August 14, 1945 and agreed with its partners in the anti-Hitler coalition to try to achieve the termination of civil conflict in China. Stalin advised Mao Zedong to find ways of co-operating with Chiang Kai-shek.<sup>13</sup> Mao criticised Stalin on many occasions for "not allowing the Chinese to accomplish the revolution, not believing in the strength of the Chinese Communists and demanding that peace be made with Chiang Kai-shek at any cost".<sup>14</sup> In July 1949 Stalin admitted that the USSR had "put obstacles" in the way of the Chinese Communists and that he regretted it.<sup>15</sup> Mao Zedong's trip to the USSR in 1949-1950 put an end to relations between Moscow and the KMT for a long time. And yet, when the KMT embarked upon a new life in Taiwan, it was clear that, while hating and fearing Moscow, it had also learned many lessons from it: the role, functions and structure of the ruling party; methods of mobilisation and control of the masses; the supremacy of state interests; the organisation of counterintelligence; the moral requirements of party membership etc.<sup>16</sup>

### ***1.3 Total alienation: 1950-1985***

With the forging of the Moscow-Beijing alliance (1950) and the outbreak of the Korean war (1950-1953) Soviet Communists and the KMT entered a prolonged period of alienation. The Soviet Union and the ROC invariably clashed in the UN, where Moscow consistently and doggedly denounced the Taipei authorities, praised and defended Beijing, and waged a struggle for the "restoration of the PRC's right" to represent China in this international body.<sup>17</sup> Moscow and Taipei repeatedly found themselves confronting each other in the Taiwan straits.<sup>18</sup> In July 1954 Moscow and Taipei became involved in their own bilateral dispute. The Taiwanese authorities (under American instructions) seized the Soviet oil tanker "Tuapse" for violation of the international embargo imposed on the PRC during the conflict in Korea. The incident was followed by the prolonged detention of the vessel and its crew, thereby giving rise to strong anti-KMT feelings among the Soviet population.<sup>19</sup>

<sup>11</sup> Vorontsov: "Sud'ba kitaiskogo...", op. cit., p. 174.

<sup>12</sup> "Mezhdunarodnye otnosheniya na Dal'nem Vostoke", Moscow, Nauka, 1973, Vol. 2, pp. 159-160.

<sup>13</sup> Shijie zhishi, No. 3, 1987, p. 15.

<sup>14</sup> E. Bazhanov: "Kitai i vneshnyj mir", Moscow, Mezhdunarodnye otnosheniya, 1990, p. 36.

<sup>15</sup> Shijie zhishi, No. 16, 1983, p. 9.

<sup>16</sup> "Sovremenny Kitai", Moscow, Nauka, 1994, pp. 141-143.

<sup>17</sup> See M. Kapitsa: "KNR. Tri desyatiletija - tri politiki", Moscow, Politizdat, 1979, pp. 48-50, and 133-143.

<sup>18</sup> "Memuary Khrushcheva", in: Voprosy istorii, No. 2, 1993, pp. 80-81.

<sup>19</sup> The incident received wide exposure in the USSR through a hit movie "Emergency case". Millions of Soviet spectators saw the movie.

By the end of the 1960s the situation was starting to change. Soviet-Chinese relations had deteriorated to such a degree that every foe of Beijing was perceived by Moscow as a potential partner in deterring "the Chinese menace". Taiwan was thus quite an attractive proposition for Moscow. Among Moscow's first overtures to Taipei were visits to the island by a notorious Soviet special agent, Victor Louis. He appeared on Taiwan on a number of occasions between 1968 and 1970, and-- according to some authors--made quite sensational proposals to the KMT leadership. Louis allegedly discussed the possibility of a Taiwanese invasion of the mainland and the restoration of KMT rule there, the provision of Soviet military aid to the ROC, and the possibility of setting up an anti-Mao Chinese Communist Party abroad. An exchange of secret information on the PRC was also offered and accepted.

This exchange remained active during 1968 and 1969 and only gradually diminished in 1970 (when the USSR and the PRC agreed to improve bilateral relations).<sup>20</sup> Taipei's enthusiasm for developing a dialogue with the Soviets also cooled--partly owing to American pressure and partly because of its disappointment with Moscow's behaviour vis-à-vis Taipei and Beijing.<sup>21</sup> Foreign Minister Zhou Shukai even lost his position for advocating continued approaches to the Kremlin.<sup>22</sup> However, the two sides, Moscow and Taipei, were still not as hostile to each other as they had been before and they allowed occasional contacts between their diplomats, trade officials and scholars in third countries, especially at international forums.

#### *1.4 Gorbachev and Taipei*

"Perestroika" and "new thinking" in the USSR drastically changed the international environment and opened up new opportunities for a warming of Soviet-Taiwanese relations. The winds of democratisation in the ROC also facilitated an opening up of contacts with the Soviet Union. In Taiwan the initiative came in early 1988 from a private lobbyist group, the Taiwan Provincial Union of Export-Import Chambers of Commerce. The Union criticised the government for its refusal to liberalise trade with the USSR and embarked upon an active campaign of advertising the attractive features of the Soviet market. The Union's leadership also announced its intention to send a delegation to the USSR.<sup>23</sup> Finally, in May 1988 the KMT leadership lifted the ban on trade with the Soviet Union and gave the green light for the trade delegation's trip to Moscow.<sup>24</sup>

Nevertheless, Taipei's approach remained gradual and cautious. The Soviet authorities for their part came to the conclusion that initiating commercial contacts with the ROC was desirable. The delegation from the Taiwanese Chamber of Commerce was given a very friendly reception in the USSR. However, the elderly statesmen of the KMT denounced the visit and accused the government of irresponsibility and lack of vigilance vis-à-vis the enemy. The party leadership confirmed its anti-Communist position and consented only to indirect trade with the USSR.<sup>25</sup> Meanwhile, the ranks of businessmen, scholars, government officials and legislators favouring the promotion of ties with the Soviet Union continued to grow.<sup>26</sup> Given the still existing political and ideological differences between Moscow and Taipei, many people demanded that economic ties be separated from all other spheres.<sup>27</sup>

<sup>20</sup> Lianhe bao, 22-23 May 1995.

<sup>21</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 104.

<sup>22</sup> Ziyou shibao, 24 June 1992.

<sup>23</sup> Lianhe bao, 25 February 1988.

<sup>24</sup> Zhongguo shibao, 14 October 1988.

<sup>25</sup> Zhongyang ribao, 20 October 1988.

<sup>26</sup> Zhongyang ribao, 13-14, 18 and 20 October 1988.

<sup>27</sup> Zhongguo shibao, 30 October 1988.

The visit of the Taiwanese commercial delegation to the USSR triggered a harsh reaction from Beijing. The PRC accused Taipei of pursuing political aims under the guise of trade<sup>28</sup> and demanded an explanation from the Soviet authorities. The Kremlin, anxious to normalise relations with its giant Communist neighbour, decided to slow down the pace of rapprochement with Taiwan.<sup>29</sup> During Mikhail Gorbachev's historic visit to the PRC in May 1989 the Soviet leader reiterated Moscow's support for Beijing's position on Taiwan.<sup>30</sup> Nevertheless, contacts between the USSR and Taiwan continued to grow since the Kremlin could no longer tightly control the external activities of Soviet organisations. There were reciprocal visits by businessmen, journalists, and scholars, not yet very frequent, but growing in number. The further democratisation of Soviet society and the end of the Cold War contributed to the transformation of Taiwanese perceptions of the USSR and of Taipei's attitude towards bilateral ties with its former adversary.

In March 1990 the Taiwanese government allowed direct trade and mutual investments with the USSR and simplified visa procedures for the Soviets.<sup>31</sup> Businessmen rushed to exploit the new opportunities, sending missions to the USSR and participating in exhibitions, fairs and conferences. The semi-official China External Trade Development Council (CETRA) set up an exhibition hall in the Soviet capital, advertising the products of Taiwanese firms. Businessmen were joined by various cultural and religious groups, some of which even managed to establish permanent offices in Soviet cities. There was a stream of visitors from the USSR to the ROC and vice versa. In the course of these contacts quite a few Soviets made extravagant promises to the Taiwanese. Some talked about massive arms supplies from the USSR to the ROC, others predicted the speedy diplomatic recognition of the island republic. Moscow Mayor Gavriil Popov offered to establish permanent offices in the Soviet and the ROC capitals, had a meeting with the famous Chinese dissident Wuer Kaixi (who had been sentenced in absentia in the PRC) and suggested that the next time they shook hands it would be in Beijing.<sup>32</sup>

The central authorities in Moscow were dismayed by Popov's behaviour since they had never approved anything of the sort. But nobody from the ranks of decaying Communist officialdom in 1990 dared to reprimand the then enormously popular democratic Moscow Mayor Popov for his activities and statements on Taiwan. When Communist officials launched an investigation into the proposed arms sales to the ROC, they received the following reply from a high-ranking admiral in the Defence Ministry: "Yes, we are planning to sell submarines to the Taiwanese for scrap. If the Chinese complain, let them pay a higher price, and we'll sell the submarines to them".<sup>33</sup>

Numerous lobbyist groups emerged in the USSR competing for the monopolisation of ties with the ROC. One of these was the Soviet Scientific-Industrial Union, which was packed with former officials of the CPSU Central Committee. The Union leaders set up a foundation to control all aspects of bilateral Russo-Taiwanese relations, including consular functions. An agreement was signed with certain Taiwanese business circles on the establishment of a Foundation of Far Eastern Exchanges. This Foundation was to have branches in the two capitals with former Soviet Foreign Minister Eduard Shevardnadze as head of the Moscow branch.<sup>34</sup> The Kremlin, in an

<sup>28</sup> Dagong bao, 17 October 1988.

<sup>29</sup> Lianhe bao, 18 May 1989.

<sup>30</sup> Lianhe bao, 19 May 1989.

<sup>31</sup> Zhongyang ribao, 17 January 1990.

<sup>32</sup> Zhongyang ribao, 29 October 1990.

<sup>33</sup> Personal conversation between the admiral and the author who in 1990 held responsibility in the CC of the CPSU for relations with China.

<sup>34</sup> Zhongyang ribao, 10 September 1991.

attempt to put matters in order, proposed to the PRC to work out guidelines for Moscow-Taipei ties. The idea was to include these guidelines in the communiqué issued following the visit to the USSR of CCP Chairman Jiang Zemin, scheduled for May 1991. The Soviet proposal allowed non-official commercial, scholarly and cultural ties with Taiwan provided that these did not lead to the establishment of diplomatic relations. To support their position the Soviets pointed out that most countries of the world maintained such ties with Taiwan (including the USA) and that indeed even the PRC was successfully developing economic co-operation with its break-away province, that the guidelines would help to prevent any future misunderstandings between the USSR and the PRC regarding Taiwan, and that the Soviet side would know clearly what was acceptable and what not in its ties with the island.

The Chinese strongly objected to the Soviet proposal, advancing several counter arguments. They pointed out firstly that there was a universal tendency towards a reduction in the level of relations with the KMT authorities: the United States, for example, while historically an ally of Taipei, had step by step set about dismantling its collaboration with the KMT; the USSR, by contrast, was now talking about upgrading its relationship with Taipei. Secondly, the Soviet Union, as the motherland of socialism, had always supported the PRC on the Taiwan issue and had a duty to continue this support for ideological reasons. Thirdly, given that the USSR was a great power and a very influential country in international affairs, a decision by Moscow to upgrade ties with Taipei would give the wrong signal to other countries and have a negative effect on Chinese interests.<sup>35</sup> In the end the Soviet side agreed to drop the clause on the development of relations with Taiwan and the Chinese side promised in return to "close one eye" to contacts between Moscow and Taipei.<sup>36</sup>

Since a clearly defined framework for ties with Taipei had still not been established problems continued to crop up. During the spring and summer of 1991 some Taiwanese officials were denied Soviet visas or were mistreated by the immigration authorities at Moscow airport. Taiwan reacted very negatively to the criticism of "flexible diplomacy" that was included in the Joint Communiqué issued following Jiang Zemin's visit to Moscow in May 1991. Taipei was also worried about rumours that Moscow had agreed to supply the PRC with 2000 "SU-27"-fighters. Nevertheless, Taiwan continued to push its strategy of rapprochement with the USSR.<sup>37</sup>

## 2. The New Russia and Taiwan: the Foundations for Relations

### 2.1 *The formation of a new Russian foreign policy. Moscow vis-à-vis Beijing and Taipei*

Russia's policies in 1992 can be described as a balancing act aimed at helping the country to survive and overcome its internal dramas.<sup>38</sup> And yet it was evident that the new government was nevertheless focusing its attention on the West.<sup>39</sup> Asia was half-forgotten. Moreover, there was a general feeling that the problem with Russia was that it was too Asian. China was both Communist and Asian, the worst possible combination for the Westerners in the new Moscow leadership. China was especially despised because of the Tiananmen massacre of democrats in

<sup>35</sup> Working documents of the International Department of the CC of the CPSU, March-April 1991.

<sup>36</sup> Zhongyang ribao, 30 May 1991.

<sup>37</sup> Zhongyang ribao, 6 March 1992.

<sup>38</sup> For details see E. Bazhanov and N. Bazhanova: "Russia and Asia in 1992: A Balancing Act", in: Asian Survey, Vol. 33, No. 1, January 1993.

<sup>39</sup> For details on this subject see E. Bazhanov: "Diplomata vsyaky mozhnet obidet", in: Segodnya, 23 June 1995 and "Kogda rodina ne v opasnosti", in: Novoe vremya, No. 31, 1995.

1989 and Beijing's support for the pro-Communist coup in Moscow in August 1991.<sup>40</sup> Beijing, in turn, was shocked at the turn of events in "the Motherland of Lenin". Among other things Beijing suspected that the Yeltsin government would switch its allegiance to Taiwan.<sup>41</sup>

These fears were not unfounded: Russia's interest in Taiwan was growing for a number of reasons. Firstly, Russia was impressed by the fact that Taiwan had become by all standards one of the richest countries in the world, having accumulated 90 billion US-\$, more than any other state.<sup>42</sup> The economic success of Taiwan was praised by the Russian president himself at, of all places, a press conference in Beijing (!).<sup>43</sup> It was underlined that the economies of Russia and Taiwan were complementary: Russia had rich natural resources which Taiwan needed; Russia possessed a qualified and cheap work force while Taiwan had a labour shortage; the Russian military-industrial complex was in decline while Taipei was interested in purchasing new armaments and space technology.<sup>44</sup> Taiwan was also seen as "a springboard for Russia's leap into the vigorously developing Asia-Pacific region, which has great potential in the approaching XXIst century".<sup>45</sup> Some people in Moscow even urged that Taiwan should replace Japan as Russia's chief economic partner in Asia.<sup>46</sup> These high hopes were spurred further by energetic efforts on the part of the Taiwanese, who promised economic co-operation and aid and did not stop short of bribing influential Russians. As a result, a powerful lobby of high-up government functionaries and businessmen emerged with strong personal interests in Taiwan.

This lobby was spearheaded by Oleg Lobov, an aide of President Yeltsin who later became secretary of Russia's National Security Council. He and his cohorts hoped to reap a rich harvest of lucrative contracts on the island, and pushed Moscow into closer links with the ROC, disregarding the reactions of both Beijing and the Russian Foreign Ministry.<sup>47</sup> Other powerful groups in Russia's leading circles had similar goals. They made what some scholars considered to be completely overblown claims about the Taiwanese market: in other words the prospects for economic co-operation between the ROC and Russia were grossly exaggerated.<sup>48</sup>

Secondly, Russian enthusiasm for closer ties with Taiwan was motivated by a number of ideological and political factors. The new Russia was moved by the similarity of its ideological values to those of the ROC, by Taiwanese support for the Russian reforms, and by the conviction that China's future belonged to the KMT's philosophy and policies. The Russian newspaper *Izvestia* wrote on the 100th anniversary of Mao Zedong's birth: "Simultaneously with a pseudo-revolution on the mainland a real positive revolution was taking place in Taiwan ... At the time of Mao Zedong's death in 1976 everything was more than clear: a prosperous Taiwan with high levels of income convincingly demonstrated what a real revolution was".<sup>49</sup> Having called Sun Yat-sen and Chiang Kai-shek two truly great revolutionaries of China, *Izvestia* concluded: "It is

<sup>40</sup> Vserossiiskiy tsentr po khraneniyu sovremennoi dokumentatsii (VTsKhSD), archive 8, list 6, file 116, pp. 49-50.

<sup>41</sup> The New York Times, 8 September 1992. For more details on Russo-Chinese relations in 1991-1992, see E. Bazhanov: "Russian Policy toward China" in Peter Shearman (Ed.): "Russian Foreign Policy since 1990", Boulder, Westview Press, 1995, pp. 159-164.

<sup>42</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 18.

<sup>43</sup> Zhongyang ribao, 12 December 1992.

<sup>44</sup> O. Vaskov: "Taivan'sky faktor v sovremennoy mezhdunarodnoy obstanovke i rossiiskie interesy", Moscow, Diplomaticheskaya Akademiya, 1993, pp. 30-31.

<sup>45</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 17.

<sup>46</sup> Vaskov: "Taivan'sky faktor...", op. cit., p. 33.

<sup>47</sup> Lobov's group was also involved in many other adventures, including the introduction into Russia of the notorious Japanese religious sect Aum Shinrikyo.

<sup>48</sup> "Taivan' v politike Rossii", Moscow, Institut Dal'nego Vostoka, 1992, p. 16.

<sup>49</sup> *Izvestiya*, 4 January 1994.

obvious now that all of China is moving in this direction, prescribed by the Kuomintang. Sooner or later the Communist ideological system will collapse on the mainland (gradually and peacefully or abruptly and violently) and the KMT philosophy will rule over the whole of China".<sup>50</sup> Scholars echoed these sentiments by predicting that mainland China sooner or later would have to modernise its political regime and then Taiwan's experience would be of value.<sup>51</sup>

Thirdly, Taiwan was seen as a model of development for Russia. There were persistent calls "to study the story of Taiwanese success with utmost care and learn from the KMT experience".<sup>52</sup> *Moscow Times*, for example, insisted that Russia should copy Taiwanese land reforms, its export-oriented industries, its state control over basic branches of the economy, its maintenance of social and political stability, and the choice of the correct economic strategy by the government.<sup>53</sup>

Fourthly, some external factors contributed to this line of thinking. The Russians noted a boom in economic, academic and cultural exchanges between the PRC itself and Taiwan, calling this "an important lesson of behaviour".<sup>54</sup> It was regularly stressed that a dialogue with Taipei would not in any way harm the PRC or Moscow-Beijing relations.<sup>55</sup> The argument was advanced that Russia should not have lagged behind the USA in maintaining ties with Taiwan. At the Russian parliamentary hearings on April 25, 1994 it was stressed: "Russia is no less a sovereign state than the United States. And there are no longer any political or ideological barriers dividing Russia and the Republic of China. We should proceed by deepening and widening the scope of our co-operation with Taiwan".<sup>56</sup> Among the positive results of the rapprochement with the ROC were mentioned "the sympathy of the USA, Japan and other Western countries, as well as of anti-Communist Chinese in the PRC and all over the world".<sup>57</sup>

Last, but not least, some internal factors should be mentioned. A cultural interest in Taiwan was discernible, especially in the intellectual circles of Moscow, St. Petersburg, Vladivostok and the Urals region.<sup>58</sup> Russian scholars and journalists openly admitted that their views of the ROC had in the past been "unprofessional", that they "had not understood" Taiwan.<sup>59</sup> Now many wanted to try the previously forbidden exotic fruit. There were also forces pushing for closer relations with the ROC for publicity purposes. The extremist Liberal-Democratic Party, headed by Vladimir Zhirinovskiy, pedalled the concept of "two Chinas" in order to gain media attention and to challenge the Kremlin.<sup>60</sup>

## 2.2 Taipei's hopes in Russia

The collapse of the Communist system in the USSR followed by the dissolution of the Soviet Union gave rise to a mood of euphoria and quite unrealistic hopes in the ROC. Leading officials and parliamentarians of the island set themselves the goal of achieving diplomatic relations with Russia and the other former republics of the defunct USSR through various measures and methods such as aid, investments, educational and cultural links, the cultivation of influential

<sup>50</sup> Ibid.

<sup>51</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 90.

<sup>52</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 18.

<sup>53</sup> Vaskov: "Taivan'sky faktor...", op. cit., p. 34.

<sup>54</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 18.

<sup>55</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 7.

<sup>56</sup> Hearings on China, Russian State Duma, Moscow, State Duma Press office, April 1994.

<sup>57</sup> "Taivan' v politike Rossii...", op. cit., p. 19.

<sup>58</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 85-87.

<sup>59</sup> Vaskov: "Taivan'sky faktor...", op. cit., p. 27.

<sup>60</sup> Hearings on China..., op. cit.

people and the forging of close ties with them etc.<sup>61</sup> Pressure was exerted on the Foreign Ministry to put the plan into practice.<sup>62</sup> Taipei tried hard to gain the sympathy of the new Russian authorities before Beijing could make a move.<sup>63</sup> Moreover, Taiwanese representatives continued to declare that they valued the Russian connection as an important element in strengthening the ROC's international position, that they wanted to have "independent" relations with as many foreign states as possible and to be represented in all important international organisations.<sup>64</sup>

At the same time, it was invariably stressed that Taipei appreciated the importance of the PRC for Russia and did not intend in any way to undermine Moscow-Beijing ties.<sup>65</sup> In reality, of course, Taipei hoped that the new anti-Communist Russia would play an instrumental role in the gradual demise of Communist rule in mainland China. No other country, from the Taiwanese point of view, could influence the PRC more than the cradle of world communism itself, which had now rejected Marxism-Leninism.<sup>66</sup> There were also economic incentives for Taipei in its emerging relations with Russia. As the general secretary of the International Trade Association of the ROC, Han Songlin, put it: "We strive to co-operate with other countries, especially with such a great country as Russia, which has an enormous market. Its people is one of the most educated and talented in the world. Russia's potential is enormous. We don't have the resources that you have. Now we not only want to open the Russian market for ourselves in order to sell our products, but we want mutual co-operation, importing Russian products".<sup>67</sup>

### ***2.3 The conservative shift in Russia and its repercussions in Asia***

Meanwhile, the Russian internal situation and consequently Moscow's foreign policy began to change. It became less pro-Western, less ideological (democratic), more pragmatic, nationalistic, great-power oriented.<sup>68</sup> Powerful motives - security, strategic, economic, cultural - pushed Moscow to pay more attention to the Asia-Pacific region.<sup>69</sup> The PRC occupied a central place in the Kremlin's renewed interest in Asia. Beijing, in turn, drastically changed its attitude towards Russia under equally forceful imperatives.<sup>70</sup> Russo-Chinese relations started to improve, gradually but consistently, and they are now described by both sides as "excellent", "successful", "stable", "friendly", etc.<sup>71</sup> President Yeltsin nowadays calls the PRC "the most important partner of Russia in the world".<sup>72</sup> As a result, the comparative importance of Taiwan for Russia diminished. Any illusions entertained by Moscow that China would soon be united on the basis of the KMT model disappeared.<sup>73</sup>

<sup>61</sup> Zhongyang ribao, 22 August and 6 September 1991.

<sup>62</sup> Zhongyang ribao, 14 September and 29 November 1991.

<sup>63</sup> "Taivan' v politike Rossii...", op. cit., pp. 6-10.

<sup>64</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 11.

<sup>65</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 12.

<sup>66</sup> "Taivan' v politike Rossii...", op. cit., pp. 3-4.

<sup>67</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 41.

<sup>68</sup> For details of this analysis see E. Bazhanov: "Moscow's Hardline Shift", Moscow Times, 25 August 1995 and "Top Priorities of Russia's Foreign Policy", in: New Times, October 1995, pp. 32-34.

<sup>69</sup> For details see E. Bazhanov and N. Bazhanova: "Russia and Asia in 1993", in: Asian Survey, Vol. 34, No. 1, January 1994, pp. 87-97; E. Bazhanov: "Russia Looks to the East", in: Moscow Times, 15 September 1995.

<sup>70</sup> For details see E. Bazhanov: "Russian Policy toward China", op. cit., pp. 167-169.

<sup>71</sup> E. Bazhanov: "Russian Policy toward China", op. cit., pp. 169-178. "Russian-Chinese Relations", press release, Moscow, Foreign Ministry of Russia, January 1996.

<sup>72</sup> Izvestiya, 20 November 1995.

<sup>73</sup> Problemy Dal'nego Vostoka, No. 5, 1993, pp. 44-151. Rossiiskaya gazeta, 15 October 1995.

Under the changed circumstances both Russian officials and the media have begun to admit that "nobody wants a confrontation with Beijing. Communist China is too big, too influential to be challenged because of Taiwan".<sup>74</sup> There is a consensus in Russian society that unrestrained friendship with Taipei might undermine Russo-Chinese relations, stir up Beijing's hostility towards Moscow, and lead to Russia's being perceived in the PRC as an enemy of the Chinese nation.<sup>75</sup> Likewise, Russian ideological identity with "democratic Taiwan" has evaporated from a now much more conservative Russian society (for the Russian Communists, who are regaining strength, mainland China is the more attractive society). Consequently, the fact that Taipei supports Russian reforms is no longer valued as much in Russia (Beijing after all does not oppose these reforms either). The Taiwanese model of development has lost most of its appeal, overshadowed as it is by the example of Communist China. Appeals to learn from Taiwan are scarcely to be heard any more (while appeals to draw on the PRC's experience and lessons are becoming louder).

In fact, the Communist press has on a number of occasions attacked the KMT for its "bad" historical record (oppression at home, anti-PRC posture, "subservience" to Washington, etc.).<sup>76</sup> Some conservative, nationalist circles claim that the Taiwanese provide a bad example to separatists in Russia, especially the Chechens.<sup>77</sup> Communists in general are displaying an increasingly unfriendly attitude towards "capitalist, "pro-Western" Taiwan. They categorically oppose arms sales to the ROC, have ridiculed Lee Teng-hui's pretensions to being "President of the Republic of China", denounced "a pompous reception" for Gorbachev in Taiwan, etc.<sup>78</sup> Economically, co-operation with the ROC has proved to be much less fruitful than originally expected. The volume of trade is considerably smaller than that between Moscow and Beijing. In many cases Russian importers prefer mainland products since they are cheaper and more suited to Russian tastes.

As it developed, competition among rival groups of the Taiwan lobby also became a stumbling block in the way of Russo-Taiwanese co-operation. This issue will be discussed in detail in part 3 of this study. Here we would simply like to mention the fact that one powerful lobbyist group, having failed to gain control of the prospective Russian unofficial mission in Taipei, decided to try to prevent the opening of such a mission altogether (so far these efforts have been successful, with negative consequences for Russo-Taiwanese ties). The Taiwanese have reduced the level of bribery of Russian officials and as a result, the pro-Taiwan lobby in Russia has shrunk. Nonetheless, a reduction in Russia's interest in Taiwan does not mean that it no longer exists. Indeed, there is still quite a strong interest in allowing slow, but gradual progress in relations between Moscow and Taipei. Taipei, for its part, has come to the conclusion that Russia is not a very promising political partner since it will not do anything that might jeopardise its relations with Beijing. Not only will Moscow not agree to anything resembling official ties with the ROC, it will not support Taipei's drive to obtain a seat in the United Nations either. Moreover, Moscow tends to sympathise with Beijing on most international problems and supplies it with advanced weapons.<sup>79</sup> Hopes of lucrative economic co-operation with Russia have also subsided (these issues will be discussed in more detail below).

<sup>74</sup> Trud, 26 December 1993.

<sup>75</sup> "Russia and Asia", proceedings of a seminar, Moscow, The Diplomatic Academy, pp. 18-19.

<sup>76</sup> See, for example, Pravda, 10 August 1995 and Patriot, 15 January 1996.

<sup>77</sup> Zavtra, 26 May 1995.

<sup>78</sup> See Pravda, 26 December 1992 and 31 March 1994

<sup>79</sup> See Vaskov: "Taivan'sky faktor...", op. cit., pp. 40-41 and ITAR-TASS, "AK"24, 21 July 1993.



### 3. The Dynamics of Russo-Taiwanese Relations

#### 3.1 Legal framework

The first steps towards laying a legal foundation for Soviet-Taiwanese relations were taken in 1991. Negotiations were held on establishing air and maritime links as well as on normalising bank exchanges and providing a favourable tax regime for the exchange of goods. One concrete result of these efforts was the inclusion of Taiwanese goods in the same category as those of the PRC. This could be interpreted as an attempt to treat Taiwan as subordinate to Beijing's authority, but it nevertheless facilitated trade. After the dissolution of the USSR in December 1991 negotiations on legal issues intensified. As a carrot for Moscow, the Taiwanese government held out the prospect of generous humanitarian aid and promised investments in the Russian economy. In February 1992 Deputy Foreign Minister Chang Hsiao-yen went to Russia to negotiate the agreement and met with Yeltsin's aide Lobov. Lobov, who did not hold any high post in the Kremlin at the time, showed keen interest in the promotion of Russo-Taiwanese ties and managed to achieve tangible progress. As a result of the meetings between Chang and Lobov a skeleton protocol was successfully negotiated and was signed during the Taiwanese diplomat's second visit to Moscow on April 16, 1992. The two sides agreed to set up a Moscow-Taipei and Taipei-Moscow "Economic and Cultural Co-operation Co-ordination Commission" (MTC and TMC). These commissions were identified as "non-governmental, non-profit instruments" to promote ties in various non-political spheres. The two sides agreed to open permanent missions in Moscow and Taipei. The document stipulated that the commissions would be empowered with the prerogatives "usually granted to governmental officials".<sup>80</sup> It was also stressed in the protocol that the MTC and TMC would do their best to obtain the approval of their governments by the end of May 1992.

On September 2, 1992 President Yeltsin officially approved the creation of the MTC, giving it vast powers. This gave rise to speculation in the ROC that Moscow and Taipei would establish ties akin to diplomatic relations, similar to those between the USA and Taiwan. Lobov confirmed in an interview that the MTC and TMC missions would have privileges of a diplomatic nature. He also stressed that visa and transportation problems would be resolved in the near future.<sup>81</sup> In mid-September, 1992 Lobov arrived in Taipei with a high-level delegation. There he and Deputy Foreign Minister Chang signed "a series of documents establishing representative offices quasi-official in their status, responsible for issuing visas and supervising bilateral relations".<sup>82</sup>

These developments prompted a strong reaction on the part of Beijing, which demanded an explanation of the Russian stance on Taiwan. Foreign Minister Andrei Kozyrev apologised to the Chinese ambassador.<sup>83</sup> He and influential figures in the Kremlin, critical of Lobov, persuaded Yeltsin to restrain his aide, whose flirting with Taipei, they said, had begun to damage Russo-Chinese relations. The result was a decree issued by the Russian president on September 15, 1992, entitled "On relations between the Russian Federation and Taiwan". The decree said:

In relations with Taiwan the Russian Federation proceeds from the fact that there is only one China. The government of the People's Republic of China is the sole legal government, representing the whole of China. Taiwan is an inalienable part of China. The Russian Federation does not maintain official inter-state relations with Taiwan. Economic, scientific, cultural and other unofficial ties between Russia and

<sup>80</sup> "Treaties between the ROC and Foreign States", Vol. 9 (1991-1992), Taipei, 1994, p. 236.

<sup>81</sup> *Izvestiya*, 10 September 1992.

<sup>82</sup> Vaskov: "Taivan'sky faktor...", op. cit., pp. 16-17.

<sup>83</sup> *Nezavisimaya gazeta*, 15 September 1992.

Taiwan are executed by individual citizens and non-governmental organisations, empowered with functions necessary for legal, technical and other provision of these ties, and the protection of Russian citizens' rights in Taiwan. These ties are regulated by appropriate legal acts of the Russian Federation.

All possible representative offices of Russian organisations in Taiwan and accordingly of Taiwan in Russia are non-governmental establishments and cannot pretend to have the status, authority, privileges or benefits typical of state organs. Their legal basis is determined by local legislation. Persons employed in the civil service cannot work as employees of the non-governmental organisations and establishments executing ties with Taiwan. Neither Russia's state symbols and symbols of "the Republic of China" nor the name "Republic of China" may be used in Russo-Taiwanese contacts, agreements, or documents. Taiwanese partners cannot use them on Russian territory. Other possible options are "Taiwan, China" or "Taipei, China". Travel documents of Russian citizens and organisations for visits to Taiwan and of inhabitants of Taiwan for visits to Russia are to be issued with the assistance of consular divisions of embassies of the Russian Federation in third countries and non-governmental organisations in Moscow and Taipei.

The Ministry of Foreign Affairs of the Russian Federation is empowered to control the implementation of the provisions of this Decree. The ministry is entitled to request the government of the Russian Federation to terminate the activities of organisations created in violation of the provisions of this Decree, notwithstanding the dates of their registration. The ministry may also request administrative measures against officials violating the provisions of this Decree.[...]84

The decree stated further that Moscow would presently refrain from opening permanent representative offices of the Moscow-Taipei Co-ordination Commission in Moscow and Taipei until new instructions were given and that the composition of the Russian side of the commission, its functions and the dates of opening representative offices would be determined with the approval of the Ministry of Foreign Affairs of the Russian Federation.

In addition to this Decree the Russian government also consented to follow in its relations with Taiwan an agreement reached in the autumn of 1992 with Beijing. Moscow undertook the following obligations: 1) to refrain from having contacts with Taipei at a level higher than deputy ministers; 2) to rule out any possibility of military ties with the ROC; and 3) not to allow the use of state symbols in any contacts with Taiwan, including air, maritime and other links.<sup>85</sup> The Russian media endorsed Yeltsin's decree on Taiwan denouncing Lobov and his people for irresponsible statements and actions that had unduly infuriated Beijing.<sup>86</sup> In the aftermath of the decree the composition of the MTC Board was reconsidered and high-up officials from leading ministries were dropped from the roster of its members. On April 15, 1993 the MTC was registered by the Russian Ministry of Justice<sup>87</sup> and in August it opened an office in Moscow. The TMC had opened a permanent mission in the Russian capital on July 12, 1993, but this had not been endowed with official status by the Russian government.

So far there has been no further development of a legal framework for Russo-Taiwanese links. Some attempts have been made to negotiate air service, maritime, tourist, trade and taxation agreements, but to no avail. In December 1992, Moscow and Beijing confirmed their previous positions on Taiwan and Russia's scope of relations with the island. These positions were fixed in the "Joint Declaration on the Foundations of Relations between the Russian Federation and the People's Republic of China".<sup>88</sup> This did not, however, stop the Taiwanese from engaging in further attempts to persuade their Russian partners to upgrade mutual ties in one way or an-

<sup>84</sup> Decree of the President of the Russian Federation, 15 September 1992, N 1072, Moscow, press release.

<sup>85</sup> *Izvestiya*, 16 October 1992.

<sup>86</sup> *Izvestiya*, 17 September 1994.

<sup>87</sup> *Zhongguo shibao*, 16 April 1993.

<sup>88</sup> See *Diplomaticheskyy Vestnik*, No. 1-2, January 1993, p. 13.

other.<sup>89</sup> Specifically, the Taiwanese insisted that in relations between Moscow and Taipei the American formula should be adopted as "the most appropriate and sensible" They proposed that the two sides should sign a bilateral agreement on various issues and freely participate in multinational agreements. In addition, aeroplanes with state symbols should fly between the two countries; the two sides should exchange missions equal in their status to full diplomatic ones; national flags, symbols, and titles should be freely used; and legal protection should be accorded to all participants in bilateral exchanges etc.<sup>90</sup>

Often Taiwanese pressure on Moscow was of a rather practical nature. For example, when offering humanitarian aid to Russia, Taipei strongly insisted that this aid should come under the flag of the ROC and that every element of it should carry official symbols. Taipei also demanded that Taiwanese ships be allowed into Russian ports under the ROC's flag. Taiwanese representatives explained to Russian business groups that they could not expect any profitable deals with Taiwan unless the ROC had an official embassy-level office in Moscow. Taipei sensed that the Russian government was divided over the issue of relations with the ROC and sought to exploit this situation. By 1994, however, the Taiwanese had realised that there was no more to be achieved; . they stopped pressuring Moscow on fundamental issues, admitting that "Beijing had used historical foundations to promote relations with Russia".<sup>91</sup>

In conclusion, it should be noted that the legal foundations of Russo-Taiwanese relations still need much improvement. The two sides must provide a legal framework for trade, investments, and cultural exchanges if relations in these areas are to develop freely, quickly and smoothly.

### **3.2 Political dimensions**

During the final months of the USSR's existence important Soviet representatives paid their first visits to the ROC. In October 1991 the President of the USSR Central Bank Viktor Gerashenko met with members of the ROC cabinet.<sup>92</sup> In November the then Minister of Light Industry, A. Shumeiko, stressed during a visit to Taiwan that Yeltsin valued highly the Taiwanese experience of economic development and was eager to promote ties with the island.<sup>93</sup> A number of prominent Taiwanese visited Russia and held talks with government officials and political parties. At the end of 1991 a delegation of Taiwanese politicians and businessmen was received by Yeltsin's chief of staff Yurii Petrov. He assured the guests of Moscow's strong interest in developing ties with Taipei. In 1992 Lobov's group, which enjoyed the patronage of the Russian president, gained almost complete control over ties with Taiwan. After being criticised by the Russian Foreign Ministry and denounced by the media for various machinations, Lobov distanced himself from Taiwan and from the activities of the MTC. This change in tack was also prompted by the appointment of Lobov to the National Security Council. Lobov resigned from the MTC, and no new head was appointed (Zapalsky, an aide of Lobov's, is acting head of the MTC).

For a while the MTC co-operated with the Russian Foreign Ministry on opening a permanent representative office in Taipei. However, the MTC failed to get sufficient funds for the mission from the government. Moreover, the members of the MTC realised that the Russian Foreign Ministry intended to keep a firm grip on the mission. Subsequently, Zapalsky and his cohorts lost interest in co-sponsoring the project: apart from anything else they realised that Russian

<sup>89</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 78-79.

<sup>90</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 25-27.

<sup>91</sup> Zhongyang ribao, 4 February 1994.

<sup>92</sup> Zhongyang ribao, 19 October 1991.

<sup>93</sup> Zhongyang ribao, 26 November 1991.

diplomats were likely to keep a watchful eye on the commercial activities of MTC businessmen. Thus, the whole enterprise of setting up a representative office in Taiwan under the name of MTC fell into the hands of the Foreign Ministry. An experienced Russian diplomat of ambassadorial rank was slated to be head of the office and was assigned a number of deputies. All of them ought to have resigned from the ministry for the duration of their term in Taiwan. And yet by the beginning of 1996 the mission had still not been opened. The Foreign Ministry repeatedly tried to obtain the official approval of the prime minister for the opening, but in vain. By way of explanation the Russian diplomats hear references to the China factor and the importance of keeping Beijing happy. The real reason though, as might be suspected, has been the behind-the-scenes activities of the MTC group which did not wish to see foreign ministry officials (together with intelligence people etc.) stationed in Taiwan. Thus, the MTC and the Russian Foreign Ministry have traded roles: now it is the ministry that is pushing ahead in relations with Taiwan, so far not very effectively. In Moscow, too, it is the Foreign Ministry that maintains contacts with the TMC and the CETRA offices and provides them with assistance. The MTC, on the other hand, plays a diminishing role in Russo-Taiwanese ties and has lost prestige and trust in Taiwan.<sup>94</sup>

There are, however, other political forces in Russia that have shown an inclination to promote ties with Taipei. In March 1994 Vladimir Zhirinovskiy extended an invitation to ROC President Lee Teng-hui to participate in the Russian Liberal-Democratic Party Congress and to make a speech before the Russian parliament (in a private capacity). The Taiwanese media gave prominent coverage to Zhirinovskiy's overtures calling him one of the most prominent Russian politicians and the LDPR the biggest party in Russia. Zhirinovskiy put pressure on the Foreign Ministry to grant Lee Teng-hui a visa, but as it turned out Taipei did not in any case accept the invitation.<sup>95</sup> Over time the Taiwanese became wiser and realised that Zhirinovskiy was not the man they should be dealing with. A number of articles denouncing Zhirinovskiy as an eccentric extremist appeared in Taiwanese newspapers.<sup>96</sup>

Of greater significance may be contacts between the Russian parliament and leading Taiwanese political circles initiated in 1994 by a prominent member of the State Duma, Nikolai Stoloyarov. During 1994 and 1995 there were a number of reciprocal visits, involving top legislators of both sides. In August 1994 the World League for Freedom and Democracy, the former World Anti-Communist League, held an international conference in Moscow, in which legislators and other politicians of the ROC and the RF participated.<sup>97</sup> A Russian division of the League was established headed by former Moscow Mayor Popov. In October the speaker of the State Duma, Ivan Rybkin, received a high-ranking Taiwanese delegation and discussed the promotion of bilateral relations.<sup>98</sup> In April 1995 Stoloyarov led an impressive delegation of CIS officials (including the Russian minister of justice, the deputy mayor of Moscow etc.) to Taiwan. The visitors had talks with President Lee Teng-hui, the foreign minister and other officials.<sup>99</sup> Some deputies of the new Russian parliament, elected in December 1995, are also keen on developing ties with Taiwan. Among the four parties represented in the parliament the most active in this

<sup>94</sup> The head of the TMC in Moscow, Lo Loon, complains that since his arrival in Moscow almost three years ago Lobov has never received him. Lo Loon dismisses the MTC as a group of businessmen, who neither want nor can do much for Russo-Taiwanese relations.

<sup>95</sup> Lianhe bao, 15 March 1994. The Taiwanese foreign minister said that there was no time "to properly prepare the visit" and that he doubted that Zhirinovskiy would be able to guarantee an adequate level of reception for the president (Lianhe bao, 16 March 1994).

<sup>96</sup> See Zhongyang ribao, 12 January 1994.

<sup>97</sup> Zhongyang ribao, 12 August, 1994.

<sup>98</sup> Zhongyang ribao, 20 October 1994

<sup>99</sup> Zhongyang ribao, 27 April 1995.

respect is still Zhirinovskiy's LDPR. Prime Minister Viktor Chernomyrdin's party "Our Home Is Russia" and Yavlinsky's "Yabloko" are more cautious. As for the Communist Party, although it tends to associate itself with Beijing, some of its parliamentary representatives are nevertheless pursuing active contacts with Taiwan (chiefly for reasons of personal gain).

Outside the parliament a no lesser figure than Mikhail Gorbachev visited the ROC in March 1994.<sup>100</sup> There were also visits by the military - the former commander-in-chief of the Soviet Pacific Fleet Admiral Vladimir Sidorov and Vice-Admiral A. Styrov, and a number of representatives of the military-industrial complex anxious to sell weapons to Taiwan. Sidorov met with the Taiwanese prime minister and all the country's top military officials, including the defence minister and the chief of the general staff. Before his departure the Soviet admiral praised the economic and political achievements of the ROC as well as the "capacity of the Republic of China to defend itself by military means".<sup>101</sup> Sidorov described current ties between Russia and Taiwan as "only the beginning" and called upon the Taiwanese "to help rescue the Russian economy".<sup>102</sup>

Though commercial in nature, such plans could create a new political situation in Russo-Taiwanese relations. However, Taipei refused to buy Russian weapons. On the Taiwanese side a number of lobbyist groups, for example, the Sino-Russian Association for International Humanitarian Dialogue, attempted to push relations with Moscow beyond logical limits. There were plans to lure top officials of Russia to the ROC, to initiate arms trade etc. Yet, on the whole relations remained within the former political framework. There were no forces in Russia (except for a number of individual scholars) really anxious to promote diplomatic relations with Taiwan, to help Taiwan to obtain an independent status, or to facilitate Taiwan's entry into the United Nations. If statements of this sort were sometimes heard, they were the products of ignorance, negligence or commercial interests rather than a reflection of serious political positions. In 1994 Chechnya became the first issue to cloud Russia's image in the minds of some Taiwanese politicians. Representatives of the DPP opposition in the ROC parliament condemned Moscow's "aggression" against Chechnya. The DPP repeatedly demanded the "freezing" of relations with Russia, the establishment of diplomatic ties with Chechnya, and the extension of humanitarian aid to it. The DPP claimed that Taiwan faced the same danger from the PRC if it chose independence.

### **3.3 Economics**

Experts both in Russia and Taiwan agree that there is great potential for the development of trade and economic co-operation between the two sides. Some even suggest that Taiwan can become one of Russia's leading partners in South-East Asia. Such conclusions are based on the assumption that the economies of the two states are highly complementary. Russia urgently needs what the ROC has in abundance: the electronics, light, textile, and wood-processing industries and the experience of fast and successful economic development, including a strategy of promotion of small and medium-sized companies. Taiwan, in turn, is attracted by the prospect of receiving Russian raw materials and various unique technologies that were previously used in the military sector. Among the areas of economic co-operation identified by both sides as promising, may be mentioned Russian energy resources, timber, the conversion of military industries and

<sup>100</sup> Gorbachev's visit had an extraordinary impact in Taiwan. The local media stressed that "the presence of a political figure of world stature will help to strengthen Taiwan's position on the planet" (see Lianhe bao, 23 March 1994).

<sup>101</sup> Vaskov: "Taivan'sky faktor...", op. cit., pp. 44-45.

<sup>102</sup> Ibid.

scientific achievements.<sup>103</sup> Russian economists and industrialists have repeatedly offered to their Taiwanese counterparts thousands of Russian hi-tech products which could be produced with Taiwanese money in Russia or better still in Taiwan itself (superclean materials, artificial diamonds, artificial intelligence, special metals etc.).<sup>104</sup>

In the early 1990s certain steps were taken to promote economic links between Russia and Taiwan. In February 1990 the Taiwanese authorities removed restrictions on direct trade with Russia. Since 1991 a representative office of CETRA has been functioning in Moscow under the name "Taipei World Trade Center". CETRA is a non-commercial organisation providing information and consulting services to Taiwanese and Russian businessmen. CETRA's Moscow office also organises international conferences on Taiwan in Russia. Since 1994 there have been ten exhibitions of Taiwanese goods in Russia organised with the assistance of the Taipei World Trade Center.<sup>105</sup> As already mentioned, in 1992 Russia extended its preferential treatment of PRC goods to trade with the ROC. Taipei reciprocated in January 1994 with the extension of preferential import duties for Russian goods. Russian businessmen can now get a Taiwanese visa in Moscow within a week. Telephone and fax lines between Russia and Taiwan have been installed. There are no longer difficulties with the registration of Taiwanese firms in Russia. Thus, step by step the foundations for trade and economic relations between Russia and Taiwan have been laid.

Trade is the most dynamic element of bilateral economic co-operation between Moscow and Taipei, showing steady growth. In 1989 bilateral trade totalled 75 million US\$, in 1990 it reached 119 million US-\$ and then grew each year by an average of over 60%, as can be seen from Table 1. The ROC has become the fourth largest trading partner of Russia in the Asia-Pacific region behind the PRC, Japan and South Korea. At the same time it should be noted that the volume of this trade is still limited. Thus, it amounts to less than 1% of the overall foreign trade volume of the ROC.

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<sup>103</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 8.

<sup>104</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 34-39.

<sup>105</sup> Moskovsky Komsomolets, 1 March 1996.

Table 1

Trade between Taiwan and Russia (in millions US-\$) <sup>106</sup>					
	1991	1992	1993	1994	1995
Export	85	23	73	164	174
rate of growth (%)		-73	+217	+83	+6
Import	128	345	641	1,097	1,628
rate of growth (%)		+169	+85	+71	+48
Total	213	368	714	1,261	1,802
rate of growth (%)		+73	+94	+77	+43

An important feature of Russo-Taiwanese trade is a stable and huge surplus in favour of Russia (almost 1,500 million US-\$ in 1995). This fact is explained by the great interest of Taiwanese firms in cheap Russian raw materials. Russia has become one of the main suppliers of steel and cotton to the island. It has also exported magnesium, coal, unwrought aluminium, zinc and nickel, gold, iron, and synthetic rubber to the ROC. Many of these products are supplied to Taiwanese importers below the market price.<sup>107</sup> It looks as though exports of metals from Russia to Taiwan will continue to grow. The largest Taiwanese state company, China Steel Corporation, has signed a long-term contract with the Magnitogorsk metallurgy enterprise to finance the modernisation of the enterprise and the purchase of its steel products.<sup>108</sup> As for Russian imports from the ROC these are still quite limited. The reason has been the high prices. However, Taiwanese computers and parts find a good response among Russian customers. According to experts' estimates up to 80% of the personal computers now in use in Russia, are of Taiwanese origin. Taiwanese TV electronic games also dominate the Russian market.<sup>109</sup> It should be added that customs statistics do not take into account transactions made through third countries, including exports to Russia of goods produced at Taiwanese enterprises abroad (in the PRC, Singapore, Malaysia, Hong Kong etc.). According to some estimates, products originating in Taiwanese firms constitute 11% of the overall exports of the PRC and 37% of its exports of electronics.<sup>110</sup>

Initially there was much talk about sales of Russian arms to Taipei. Taiwan seemed to be a very attractive customer because it was rich and concerned with upgrading its defence capabilities. Expectations were enhanced by the wave of euphoria on this account in Taiwan. Various arguments were advanced in favour of importing Russian weapons: some thought it would tie Russia to Taipei and slow down rapprochement between Moscow and Beijing; others were eager to learn more about Russian weapons since they were used by the PRC. Moreover, the prices for Russian arms were attractive, the diversification of sources of arms supplies seemed logical, and it was thought that the news of Russo-Taiwanese military ties might make the Americans more flexible in providing advanced weapons to the island (especially F-16 fighters). In the end, however, both Taipei and Moscow repudiated arms deals as undesirable and impossible. Nevertheless, arms producers and dealers in Russia continued to be in touch with potential

<sup>106</sup> Taipei World Trade Center Information Materials, Moscow, March 1996.

<sup>107</sup> Ibid.

<sup>108</sup> Ibid.

<sup>109</sup> A. Borisov: "Torgovo-ekonomicheskie svyazi mezhdru Rossiei i Taivanem v 1994 godu", in: Problemy Dal'nego Vostoka, No. 6, 1995, p. 35.

<sup>110</sup> Sinorama, Vol. 19, No. 8, 1994, pp. 8-9.

customers in Taiwan.<sup>111</sup> Some experts continued to argue in favour of arms sales to the island stressing that Taiwan could not possibly threaten the security of the PRC and that if the ROC did not receive arms from Russia then it could satisfy its defence needs elsewhere.<sup>112</sup>

Consistent attempts have been made to elicit Taiwanese participation in developing Russian technology; in military conversion; in the production of turbines, engines, lasers and medical equipment; and in environmental protection. Taiwanese businessmen have shown interest - making business trips to Russia, participating in exhibitions, and signing various projects and memorandums. Taiwanese officials and experts acknowledge "great potential" in this field. A special project has been drafted by the Institute of Industrial Technology in Taipei for scientific and technical co-operation with Russia.<sup>113</sup> However, the only sphere where a certain amount of progress can be registered is co-operation in radioactive waste disposal in Russia. The Taiwanese first approached their Russian counterparts in the spring of 1994. The Kurchatov Centre of the Russian Academy of Sciences was eager to make a lucrative deal, but under Russian law the deal was only possible if the Taiwanese bought nuclear fuel from Russia. Moreover, Russia's Ministry of Atomic Energy came under fire from environmental groups. In September 1995, Russian legislation was changed to allow the disposal of imported radioactive waste at processing plants. Negotiations were renewed and they now cover the joint construction of a scientific nuclear reactor in Taiwan.<sup>114</sup>

For a while it looked as if Taiwan might become one of the main investors in the Russian economy. But the Taiwanese, prudent by nature and totally unfamiliar with Russian conditions, stayed away from Russia. Among the negative features of the Russian market cited by Taiwanese businessmen are the high crime rate, corruption, bureaucracy, the lack of proper laws, overtaxation, deficiencies in the infrastructure, disorder, unclear political prospects etc. Special stress is put on the lack of an adequate legal framework for bilateral relations.<sup>115</sup> The only case of Taiwanese direct investment in Russian industry is a joint venture in Nizhnii Novgorod with the participation of the Pacific Technique Development (Taipei). This firm has allocated huge sums for the production of a flying mechanism on a dynamic airfoil on the basis of Russian technology. In addition more than thirty Taiwanese trade companies have branch offices in Russia with warehouses. Most of them sell clothes and shoes, though some specialise in electronics. For example, the computer firm "Acer", which opened an office in Russia in 1994, managed in a short space of time to become the number 2 (after Hewlett-Packard) seller of computers on the Russian market. Each year the sale of Acers in Russia and other CIS countries doubles.<sup>116</sup> Generally the Taiwanese authorities do not recommend direct investments in the Russian economy as these are seen as "a dangerous endeavour".<sup>117</sup> Nevertheless, Taipei estimates that between seven and ten new branch offices of Taiwanese companies will be opening in Russia annually.<sup>118</sup>

If the investment climate in Russia improves, Taiwanese participation may be expected in such industries as textiles, electronics, chemicals, paper and polygraphy, metallurgy, and hi-tech.<sup>119</sup> There are prospects that economic co-operation will be spurred through the opening of a pas-

<sup>111</sup> Zhongguo shibao, 9 June 1992.

<sup>112</sup> "Taiwan' v politike Rossii", op. cit., pp. 43-46.

<sup>113</sup> Free China Weekly, No. 8, 1995.

<sup>114</sup> Zhongyang ribao, 6 September 1995. See also Izvestiya, June 1994.

<sup>115</sup> Zhongyang ribao, 10 January 1996 and Lianhe bao, 4 February 1996.

<sup>116</sup> Kommersant-Daily, 12 February 1996.

<sup>117</sup> Lianhe bao, 20 August 1995.

<sup>118</sup> Borisov, "Torgovo-ekonomicheskie...", op. cit., p. 36

<sup>119</sup> Ibid.



senger and cargo air service between Russian and Taiwanese cities. Negotiations on the air links looked promising in the initial stage but then stalled. Responding to Beijing's demands Moscow and Taipei agreed that two unofficial aviation companies (one from each side) would perform the flights. Estimates showed that the line would become quite popular and profitable.<sup>120</sup> But owing to the absence of a Russian visa issuing office in Taiwan the air link could not be started. Nevertheless, negotiations were resumed, and in the near future the line Moscow-Hong-Kong-Taipei may be launched. Direct sea lines may be established at a later date (at present container shipments from Russia to Taiwan take one-and-a-half to two months).<sup>121</sup> There are increasing attempts to forge banking links. In May 1995 a representative delegation visited Taiwan and held negotiations that are still continuing. Taiwanese banks would like more freedom of action in Russia than is generally allowed.<sup>122</sup>

A comprehensive analysis of barriers in the way of economic relations between the RF and the ROC was carried out by the "China Institute of Economic Studies" in Taipei. The following problems were identified by the institute: 1) There are differences in the structure of the participants in trade, in the legislation regulating their activities, and in their approaches and commercial tactics. In Russia trade is controlled by large enterprises, in Taiwan small and medium-sized firms prevail. 2) There is no methodology to make a comparison of the two very different economies and trade systems. 3) Industrial production in Russia is continuing to decline thus preventing the development of healthy economic ties.<sup>123</sup> On the positive side, the above-mentioned Taiwanese institute points out that the Russian market, being a high-risk market, is simultaneously a highly profitable one; there are "quite a few rich customers with developed tastes"<sup>124</sup>. The institute suggests that big companies might try their luck in such a market.<sup>125</sup>

### 3.4 *Humanitarian links*

The humanitarian dimension of Russo-Taiwanese relations is not very visible, and many Russian experts complain that Taiwan is not particularly interested in this sphere of interaction with Russia. This judgement would seem to be incorrect, however. There is a growing humanitarian interest in Russia in Taiwan and, largely as a result of input on the Taiwanese side, humanitarian links between the RF and the ROC have been developing in recent years. Humanitarian exchanges are funded almost exclusively by the Taiwanese side: by the "Jiang Jingguo Foundation", the "Cultural Planning and Development Council" (attached to the ROC government), the "Sinological Center", the "Pacific Foundation", the "Sinica Academy", various universities and other state and private institutions of the ROC. On the Russian side there are a number of humanitarian-cultural associations professing an interest in Taiwan, but they lack funds and look for subsidies from Taiwan.

The most developed aspect of humanitarian exchanges are visits of Russian cultural groups to the ROC (this fact also testifies to the Taiwanese interest in Russian culture). Since 1990, forty-six ballet groups (including the Bolshoi Theatre), twenty-five orchestras, ten drama ensembles, five circus groups, and six museum exhibitions have toured the ROC. Festivals, "Russian days on Taiwan" and "Taiwanese days in Russia" have been organised.<sup>126</sup> Scholarly exchanges have taken

<sup>120</sup> Lianhe bao, 1 August 1993.

<sup>121</sup> Maoyi Kuaixun, 10 April 1995.

<sup>122</sup> Maoyi Kuaixun, 4 February 1996.

<sup>123</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 46-47.

<sup>124</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 49.

<sup>125</sup> Ibid.

<sup>126</sup> Svobodny Kitai, No. 2, 1996.

place in the natural sciences, philology, the Chinese and Russian languages and the social and political sciences. In the first field one of the channels for co-operation is the Institute of Nuclear Energy in Dubna, Russia. More than fifteen persons on both sides have been involved in joint research projects. Back in November 1991 a memorandum of understanding on co-operation was signed between the National Science Council of Taiwan and the USSR Academy of Engineering.<sup>127</sup> The Taiwanese stressed the importance of inviting Russian scientists who could help the ROC to learn more about Russian weapons being supplied to the PRC and upgrade research in space technology. Philological studies involve three universities in Taiwan and more than ten in Russia. Around fifteen Russian sinologists have attended programs at the "Sinological Center" in Taipei. Exchanges in the social and political sciences have included visits to the ROC by the rectors of leading Russian universities and academic research institutes and many famous scholars (in total more than 100 persons in this category have visited the ROC, while around twenty Taiwanese have been guests of their Russian counterparts).<sup>128</sup> Moreover, scholarly links have also been organised in the following forms: joint research on the basis of archives; joint publication of research work; joint conferences and seminars; and the exchange of lecturers and researchers. Such links are at the same impeded by the fact that Russian educational and research centres lack funds and have to rely on Taiwanese generosity, which has its limits and is actually decreasing. There is also the language barrier and the high cost of books and periodicals in both countries.

Notwithstanding the fact that Taiwan does much to promote scholarly co-operation, some Russian scholars complain that the Taiwanese clearly prefer American colleagues to Russian ones and that their interest in Russia and Russian scholarly achievements is very limited.<sup>129</sup> Student exchanges have also begun. Over 100 Taiwanese students have graduated from Russian universities, the majority in Russian language. Around 400 Taiwanese students took summer courses in Russian (the institutions ranging geographically from Vladivostok University to the Plekhanov Academy of Economy in Moscow). All study expenses in Russia are covered by private Taiwanese sources or by the ROC Ministry of Education. There are also some thirty Russian students who have studied or are still studying in Taiwan. They are supported by the Taiwanese Ministry of Education (six scholarships per year) as well as by a number of individual universities.<sup>130</sup> Sports links include gymnastics, the martial arts and tennis. Tourism has been growing steadily with 10,255 Taiwanese visiting Russia in 1995 (9,570 persons in 1994 and 9,206 persons in 1993). Russian tourists have not yet acquired a taste for Taiwanese resorts - there were fewer than 200 tourists in 1995).<sup>131</sup>

A special aspect of humanitarian links between Russia and Taiwan is aid from the ROC to Russia. In 1991 the ROC authorities approved humanitarian aid to Russia as a gesture of support for the post-Communist rehabilitation. Taiwan shipped 100,000 tons of rice worth 20 million US-\$ to Russian ports. This move was met with gratitude in Russia and received very positive coverage in the Russian media (see, for example, *Izvestia*, 16 January 1992). Later, in 1993, however, the local authorities in some parts of Russia bitterly complained that the rice was contaminated.<sup>132</sup> Taiwan took these charges quite seriously and the issue was investigated by the executive and legislative branches of the Taiwanese government. No wrongdoing was detected

<sup>127</sup> "Treaties between the Republic of China and Foreign States", Vol. 9, p. 234.

<sup>128</sup> Data provided by TMC officials in March 1996.

<sup>129</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., p. 97.

<sup>130</sup> TMC data, March 1996.

<sup>131</sup> Free China Weekly, 6 February 1996.

<sup>132</sup> *Izvestiya*, 17 February 1993.

on the part of suppliers.<sup>133</sup> Meanwhile the media in Russia came to the conclusion that the Taiwanese rice had been replaced with low quality Central Asian rice by Russian criminals with official connection (Lobov was among those mentioned).<sup>134</sup>

As for the Russians' and Taiwanese knowledge about each other, this was close to zero back in the 1980s. The opening up of contacts produced an explosion of positive feeling on both sides, without either side, however, knowing what these were based on. The Russians praised Taiwan for its tremendous social and economic achievements and talked about virtually unlimited horizons of co-operation with the island. But the actual status of Taiwan, its history and the present position of the KMT were distorted and misinterpreted.

In the meantime the situation has improved, and remarkably enough, Russian respect for Taiwan remains unchanged. There is a very special interest in the person of Chiang Ching-kuo because of the years he spent in the USSR and because of his Russian wife. A number of documentary movies have been made about Chiang and shown on Russian TV, receiving a wide and positive response from the Russian public. His father, Chiang Kai-shek, who was bitterly denounced in Russia for decades also now receives recognition.<sup>135</sup> The Taiwanese used to be even more ignorant of Russia than Russians were of Taiwan, mistaking Peter the Great for Lenin, thinking Moscow was a city full of polar bears and believing that Gorbachev was still the most popular politician in Russia.

Mutual knowledge is promoted by the media. A special role is played by the ROC Government Information Office (GIO). This agency funds invitations for Russian journalists to visit the ROC. Between 1992 and 1995 around 100 Russian journalists were received by leading Taiwanese media organs. In turn about 200 Taiwanese journalists toured around Russia as guests of TV stations and newspapers or as tourists. A number of leading Taiwanese newspapers have unofficial correspondents in Russia (not accredited with the Russian Foreign Ministry), who cover the Russian scene on a regular basis. During the period 1992-1995 these correspondents published no fewer than 1,000 articles on various aspects of the Russian internal situation and foreign policy. Some Taiwanese newspapers have agreements with Russian news agencies and newspapers on the exchange of information, and mutual assistance (for example, *Argumenty i fakty* with the *Free China Review*; and the Central News Agency with ITAR-TASS). The Taiwanese government widely distributes in Russia such publications as the *Free China Chronicle*, the *Free China Review*, *Sinorama*, and *Svobodnyi Kitai*. The Voice of Free China has regular transmissions in the Russian language. Beijing closely monitors these activities and has made a number of efforts to dissuade the Russian media from calling Taiwan a state. These attempts have meanwhile ceased, owing to their futility.

The opening up of relations with Taiwan has prompted a number of Russian scholars to take up Taiwanese studies. One of the first products of these studies was a special issue of *Problemy Dalnego Vostoka* (No. 5, 1993). In March 1993 the first Russian-Taiwanese conference devoted to bilateral relations was held in Moscow at the Diplomatic Academy of the Ministry of Foreign Affairs and was attended by an ROC delegation led by the director of the Institute of International Relations, Dr. Lin Bizhao. The proceedings were published. The following year several other conferences devoted to the ROC were convened. Russian scholars concentrate their research mainly on Taiwan's economic experience.<sup>136</sup> Until the late 1980s studies on Russia in the ROC were limited to three Russian-language departments and one research unit that published

<sup>133</sup> Zhongyang ribao, 10 March 1993 and 2 June 1993.

<sup>134</sup> As for the Taiwanese high-quality rice it was re-exported to Europe at a huge profit, which was pocketed by the crooks (Stolitsa, No. 12, 1995).

<sup>135</sup> E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 52-53.

articles on the USSR. Now there are a number of associations in Taiwan specialising in Russian studies: The Taipei Slavic Club, the Sino-Russian Economic Association, the Russia Institute (Dajiang University), the Institute of Russian Language and Literature (Wenhua University), and the Russian section of the Institute of International Relations (Zhengzhi University).

There have been a wide range of proposals from both sides concerning the expansion of cultural links. These include the signing of an official cultural agreement between the two governments, the convening of two or three conferences per year for the review of progress in the humanitarian field for the respective governments, the creation of a special fund to support humanitarian exchanges, the translation of scientific works, permanent expositions on the historical interaction of the Russian and Chinese cultures, the exchange of museum collections, and the publication of art books etc.

#### **4. Russia and the "Taiwan crisis" in March 1996**

The flaring up of tensions between the PRC and the ROC in the Taiwan straits in March 1996 did not alter Moscow's basic stand vis-à-vis either Beijing or Taipei. There was no official reaction from the Kremlin to the show of force by mainland China against the ROC. Deputy Foreign Minister Aleksandr Panov simply said that the events in the Taiwan straits "will not influence in any way" Yeltsin's upcoming visit to the PRC.<sup>137</sup> Privately some Russian diplomats disapproved of Beijing's actions, but not so much because of sympathy towards Taipei as out of concern for peace and stability in a region vital to Russia.<sup>138</sup>

The State Duma's reaction was more complex. On the whole the Russian legislature did not pay much attention to the crisis in the Taiwan straits: the deputies were preoccupied with the upcoming elections and did not detect anything in the Beijing-Taipei confrontation that could be useful in fighting their own domestic political battles (unlike their counterparts in the US Congress). However, some members of the State Duma did take certain steps pertaining to the events in the Taiwan straits.

Once again Zhirinovskiy's LDPR was conspicuous in its show of friendship towards the ROC. A ranking member of the LDPR, Aleksei Mitrofanov, head of the Duma's Committee on Geopolitical Problems, led a Committee delegation to Taiwan while the crisis was going on (18.03.96-26.03.96). While in Taipei Russian legislators discussed the question of opening a representative office of Russian business and cultural circles there. The Russian guests stressed that since the MTC was not ready to set up a permanent mission on the island this could be done instead by "The Council on Trade and Industrial Co-operation Russia-Taiwan" (CTIC). Mitrofanov advertised the Council as "a union of Russian enterprises and scientific organisations interested in the speedy promotion of concrete projects involving industrial, scientific and technical co-operation with their Taiwanese partners".<sup>139</sup>

Upon returning from the ROC Mitrofanov called a meeting of his Committee to discuss the problem of the "asymmetry" in the triangle Moscow-Beijing-Taipei. While not in any way challenging the importance of Russo-Chinese relations and the concept of one China, the Committee members nonetheless insisted on a more energetic promotion of unofficial ties with

<sup>136</sup> For a detailed analysis of Taiwanese studies in Russia, see E. Bazhanov (Ed.): "Problems and Prospects...", op. cit., pp. 138-146.

<sup>137</sup> Kommersant-Daily, 12 March 1996.

<sup>138</sup> Interviews with senior staff members of the Russian Foreign Ministry in March and April 1996.

<sup>139</sup> Ekspertnaya otsenka, postoyannaya rabochaya gruppa po ATR, Komitet Gosdumy po voprosam geopolitiki, Moscow, 15 April 1996, p. 3.

Taiwan. The Committee allowed itself just one piece of criticism of the PRC's behaviour, stressing that "Beijing's sabre rattling in the close vicinity of Taiwan during the period of democratic presidential elections, the arrival of the American fleet in the region to gain 'control over the situation' - all these developments provide serious grounds for reconsidering the role and capabilities of Russia in the balance of forces in this region".<sup>140</sup> At a meeting of the Foreign Relations Committee N. Stolyarov also made a statement in support of the ROC vis-à-vis the PRC. The statement was dismissed by Nikolai Ryzhkov, a fellow deputy and former Soviet prime minister, as "a private remark" and nobody else at the meeting paid any attention to the issue.<sup>141</sup> Yet another deputy, the radical democrat Egor Gaidar, was present as an observer at the Taiwanese presidential elections and made certain unfavourable comments about Beijing's military games in the straits.

However, and this is the most important fact, all the above-mentioned actions and statements by members of the Duma went completely unnoticed by the Russian public and media (save for a small and incoherent report by *Izvestia* on Mitrofanov's committee meeting).<sup>142</sup> As for the overall coverage of the Taiwan straits crisis by the Russian media it had two specific features. First of all, it proved to be very unprofessional. Most newspaper journalists and TV moderators grossly misinterpreted the events, erroneously believing that there was a real danger of a major war and that Beijing was about to launch an attack on the island. One newspaper expressed concern that "for the last thirty years there has never been such a high level of tension between the PRC and its 'rebel' province, the island of Taiwan, as there is now."<sup>143</sup> According to the same newspaper, CCP Chairman Jiang Zemin had announced that "China was not promising not to use armed force for the unification of Taiwan with the mainland" and "Deng Xiaoping has already given the order to use such force".<sup>144</sup> The journalists obviously did not realise that Jiang Zemin was simply repeating the long-standing standard position, which constituted not so much a threat as an expression of Beijing's refusal to give assurances to an outside power on a purely internal Chinese issue (occasionally the statement was accompanied by the clarification that Beijing would never allow Chinese to fight against Chinese).

The Russian media was also wrong in persistently presenting Lee Teng-hui as "the main separatist," whose victory in the Taiwanese elections Beijing was trying hard to prevent (in reality the PRC undoubtedly preferred Lee to his main rival in the elections, a real and open separatist candidate from the Democratic Progressive Party). As *Kommersant-Daily* insisted, Beijing and Taipei "associated the idea of independence with the name of Lee Teng-hui".<sup>145</sup> *Izvestia* was the only newspaper which in some of its articles (but not all) presented a more or less realistic analysis of the situation. It called the events "an act of the Beijing opera where each actor is playing a well-established part, all too well-known to the other actors and the mature audience".<sup>146</sup> *Izvestia's* Beijing correspondent explained that the PRC did not have the military potential for attacking the island,<sup>147</sup> while its correspondent in Washington added that Beijing "right away gave assurances that it did not have any plans for the seizure of the island" and that it had asked the Americans through diplomatic channels "not to get nervous about trivial matters".<sup>148</sup>

<sup>140</sup> *Ekspertnaya otsenka...*, op. cit., p. 2.

<sup>141</sup> Interview with members of the Foreign Relations Committee.

<sup>142</sup> Vladimir Mikheev: "Na Taiwan' russkie samolety ne letayut i korabli ne khodyat", in *Izvestiya*, 18 April 1996, p. 5.

<sup>143</sup> *Obshchaya gazeta*, 14-20 March 1996.

<sup>144</sup> *Ibid.* See also *Nezavisimaya gazeta*, 14 March 1996 and *Kommersant-Daily*, 12 March 1996.

<sup>145</sup> *Kommersant-Daily*, 12 March 1996.

<sup>146</sup> *Izvestiya*, 13 March 1996.

<sup>147</sup> *Izvestiya*, 14 March 1996.

<sup>148</sup> *Ibid.*

The media coverage was not openly pro-Taiwan, but, as could be seen from the tone and arrangement of the information, Russian newspapers and TV networks were surprised by the apparent extremism of mainland China and felt sorry for Taiwan. They reminded readers that the Chinese Communists had in the past (1954 and 1958) shelled Kuomintang-controlled islands near Taiwan and that this had "almost triggered a major military conflict between the USSR and the USA".<sup>149</sup> Later, because of the establishment of official relations with Washington, "Beijing had no choice but to adopt the tactics of peaceful confrontation".<sup>150</sup> The media emphasised that Taiwan was holding "the first free presidential elections in the entire history of China" and that "for this act the Taiwanese could pay dearly".<sup>151</sup>

But despite these critical undertones the reactions in Moscow didn't had any negative impact on the further development of Russian-Chinese relations as was demonstrated during Yeltsin's China visit only one month later in April 1996.

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<sup>149</sup> Segodnya, 12 March 1996.

<sup>150</sup> Ibid.

<sup>151</sup> Kommersant-Daily, 12 March 1996.

**Yevgeni Bazhanov**

## **Russia and Taiwan**

**Bericht des BIOst Nr. 29/1996**

### **Summary**

#### *Introductory Remarks*

This report describes and analyses of the history of Russia's ties with the Chinese island Taiwan and its relationship with the Kuomintang (KMT) both during the period when it ruled over the whole of China and after its retreat to Taiwan in 1949. The bulk of the report is devoted to the warming of relations between Moscow and Taipei that took place during 1991 and 1992 and to the state of these relations today.

#### *Findings*

1. With the establishment of a permanent diplomatic mission in China in 1861 Russia began to take an interest in Taiwan and closely watched Japanese encroachments on the island. Some Russian diplomats as well as prominent Taiwanese urged the Tsar to intervene, but St. Petersburg abstained for a number of reasons.
2. From the 1920s to the 1940s Bolshevik Russia was deeply involved in political events in China. This left a deep imprint on the destiny of that country and on that of the KMT in particular. Relations between the Kremlin and the KMT underwent a sharp deterioration, from a revolutionary alliance to outright hostility.
3. After the conclusion of the treaty between Stalin and Mao in 1950 and the outbreak of the Korean war (1950-1953) the alienation between the USSR and the KMT-regime on Taiwan became total. When relations between Moscow and Beijing deteriorated in the 1960s the Kremlin became engaged in secret contacts with Taipei. Nothing much came of these, however.
4. "Perestroika" and "new thinking" in the USSR opened opportunities for unfreezing Soviet Taiwanese relations. The rapprochement was slow owing to lingering suspicions on the part of the KMT old guard and the Kremlin's fear of antagonising Beijing. By 1990, though, both Moscow and Taipei could no longer restrain the mutual enthusiasm that had been developing among business circles in both countries. China appealed to "the socialist solidarity" of Gorbachev who did his best to satisfy Beijing's demands concerning official Soviet policy vis-à-vis Taiwan.
5. Circumstances in Russia radically changed in 1992. Russia ceased to be a "socialist" state and focused its attention on the West. For the Russian democrats Taiwan was a much more appealing Asian partner than Communist China. Taiwan, for its part, hoped to achieve official relations with its former adversary.

6. The initial euphoria accompanying the warming of Russo-Taiwanese relations did not last long. A conservative shift in Russia resulted in a reorientation towards China and a cooling off towards the ROC. Accordingly, Taiwanese interest in Russia declined.
7. Nevertheless, relations between Moscow and Taiwan continue to progress and some legal foundations have been laid. On April 16, 1992 the two sides agreed to set up the Moscow-Taipei and the Taipei-Moscow "Economic and Cultural Co-operation Co-ordination Commission" (MTC and TMC) to promote ties in various non-political spheres. Beijing protested against this agreement, and President Yeltsin issued a decree on September 15, 1992 confirming the standard position on "one China" and prohibiting any official or political contacts with Taiwan. In addition, Moscow and Beijing reached an understanding on the limitations of Russo-Taiwanese relations in the autumn of 1992. Thus, the legal foundations for ties between Russia and the ROC clearly need further improvement.
8. The political dialogue between Moscow and Taipei, which was quite active during 1991 and 1992, is more restrained now. The TMC has opened a permanent office in Russia, but the Russian side, owing to political in-fighting, still does not have any representation in Taiwan. Nevertheless, this has not prevented some Russian political parties and parliamentary circles from promoting exchanges with the ROC.
9. Experts agree that there is great potential for developing trade and economic co-operation between Russia and Taiwan. So far this potential has not been exploited to the full. The only dynamic element is bilateral trade. Growing annually by over 60% it is overwhelmingly in favour of Russia, which has become one of the main suppliers of steel and cotton to the island. For a while both sides played with the idea of trading armaments, but then dropped it. The Taiwanese have refrained from investing in Russia because the Russian market is perceived in Taiwanese business circles as problematic.
10. The humanitarian dimension of Russo-Taiwanese relations is not very visible. Yet there are cultural exchanges, scholarly co-operation and joint scientific research programs and a growing number of Taiwanese students are studying at Russian universities. Media links are also increasing.
11. The "Taiwan crisis" in March 1996 did not alter Moscow's stand vis-à-vis either Beijing or Taipei. The Russian government refrained from open statements and Russian media coverage was not openly pro-Taiwan.