

FRANCE'S TAIWAN POLICY: A CASE OF SHOPKEEPER DIPLOMACY¹

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Paper presented at the International Conference: «The Role of France and Germany in Sino-European Relations», organised by the French Centre for Research on Contemporary China and the Europe-China Centre, Department of Government and International Studies, Hong Kong Baptist University
22-23 June 2001,
Hong Kong Baptist University

For a long time after the establishment of diplomatic relations between Paris and Peking in 1964, relations between Paris and Taiwan remained, in the eyes of the French government, non-existent or, to be more accurate, politically taboo. It was under the pressure of Taiwan's rapid economic development, increasing trade between the two countries, and then the island-state's democratisation, that Paris started to consider—apparently with greater difficulty than the other European capitals—the possible upgrading of its non-official political links with Taipei.

This process of the gradual recognition of the importance of Taiwan in East Asia has been neither smooth nor easy. Of course, the major obstacle to any strengthening of political and, in particular, military relations between France and Taiwan has constantly been the government of the People's Republic of China (PRC), which claims sovereignty over Taiwan. Nevertheless, the privileged relationship that the United States has always had with Taiwan, even after its «de-recognition» of the Republic of China (ROC) in 1979, has sometimes constituted another and somewhat unexpected brake to the development of some, more sensitive exchanges (arms sales). Taiwan's close and ancient links with Japan have also been a cause of frustration for France (and Germany), in particular in the competition for some big economic contracts (e.g. the Taipei-Kaohsiung high speed train). That said, the PRC's size, international status, rapid economic development and growing regional influence, as well as France's Gaullist attraction to nations that can counterbalance US domination in world affairs, are probably what have contributed most to a gradual altering or readjustment of Paris priorities in East Asia.

¹ Here I would like to thank Françoise Mengin, from the CERI, for valuable information and comments on a first draft of this paper. But all views expressed in this paper are my own.

As we enter the 21st century, the non-official political relationship between France and Taiwan has been «normalised». While more stable and easier to anticipate, limits imposed by Peking have allowed some degree of flexibility to be maintained and some room for negotiation. Relying less on government-sponsored big deals, economic and trade exchanges have continued to expand and diversify. In the future, however, if it wishes to test new options, the French government will probably have to develop its relations with Taiwan increasingly in co-ordination with its other European partners, especially Germany.

Historical background: a taboo relationship (1964-89)

From a historical point of view, relations between France and Taiwan began in 1949 when the Chiang Kai-shek government moved to Taipei where it «provisionally» transferred the capital of the ROC. Then, involved in a war against the communists in Vietnam, France decided, as did the majority of Western nations (with the exception of Britain and a few neutral countries such as Switzerland and Sweden), to maintain its diplomatic relations with the ROC, and technically endorsed the fiction that Chiang's regime represented the whole of China. However, the PRC's direct involvement in the Vietminh victory—Diem Bien Phu was mainly won by Chinese communist soldiers—forced the French government as early as 1954 to open contact with the Peking regime. That year, the Geneva conference put an end to the first Vietnam War. It was the first of the high level meetings between France and the PRC, and initiated a *de facto* recognition by the former of the existence of the latter.

Even so, because of the Cold War, Paris postponed any change in its China policy for another decade, in the meantime maintaining with Taipei symbolic diplomatic and economic relations: in 1963, France's exports to Taiwan amounted to Fr.F6.6 million (against Fr.F288 million to the PRC) while its imports totalled Fr.F10 million (against Fr.F104 million from the PRC).

The normalisation of relations between Paris and Peking in January 1964 has been well documented and is not within the scope of this paper. However, a couple of specific and unusual features of this diplomatic move should be noted:

- 1 General De Gaulle decided to establish diplomatic relations with «the government of the People's Republic of China» and not with the state «the PRC» or «China», making an interesting exception to his rule to recognise states rather than governments.
- 2 The Sino-French *communiqué* included no allusion to the Taiwan issue or the unity of China, in other words, that Taiwan was a part (or not a part) of China.

As we know, Paris dream was to try to keep some sort of official link with Taipei (at least a consulate, as London had there) and test the possibility of developing a «two-China policy». Paris intention was actually to avoid taking the responsibility of severing its diplomatic relations with Taipei, and Chiang's uncompromising attitude allowed the French government to go along with Peking's request that it cut any official links with the ROC before the three-month limit fixed by the *communiqué* expired².

Between 1964 and 1978, French-Taiwanese relations literally went through a tunnel. Taiwanese interests in Paris were defended by a few cultural attachés confined in a discreet basement office. French interests were represented in Taipei by a handful of businesspeople with the aloof assistance of the French consulate in Hong Kong (where French nationals residing in Taiwan have been registered since 1964).

Light at the end of the tunnel appeared in 1972 when the Taiwanese government was authorised to set up in Paris a private association (in line with the well-known French Law on Associations of 1901) for the promotion of cultural and touristic exchanges (*Association pour la promotion des échanges culturels et touristiques* or *ASPECT*) and empowered to issue visas and protect the interests of ROC passport-holders in France. This move out of clandestine status was clearly related to the end of the Cultural Revolution, the Nixon trip to China, the normalisation of relations between Peking and many Western capitals and the need to keep, for most of them, and with a nod from the PRC, non-official links with Taipei.

Four years later, in 1976, Taipei established in Paris another association in charge of economic and trade co-operation (*Centre asiatique de coopération économique et commerciale*), an arm of the China External Trade Development Council (CETRA), an organisation co-sponsored by the ROC government and private industries and businesses.

More than these Taiwanese initiatives, however, it was the rapid increase of bilateral trade which in the years 1978-89, favoured a gradual change of mindset among French officials: France needed to be represented in one way or another in Taiwan. Between 1975 and 1985, trade between France and Taiwan really took off: two-way exchanges reached the US\$100 million threshold in 1976, US\$300 million in 1979 and US\$500 million in 1982, increasing at the same pace as Taiwan's exchanges with Europe or Taipei's foreign trade as a whole.

The first bureaucracy sent to test the water was the Foreign Trade Office of the Ministry of the Economy (*Direction des relations économiques extérieures*, or DREE): in 1978, it also created a

² Françoise Mengin, *Les relations entre la France et Taiwan de 1964 à 1994 — Contribution à une étude des relations extérieures d'un non-Etat*, 2 vol. Phd. Thesis, Institut d'études politiques, Paris, 1994; François Joyaux, «Le nouveau triangle Paris-Pékin-Taipeh», *Politique internationale*, No. 61, Autumn 1993, p. 50. Françoise Mengin, «Les relations

private law association, the France-Asia Trade Promotion Association (or *Association française pour le développement du commerce avec l'Asie*) with an office in Taipei, the mission of which was similar to every French embassy's economic and trade section (*poste d'expansion économique*, or PEE). Two years later, in 1980, the General Office of Cultural, Scientific and Technical Relations under the Foreign Ministry was asked to open its own representative office in Taiwan, again, under the status of an association: the French Association for the Promotion of Cultural and Scientific Exchanges with Asia (*Association française pour le développement culturel et scientifique en Asie*). Yet this bureau was established in the premises of a «Cultural Centre» (*Centre culturel*) founded a year earlier by René Vienet, a former sinologist (and situationist...) who had moved to Taiwan in order to promote—privately but so as to push the French government to open such a representation—cultural and trade links between France and Taiwan. Though this initiative proved successful, the Centre was replaced by the Association and Vienet was succeeded by a French official³.

After François Mitterand's election in 1981, the French government became somewhat better disposed towards Taiwan, under the influence of such personalities as Jacques Cresson, Socialist Minister Edith Cresson's husband. However, until the end of the 1980s, only small and gradual steps were taken. For instance, in 1985, the economic branch of France's de facto representation was authorised to deliver visas, but still under the seal of the French consulate in Hong Kong. A year later, for the first time, a retired ambassador-level diplomat, Mr. André Travers, was appointed head of France's cultural office in Taipei. And in 1989, this representative office was renamed the French Institute in Taipei (*Institut français de Taipei*), a choice inspired by the US precedent (American Institute in Taiwan, or AIT, established in 1979)⁴. It is worth underlining that, for the first time, the French authorities accepted the inclusion of a reference to Taiwan (though more discreetly than the Americans) in the name of their representative office in the island-state, opening the way to some sort of «normalisation» of their non-official but political links with the Taiwanese government.

France-Chine : quel anniversaire s'agit-il de célébrer ?», *Relations internationales et stratégiques*, No. 14, Summer 1994, pp. 29-34.

³ René Vienet still lives in Taiwan where he represents several French companies.

The «normalisation» of non-official political links between Paris and Taipei and their limits (1989-2001)

At first glance, «normalisation» of non-official political relations seems to be a contradictory or at least an ambiguous formula. Nevertheless, it characterises well the long-term intentions of the French government in Taiwan, beyond the impact of Tiananmen and the «honeymoon» period of large arms contracts (1989-94). As we will see, decided in the aftermath of the bloody repression of 1989 Peking's Spring, France's arms sales to Taiwan contributed to accelerating the upgrading of and the inclusion of a political dimension in the non-official links between Paris and Taipei. But since January 1994, when France promised the PRC that it would stop selling big weapons to Taiwan, these relations have both continued to develop, sometimes in a less visible manner, and to «normalise». Today, beyond the necessary precautions taken not to trigger Peking's ire, Taiwan is considered by France as a normal partner, not only in the realms of economic, trade, cultural and scientific exchanges—areas which the PRC does not object to—but also to a large extent, at political and even diplomatic levels.

Having said that, since the return of right-wing parties to power in 1993 (Prime Minister Edouard Balladur) and in particular Jacques Chirac's election in 1995, the priority given to relations with the PRC by the new French administration has contributed to its downgrading of its interest in developing closer links with Taiwan. Also, the new period of co-habitation, which began in 1997 after the Socialist Party's victory in the legislative elections, has been more conducive to continuity rather than new initiatives.

Military co-operation and its limits (1989-94)

The military co-operation between France and Taiwan that emerged in 1989 was triggered by three main factors: 1) Tiananmen; 2) Taiwan's gradual democratisation; and 3) last but not least, France's weapon industry's dramatic need for new clients⁵. Other reasons may have contributed to concluding with Taiwan two large arms deals (six Lafayette FL3000 frigates in September 1991 and 60 Mirage 2000-5 fighters in December 1992): the Socialist leaders' greater sensitivity to human rights and democracy on the one hand and, ironically, stronger dependence upon the defence industry's lobbying on the other. Most French politicians, however, backed both deals,

⁴ Françoise Mengin, «The Prospects for France-Taiwan Relations», *Issues and Studies*, Vol. 28, No. 3, March 1992, pp. 40ff.

mainly for economic reasons. In other words, if there was a strategic dimension in these contracts, it was only related to the need to keep alive a national defence industry threatened by US competition and the dearth of arms deals after the end of the Cold War. It was in no way an illustration of France's ambitions in East Asia and in particular its will to contribute to the preservation of the military balance in the Taiwan Strait.

These deals however were not concluded without difficulties, the consequences of which can still be felt today... On the whole, the first major contract took shape more gradually but was better accepted both by French politicians and the PRC. In December 1989, the French government allowed French shipyards to participate in the bidding for six frigates but limited this authorisation to the construction of «unarmed hulls» (but including propulsion systems and electronic equipment). A few days later though, under pressure from the Foreign Ministry, Paris publicly changed its mind, denying any authorisation. However, eventually in September 1991, the contract was concluded by Thomson-CSF and the Taiwanese shipyards, and included the firm purchase of six frigates (US\$2.5 billion) and the optional purchase of another ten frigates (US\$4.8 billion). Later, in 1993, Balladur's government authorised the sale to Taiwan of some armaments for the frigates.

What had happened? How come Peking had seemed to swallow this pill without making terrible faces?

As the corruption scandal, later dubbed the «Dumas Affair», that erupted in 1997 has shown, in order to ease the agreement and convince their opponents in Paris, Taipei and Peking, pro-sale French officials, the French defence industry, and the ROC wove a triangular lobby network and offered bribes (or «commissions») amounting to US\$50 million to a large number of «persons of influence», including at least twenty key French figures. In particular, money was funnelled through the ELF French oil group to French Foreign Minister Roland Dumas' mistress, Christine Deviers-Joncour in order to persuade him to support the deal. «Compensations» were also given by ELF and Thomson not only to some ROC Navy officers but also to some PRC high-level officials, including private advisors to Deng Xiaoping in order to «disarm» or at least soften Peking's official opposition to this contract.

Have the efforts been rewarding? Apparently yes, on all three fronts. However one may have some doubt about Mitterand's need to get his Foreign Minister's support, once he had himself endorsed the contract: in the French institutional arrangement, as ex-socialist minister Jean-Pierre Chevènement once put it, «a minister just has to shut his mouth», once the Elysée Palace

⁵ A good Taiwanese analysis of this change can be found in Chuei-ling Shin, «Development of ROC-France Relations: The Case of an Isolated State and its Economic Diplomacy», *Issues and Studies*, Vol. 37, No. 1, January-

has spoken. Moreover, Prime Ministers Michel Rocard (1988-91) and Edith Cresson (1991-92) and their respective defence ministers all supported the deal. And in charge of a ministry largely opposed to any arms sales to Taiwan, for the simple reason that every time it was left to its bureaucrats to «clear up the mess», Dumas was sensible enough to publicly stick to his guns... and its troops. That said, Dumas did travel to Peking with his mistress, whose lavish lifestyle he shared, in April 1991, in order, nearly two years after Tiananmen, to re-normalise relations between the two countries and try to convince the PRC authorities to accept the frigate sale⁶. More amazing though is the impact that bribes may have had on the PRC government's reaction. True, one can but have some doubts about the efficiency of such pressures in a political system where: 1) foreign policy decisions are concentrated in a few hands; and 2) the Taiwan issue is so sensitive that accepting bribes on such a matter would be politically suicidal for any Chinese leader. It has, nevertheless, been confirmed that large sums of money were pocketed by well-placed PRC officials at the time of the negotiations. Having said that, the PRC's international isolation in the aftermath of the Tiananmen massacre and, to a lesser extent, the rather limited impact that this sale would have on the military balance in the Taiwan Strait have probably more directly contributed to subduing Peking's protests than anything else. The best evidence of that is the PRC's much stronger reaction to the Mirage sale in late 1992 for which bribes were also given to some Peking officials (although, as we will see below, the French authorities did not have as much time to influence the PRC decision-makers). In any case, the acceptance of money against influence is an unusual and interesting development in a Communist Party-lead political system, a development which will certainly have far-reaching consequences for the future of the current PRC regime.

At the time of the Mirage deal, the PRC's national and international environment had substantially changed. The Peking authorities were more self-confident: in early 1992 after Deng Xiaoping had travelled to the south of the country (*nansun*) in order to re-launch his economic reforms, and the PRC was witnessing a faster growth and a much higher flow of foreign investment. The Soviet Bloc had collapsed and a window of opportunity was opened to the PRC to increase its political and military pressure on Taiwan, and hopefully, speed up reunification. Mirages were much more offensive weapons than the frigates. And finally, for both economic and political reasons, the Mirage deal was concluded much faster than the frigate deal. All these

February 2001, pp. 124-159.

⁶ One of the public outcomes of this visit was the PRC's nod to France's decision to send a human rights delegation to China in 1991. Arms negotiations, when negotiated by the left, sometimes take on a moralistic appearance... In May 2001, Dumas was sentenced to six months in prison (plus an additional two-year suspended sentence) and ordered to pay a fine of Fr.F1 million. Deviers-Joncour was sentenced to 18 months in prison with an 18-month suspended sentence. She was also fined Fr.F1.5 million.

reasons tend to explain why Peking's reaction was more similar to the reaction that it adopted in 1981 against the Netherlands after this country sold two diesel submarines to Taiwan.

On the French side, the US\$7.6 billion Mirage contract was even more tempting than the frigate one had been. Both Dassault Aviation Corporation—which had not received orders from abroad since 1986, had just lost out to the US over two major fighter contracts (in Finland and in Switzerland) and was for these reasons in a gloomy situation—and the French Air Force, which was tired, by its purchases, of subsidising Dassault, supported this deal. This sale was also encouraged by a number of French businesspeople and officials in order to build closer relations with the ROC and, in so doing, help French companies win a larger share of the big contracts offered by Taiwan's Six-Year National Development Plan (1990-95). And the French authorities were much more anxious because in this deal they were competing with the Russians (with the Mig-29) and the Americans (with the F-16)⁷. It is clear that one of the reasons that lead President Bush to allow the sale of 150 F-16s to Taiwan in October 1992 was the ROC's intention to buy the Mirages.

All these factors contributed to a rather quick French decision and a very strong reaction on the part of the PRC. By closing France's Canton consulate and by excluding the French companies from the bidding lists of many contracts, Peking wanted above all to stop a growing trend, perceptible in particular among Western and European nations, to disregard its objections and interests in the Taiwan issue. The PRC's sanctions against France were somewhat powerful since, in this dispute, the European Union (EU) did not run to Paris' help—Brussels did not try to curb the PRC's discrimination against French companies—and no other EU country accepted later to sell weapons to Taiwan. For instance, approached by the ROC in 1993-94 for the purchase of submarines, Germany turned down the offer after a brief and limited political debate. And more recent denials (April 2001) of any involvement in the construction of eight submarines for Taiwan underline Germany's, the Netherlands' and other EU countries' growing pusillanimity on this issue.

Finally, Peking's reaction and the PRC's changing image among the Western business community forced Paris to «repent» and «amend», to use Peking favourite expressions. On January 12th 1994, through an agreement reached by Prime Minister Balladur's special envoy, former insurance manager Jacques Friedman, the French government «committed itself to stop in the future authorising French companies' participation in the armament of Taiwan» (*canjia Taiwan de wuzhuang*). In the same *communiqué*, France clearly recognised that Taiwan was part, not only of China but of the PRC, strengthening far more than other European nations its

⁷ Chuei-ling Shin, «Development of ROC-France Relations», op. cit., pp. 153-155.

relations with and commitment to Peking⁸. On the positive side, this agreement did not question the implementation of the two previous deals nor the US\$2.6 billion ammunitions sales attached to them (e.g. high-quality Mica air-to-air missiles, etc.), and restored the right of French companies to compete «on an equal footing» with other foreign companies on the PRC market. Negotiated and approved by the new right-wing government of Edouard Balladur, this agreement was criticised by some Socialist politicians, but Mitterand approved it. And French interests in the PRC had been so ostracised and pressure from the French business community had become so strong that a left-wing government would probably not have concluded a very different compromise. In any case, this *communiqué* heralded a new era not only in France-PRC relations but also in France-ROC relations. However, the close military contacts established between Paris and Taipei in the first years of the 1990s contributed to a rapid upgrading and «normalising» beyond 1993 of the France-ROC non-official political bilateral links.

The development of non-official political relations between 1989 and 1993

Of course, these military contracts have not been the only factor in the «normalisation» or *rapprochement* between France and Taiwan. The strength of the French government's condemnation of the post-Tiananmen repression, the acceleration of Taiwan's democratisation after Chiang Ching-kuo's death and Lee Teng-hui's promotion to President in 1988, the PRC's economic slowdown in 1990-91 and Taipei's decision to launch an ambitious development plan (the Six-Year Plan mentioned above) have contributed to turning Taiwan into an attractive island, both politically and economically. However, the arms sales at least speeded up the transformation of the IFT into a de facto embassy and boosted the flow of «private» ministerial visits and political contact between the two countries.

It is clear that this reappraisal process encountered a number of difficulties, due both to the Maoist leaning of many Socialist politicians and to the pro-PRC feelings of most Neo-Gaullists. But the French left's conversion to international capitalism—with all the political and ethical side-effects of such a rapid metamorphosis—eased its (re)conciliation with the successors of the most anti-communist leaders of the Cold War. In addition, Taiwan's gradual softening of its mainland China policy contributed to convincing Paris that Peking could tolerate a more daring French policy towards Taipei. Indeed, in Taiwan, in spite of the Democratic Progressive Party's

⁸ When France and Taiwan opened for the first time a direct route in 1993 (see below), in order to please Peking, the French Ministry of Transportation made public on April 23rd the following communiqué: «France only recognises one China the only legal government of which is the People's Republic of China and of which territory Taiwan is an integral part».

growing influence, this period of time was more dominated by the drafting of future reunification plans between both Chinese states (Lee's Guidelines for National Unification of 1991) than contemplating a declaration of independence or even the ROC's return into the United Nations (the UN bid was initiated only in 1993).

In early 1993, the IFT was reorganised. An active (no longer retired) career diplomat, Jean-Paul Réau, was appointed as director of the IFT, and every service of the French government (Political and Press Section, Economic Section or PEE, Cultural and Scientific Section, Visa Section and Technical Section, a euphemism covering, as in the AIT, military relations) were put under his co-ordination and supervision. Unlike US diplomats, but like their colleagues from most Western nations, the French diplomats posted in Taiwan are not required to provisionally be put on leave from the Foreign Ministry. About the same time, in the Quai d'Orsay in Paris, the China desk was split in two, assigning for the first time one diplomat to follow up Taiwan as such. In 1995, the ROC's ASPECT in Paris was renamed *Bureau de représentation de Taipei en France* (Taipei Representative Office in France), a change that had been approved in principle by the French government as early as 1991 but which took longer than expected to occur.

Also at this time, French and Taiwanese ministers started to exchange «private» visits. It was clearly Tiananmen that triggered the first contact of this sort since 1964. In July 1989, Lien Chan, then ROC Foreign Minister, managed to visit Paris where he was treated, in the eyes of some Taiwanese, as the «official Chinese representative» to the 200th anniversary of the French Revolution⁹. Yet, this visit was more accidental than anything else and later, the French government preferred to concentrate on somewhat less visible and more technical visits, directly related to the gain of large industrial contracts or additional market share. For instance, in September 1990, the then ROC Minister of Transportation Chang Chien-pang, who was in charge of the bidding process for the Six-Year Plan, was welcomed in France as «a minister from the Republic of China», a gesture which surprised many, including the Taiwanese¹⁰. However, in order to increase its chances to secure more contracts, the French government decided to take larger risks with the PRC: in January 1991, for the first time since the 1970s, it allowed its Minister of Industry, Roger Fauroux, to pay a «private visit» to Taipei and publicly indicate there France's support for Taiwan's membership application to the GATT (General Agreement on Tariffs and Trade). In March 1991, France and the ROC released a joint declaration on scientific and technological co-operation that was the highest-level legal document signed by the ROC and a Western European government to date. In June 1991,

⁹ Chuei-ling Shin, «Development of ROC-France Relations», op. cit., p. 145.

¹⁰ Ibid., p. 147.

Prime Minister Edith Cresson proposed the establishment of a direct channel for bilateral political and economic dialogue between the two governments¹¹. In the following years, a few more French visits took place (e.g. in 1992 junior minister of Foreign Trade, Jean-Noël Jeanneney), while trips to Paris by Taiwanese members of the cabinet (Executive Yuan) became commonplace. In the same period of time, many secret visits by high-ranking military officials of both countries took place in order to secure and carry out the major approved deals and the additional weapons sales that these contracts included. And finally, in 1993, with Peking's authorisation, a direct air route between Paris and Taipei was opened; this route was exploited by Air Charter and then Air France-Asie, two Air France subsidiaries and Eva Air, Taiwan's major private airline company owned by Chang Yung-fa's Evergreen Group.

But this *rapprochement* was very much an exercise of salesman's diplomacy. Thus, after the French government and enterprises had realised that they had not managed to grab a better share of the large contracts offered by the Six-Year Plan and that the Taiwanese market was not as smooth as they might have thought (e.g. the never-ending conflict between Matra Light Mass Rapid Transit Railways and the Taipei government), the pressure for continuing such an active policy diminished. This gradual change of mindset also contributed to the re-normalisation of France-PRC relations in January 1994.

Of course, in the first years of the 1990s, Paris tested the limits of its pledge to Peking of having «no official contact with the ROC». Since January 1994, the French government has become more cautious and its China policy has been very much PRC-oriented. Nevertheless, both the flow of visits and the political dialogue between France and the ROC have remained very substantial. And the growing tension between Peking and Taipei has forced Paris to keep some interest in the island-state and its future.

The stabilisation of France-ROC non-official political relations (1994-2001)

Since 1994, on the whole, France's policy towards Taiwan has stabilised. The gradual upgrading of cross representative offices has not been questioned; political dialogue has become more regular; and though any new large-scale arms deal has, not without hesitation, been stopped by Paris, the military relationship established earlier has remained intact.

One of the major elements of continuity with the earlier policy has been the gradual upgrading of Taiwan representation in Paris: established since 1995 in an elegant eighteenth century *hôtel particulier* (aristocratic private residence), rue de l'Université, the *Bureau de représentation de*

¹¹ Ibid.

Taipei en France de facto enjoys most of the diplomatic privileges given to officially recognised nation-states. Its political officers regularly consult with their Quai d'Orsay counterparts and the ostracism of the Gaullist and the post-Gaullist years is largely over.

In Taipei, the IFT has remained headed by an ambassador-level career diplomat (Mr. Gérard Chesnel from 1997 to 2000 and Ms. Elisabeth Laurin since then) and its staff has continued to expand.

Though less «private» visits of members of the French government have taken place, official emissaries and deputies of the National Assembly have more often and regularly come to Taipei. For instance, on the occasion of Lee Teng-hui's (May 1996) and then Chen Shui-bian's inauguration (May 2000), Chirac decided that France would be represented in Taiwan by former Prime Minister Pierre Messmer, an old but still healthy Gaullist figure.

More importantly, political dialogue between Paris and Taipei has become more substantial. The 1995-96 «missile crisis» triggered by the PRC has contributed to this evolution. In March 1996, though the European Union showed a verbal concern for the tension in the Taiwan Strait, Britain and France quietly promised support to the US if conditions in the Taiwan Strait worsened¹². This reaction underlines the EU's and in particular its major members' growing stake in—if not influence on, in spite of the creation of the ASEM—the security of East Asia, a region of the world where EU countries have growing economic interests.

Since March 1996, therefore, France-ROC political dialogue has developed through two main channels: personal emissaries of both governments and direct contacts between both foreign ministries. Chirac asked his Foreign Minister during the first «cohabitation» (1986-88), Jean-Bernard Raimond, to travel to Taipei in July 1996 in order to strengthen such a regular dialogue with the highest ROC leaders (Raimond then met with President Lee Teng-hui). This dialogue is not limited to bilateral links but also includes such larger issues as the Asian situation, regional security and cross-Strait relations. This visit was also aimed at reassuring the ROC authorities that the France-PRC «partnership» would not develop «to the detriment of Taiwan»¹³. Since that same year, the director of the Foreign Ministry's Asia Bureau has also paid discreet but regular working visits to Taiwan.

Besides the above, some well-known and influential political or government figures visited Taiwan in those years in order to give institutional advice, such as Robert Badinter, then still president of France's Constitutional Court (and Dumas' predecessor in this position but a totally

¹² Gerald Segal, «Taiwan's Strategic Context and the Strategy of Shshhh», paper prepared for the IISS/CAPS Conference on Rethinking the Taiwan Problem, 1998.

¹³ *China News*, July 7th 1996, p. 3; *Le Monde*, July 5th 1996.

opposite personality)¹⁴ in 1994, or develop legal co-operation, as Pierre Truche, first president of the Cour de Cassation, France's highest judicial court, in 1997. Among other politicians, there has been ex-Prime Minister Edith Cresson and Socialist deputies as Julien Dray, Jean-Marie Le Guen or Olivier Spithakis, respectively vice-chairman and treasurer of the Association France-Taiwan (see below)¹⁵.

Having said that, it remains today easier for a ROC «technical» minister to visit France than for his French colleague to go to Taiwan. Of course, the highest ROC leaders are still *personae non gratae* in Paris as in most EU capitals (the president, the vice-president, the Premier, the foreign and the defence ministers)¹⁶. But it has been reported that occasionally Taiwan's Foreign Ministers have secretly stopped in Paris (Fredrick Chien, John Chang, Jason Hu or Tien Hung-mao). In any case, every other member of the Taiwanese government can pay working visits to France, and most other EU countries. And after ex-president Lee Teng-hui's highly private visit to the United Kingdom in the Autumn 2000, the possibility cannot be excluded that Paris might one day follow London's (and Tokyo's...) example¹⁷.

Finally, in spite of the ban on arms sales to Taiwan approved by the French government in January 1994, discreet and small-sized deals have continued to be concluded since then. It should be indicated here that France's interpretation of the 1994 *communiqué* is somewhat different from the PRC's. The then French Foreign Minister, Alain Juppé, declared that France would in the future show «reserve» (*retenue*) in its military sales to Taiwan. His colleague, Defence Minister François Léotard added that Taiwan would no longer be able to purchase «offensive weapons» from France. According to some participants in the negotiation of this *communiqué*, the French side showed a list of weapons that Paris would refrain from selling to Taiwan that the PRC side read but returned without any comment. In other words, in spite of official denials, French military sales to the island-state have never totally been suspended. And some of these deals continued to be negotiated by interlope individuals, such as the late Thierry Imbot, an arms trader who happened to be the son of the French Secret Service's former big boss, General Imbot. Though he died an accidental death in October 2000 in Paris, many

¹⁴ Badinter, as Minister of Justice, played a prominent role in the abolition of the death penalty in France in 1981.

¹⁵ *El Mundo*, November 6th 1999.

¹⁶ In January 1997, Premier Lien Chan visited the Republic of Ireland (Eire) and the Holy See. On his way to Italy, he made a stopover in Paris. He spent a night in the airport hotel but was not allowed to hold a press conference there. According to some reports, Lien met with some members of the Italian government when he stayed in Rome. In October 1997, Premier Lien managed to visit Iceland but his trip to Spain was called off at the last minute due to PRC pressure.

¹⁷ While Lee succeeded in getting a visa in order to attend his daughter's graduation, he was actually not allowed to attend the ceremony and the Foreign Office made sure that he could engage in no public activities; a sharp contrast to Jiang Zemin's very public and over-zealously supervised visit.

observers raised questions about the cause of the death of someone who never stopped trying to sell sophisticated weapons to both Chinas¹⁸.

Of course, bigger contracts could no longer be initiated. After Chirac's election in 1995, the newly formed government headed by Juppé tried to sell 550 state-of-the-art shoulder-launched short-range Mistral ground-to-air missiles to the Taiwanese. A document was even signed and may not have been much different from the «general agreement of logistic support» (or Memorandum of Understanding) secretly approved by both countries in October 1995 on the occasion of the visit to France of General Li Chen-li, general chief of staff of the ROC Army. But owing to very strong pressure from Peking and Chirac's planned visit to the PRC in May 1997,—a trip during which he signed with Jiang Zemin a joint statement heralding a «global partnership» between both nations,—the sale was eventually called off¹⁹.

However, two years later, the French government authorised Matra Marconi to sell to Taiwan an observation satellite, ROCSAT2, the precision of which is somewhere between the commercial «Spot image» satellite and the European military satellite Helios (2 meters). The PRC reacted rather strongly to this deal which it perceived, not without reason, as having at least some military implications. Trying to play to its advantage the possible differences of view between Chirac and Jospin, Peking—and in particular the PRC ambassador in Paris, Wu Jianmin—hoped to convince the French president of the hostile nature (*vis-à-vis* the PRC) of this contract. Though it is possible that Chirac had not been fully and duly informed of this deal, this strategy did not succeed. And when he visited the PRC in October 2000, Chirac managed to persuade Jiang Zemin to shelve the issue, or at least prevent it from disrupting the relations between Paris and Peking.

This development does not mean that France is clearly willing to play a more active role in the defence of ROC's security or the preservation of the balance of military power in the Taiwan Strait. But it does show that Paris is ready to go further in its co-operation with Taiwan—and probably further than with the PRC because of the EU ban on arms sales imposed after Tiananmen—as far as dual and sensitive technologies are concerned.

In any case, the big arms contracts signed in the early 1990s initiated a long-term military co-operation between France and the ROC (at least thirty years). French technicians and Navy personnel (wearing ad hoc and hastily created uniforms) spent much time in Kaohsiung and in the ROC Navy's Tsoying harbour. Taiwanese pilots have been and are still trained in France

¹⁸ According to some Taiwan reports, Imbot negotiated for the GIAT (Groupement industriel de l'armement de terre) the sale of Apilas anti-tank rockets, *Xinxinwen* (The Journalist), February 23rd-March 1st 1997, pp. 47-49.

¹⁹ Explaining this decision to the Taiwanese was one of the key aims of Jean-Bernard Raimond's visit in 1997. The French proposal to revive the political dialogue can therefore be considered as a consolation 'prize' for the ROC.

while Dassault technicians and French Air Force pilots are established on the Hsinchu Airfield, where many of the Mirage 2000-5 are based. Sometimes, the PRC authorities lodge discreet protests against the French government after they see French pilots flying Taiwanese Mirages²⁰. Nevertheless, happy to find in both Chirac and, to a lesser extent, in Jospin warm supporters of multipolarity and soft anti-Americanism, Peking has chosen to keep its strongest criticism for Washington, or Taipei.

Today, impediments to the development of France-ROC relations seem at least equally bilateral ones. After it broke out in early 1998, the arms scandal surrounding the frigate deal has contributed to straining France-ROC relations. In Taiwan, 28 people including 13 military officers and 15 arms brokers have been jailed on charges relating to this kickbacks scam. And the Taiwanese media accused the French company Thomson-CSF of having «played a central role» in the still unresolved murder of a Taiwanese Navy Captain Yin Ching-feng in 1994²¹. Attracted by the US\$10 billion High Speed Train project (for which Germany's Siemens and France-UK's Gec-Alstom prepared a joint bid) and following Bonn's path, the new socialist government accepted to restore ministerial visits to Taiwan²². For instance, in June 1998, junior minister of Foreign Trade, Jacques Dondoux flew to Taipei in order to promote France's *TGV (train à grande vitesse)*. But in November 1999, because of the outbreak of a related scandal involving Finance Minister Dominique Strauss-Kahn and an obscure French-Taiwanese Association (where Mrs. Cresson's husband and deputies Le Guen and Spithakis were active), suspected of having pushed for weapons sales to Taiwan, France's Transport Minister, Jean-Claude Gayssot, had to cancel his trip to Taipei. Even so, in early 2000 the High Speed Train deal was unexpectedly attributed to Japan, a country with which both Lee Teng-hui and the ex-treasurer of the Kuomintang, Liu Tai-ying have always cultivated close links.

This unfortunate episode as well as the growing dearth of Taiwanese big contracts have also contributed to a souring of France-ROC relations. One of the political ramifications of this evolution has been Paris' decision since 1999 to verbalise its opposition to Taiwan's return to the UN (before France made the decision to refrain from making any statement at all). However, these relations are only partly based on government-level contact. Private, economic and cultural links are still flourishing, spurred by common trade interests and a real taste for the other's side culture. And in particular the flow of trade has continued to expand and diversify.

²⁰ *Wenhuibao*, April 24th 2000, p. A5; December 29th 2000, p. A3.

²¹ *South China Morning Post*, November 29th 2000, p. 9.

²² In September 1997, German Economics Minister Gunter Rexrodt paid a visit to Taiwan in order to thank Taipei for having, in the first place, selected the European consortium.

Expansion and diversification of economic relations

France-ROC trade has rapidly increased since 1982 (US\$500 million). In 2000, two-way trade reached Fr.F31 billion according to French customs and US\$3.5 billion according to Taiwan's statistics. This represents a bit less than half of France-PRC trade (Fr.F87.6 billion or US\$7.64 billion in 2000). French exports have increased by 31.9% and amount to Fr.F12.3 billion (against Fr.F9.3 billion in 1999 and Fr.F8.3 billion in 1995) while imports have grown by 15.4% and amount to Fr.F18.7 billion (against Fr.F16.2 billion and Fr.F10 billion in 1999 and 1995 respectively), leaving Taiwan with a Fr.F6.4 billion surplus. In the same year, France exported Fr.F19.9 billion (US\$3.94 billion) to and imported Fr.F67.7 billion (US\$3.7 billion according to Peking) from the PRC, leaving a Fr.F47.8 billion deficit, at least in Paris' statistics. However, ignoring re-exports to France, mainly through the Netherlands, Taipei's figures registered a slight Taiwanese deficit of US\$192 million (exports: US\$1.638 billion; imports: US\$1.830 billion).

Taiwan is France's 28th most important client and its 18th most important supplier. The island-state is France's 4th most important trading partner in Asia after Japan, China and South Korea. However, it should be indicated that Asia represents just 9% of France's foreign trade, far behind the EU (62.3% of France foreign trade). Conversely, France is Taiwan's 14th most important supplier (1.3% of its imports) and its 15th most important client (1.1% of its exports). In the same year France was the PRC's 12th supplier (1.75% of mainland China's imports) and 11th client (1.48%). In spite of low Taiwanese import duties on many items, on average France-ROC trade is three times smaller than Germany-ROC exchanges (US\$10.4 billion) and two times smaller than Dutch-ROC (US\$7 billion in 2000) or UK-ROC (US\$6.4 billion) trade. A similar ratio for France and Germany can be noted in their trade relations with the PRC.

Usually Taiwan enjoys a surplus in its trade with France owing in particular to the increasing French demand for information technology products (Fr.F6.7 billion in 1991 and Fr.F6.9 billion in 1999). France's exports to Taiwan peaked in 1997 and 1998 (Fr.F14.1 billion and Fr.F12.6 billion) because of Frances' arms sales, which are not included in the Taiwanese statistics of «civilian imports» (Fr.F10.2 billion and Fr.F11.9 billion respectively). As a consequence, in 1997 France enjoyed an exceptional surplus (Fr.F1.2 billion) and in 1998, was Taiwan's top European supplier. However, contrary to a persisting but false image, France's exports to Taiwan are not dominated by consumer's products (14% of France's sales) or by agricultural or food products (7%), in spite of Taiwanese's well-known attraction to luxurious brand-name goods or taste for

high-quality French wines (in particular the *grands crus*)²³. In 2000, industrial products still represented three-quarters of France's exports: equipment (32%), electronic components (25%) and other intermediary goods (18%).

French exports are decreasingly made up of (government-sponsored) big contracts and have largely diversified since the mid-1990s²⁴. In 1997, General Electric was chosen against Framatome for the building of the fourth nuclear plant, a decision that the French company must retrospectively have welcomed with some relief in view of the twists and turns of the ROC government's nuclear policy, in particular after the election of Chen Shui-bian²⁵. And now that Gec-Alstom is out of the race for the high speed train, only Airbus aeroplanes and Matra satellites can contribute to altering the trade balance between the two countries. In 1999, *China Airlines* decided to buy seven A-340 airbuses, which will start to be accounted for in France's (and other EU partners') 2001 exports. In the same year, after Germany, under pressure from the PRC, blocked one of its own companies from fulfilling the order, Aerospatiale Matra Marconi was allowed to sell to Taiwan the above-mentioned US\$70 million «civilian» observation satellite.

The main French enterprises established in Taiwan include telecommunications equipment (Alcatel, Sagem, Gemplus) transport and electrical equipment (Schneider, Alstom and electronic components (Thales) companies. Air Liquide, Rhodia, Lafarge, ABB-Altstom and Vivendi are also well represented. In the distribution sector, Carrefour's success should be indicated (24 supermarkets) since Taiwan served as the testing ground for this group's expansion in mainland China (but not in Hong Kong, where local cartels, which still dominate the market, prevented Carrefour from taking off). PPR group's FNAC and Conforama shops are also present in Taiwan. French investments in Taiwan have remained very small: US\$137 in 51 projects between 1990 and 2000 (0.43% of all foreign investment). Most foreign investment in Taiwan still comes from the US (US\$7.4 billion or 23%), Japan (US\$6.1 billion or 19%) and Singapore (US\$3.1 billion or 10%). European investments amounted only to 11% of the total, mainly coming from the Netherlands (US\$1.1 billion or 3.5%), the UK (US\$1 billion or 3.3%) or Germany (US\$424 million or 1.3%)²⁶. One of the reasons for such a lack of interest is the fact that Taiwan's outgoing investments are two times higher than the incoming investments.

²³ Although in 2000 wine and alcohol represented 62% of our agro-food exports to Taiwan. *Les Relations économiques entre la France et Taiwan*, fiche de synthèse du PEE de Taipei, April 2001.

²⁴ Big contracts amounted Fr.F3.1 billion in 1988 against Fr.F427 million in 1986.

²⁵ In 1997, Framatome found rapid consolation after Taiwan's choice from the PRC's decision to ask it to build the second part of the Daya Bay nuclear plant.

²⁶ *Investissements étrangers et présence française à Taiwan*, fiche de synthèse du PEE de Taipei, January 2001.

Nevertheless, some 130 French companies are today represented in Taiwan (including four banks and two insurance companies), contributing to keeping in Taiwan a dynamic and rather young French community (1,000 expatriates).

Taiwanese exports to France are dominated by electric and electronic equipment (35% in 2000) and components (23%). Having developed the world's third largest IT industry, Taiwan has in the last decade very rapidly increased its exports of personal computers to France (and elsewhere). Other Taiwanese exports to France include household equipment (sport items, toys, furniture, video cameras, 11.4%), textiles (6.6%), chemicals and plastics (5.7%), and bicycles and vehicle parts (3.7%).

Taiwanese investments in France are still very much marginal: a hotel in Levallois-Perret built by Evergreen and a bicycle factory in La Rochelle opened by the Ming Cycles group (Giant brand). But then, Taiwanese companies invest very little in Europe, and then mainly in the UK and the Netherlands.

Conclusion: options for the future

France-Taiwan non-official relations have reached a stage of stability and a cruising speed that no French government in the future would probably be tempted to alter. They have encountered a few knocks along the way, mainly and ironically provoked by the «honeymoon» of the arms deal years. But bilateral political, economic, cultural and people-to-people links between both nations have become more mature and will continue to grow. It should be mentioned here again that cultural relations, which have not been discussed in this paper, have developed only partly thanks to the action of both governments: for instance, the Taiwanese taste for French culture, language or lifestyle and the French attraction for Taiwanese movies, puppet opera or a kind, warm and free society, have been mainly encouraged by growing private and people-to-people contact. Having said that, the France-ROC relationship has reached a ceiling which will be hard to go through without their joining forces and initiatives with other EU partners in particular Germany, chiefly because of the PRC variable.

Indeed, France-ROC non-official political dialogue has not in any way weakened the French government's support for Peking's «one-China policy», a policy that corresponds less and less with the situation on the ground. At the same time, like many countries, and every EU member, France has remained opposed to the use of force to resolve the «Taiwan issue». This stance has been made public on a number of occasions, in particular during the 1996 missile crisis. But,

unlike the US, France has never clearly opposed any settlement of this question which would not take into account the view of the Taiwanese. Nor has France ever been as open-ended as the US about the final solution that both Peking and Taipei need to work out. In other words, maybe more than its European colleagues, the large majority of French politicians seem to still consider the «reunification» with the PRC and the «one country-two systems» formula the only possible option for Taiwan in the future.

Paris' Taiwan policy therefore is and will remain of secondary importance because it is, to a large extent, based upon the illusion of both the PRC's status in terms of being a world power and the «exceptionality» of France's relationship with Peking²⁷. Yet, as we have seen in this paper, France's PRC and Taiwan policies tend to underline France's international weakness, lack of strategic principles and corrupt practices. As far as the status of Taiwan is concerned, in abandoning in 1991 the vagueness and the non-committal dimension of its 1964 recognition of the PRC, France lost a chance to keep its exceptional room for manoeuvre. In addition to that, the French government has never really tried to use its international influence (in particular in the UN and the EU) and its defence industry to contribute further to preserving the balance of power in the Taiwan Strait and put additional pressure on the PRC to convince her to pledge to work towards a peaceful resolution of the «Taiwan issue». Instead, in the name of «multipolarity», most French right-wing and left-wing politicians have opted for a hollow and meaningless «global partnership» with the Chinese communist regime and are seriously contemplating putting an end to the ban on arms sales to the PRC decided after Tiananmen. This unwise decision will of course contribute to balancing France's trade relationship with the PRC, a market that still buys less than 1% of Paris exports (and just Fr.F6.6 billion more than Taiwan) but has become one of France's major trade deficits (nearly Fr.F50 billion). And what the «Dumas affair» has revealed, of the PRC, the ROC and France, leaves one wondering which state is closer to the «banana republic» model.

These diplomatic meanderings and parochialism can only be overcome through a strengthening of European common foreign and security policy. If the EU nations were able to work out together a more coherent common stance on Taiwan and the PRC (and Asia), it would not only allow France to do more both with Peking and Taipei: intensify, flesh out and make more coherent our political and strategic dialogue and economic co-operation on an equal footing with the former; and, better taking advantage of the Europeanisation of our defence industry, upgrade our political and military relations with the latter. It would also help us show our growing concern

²⁷ Françoise Mengin, «La politique chinoise de la France: du mythe de la relation privilégiée au syndrome de la normalisation», *Critique internationale*, No. 12, June 2000.

for peace and stability in East Asia, an area where increasingly numbers of French and other European firms have strong business interests. To succeed, such EU China and Taiwan policies would have to be defined and carried out by strengthened central EU executive and legislative institutions (the so-called German model) and not by a collection of supposedly «federal» but actually con-federal, competing medium-sized and small nation-states (the French model). Since the German model will long remain an unfulfilled dream, in the meantime and in the foreseeable future, the French government—probably as most other EU governments—will prefer to stick to a policy towards Taiwan (and the PRC as a matter of fact) that looks more like a *kleinkariert* shopkeeper's diplomacy than a Gaullist-type grand Asian strategy.