

CHAPTER VII

THE END OF ROC–RSA DIPLOMATIC TIES AND THE ESTABLISHMENT OF SUBSTANTIVE RELATIONS BETWEEN THE RSA AND THE ROC, 1994-1998

7.1 THE RSA'S NEW FOREIGN POLICY AND INTERNATIONAL RELATIONS

The year 1994 saw the end of a period of political transition (1989-1994) and the emergence of a new South Africa. As a result of the multi-party negotiation process (1993-4), the first non-racial general election on a one-man, one-vote basis was held in South Africa on April 27th, 1994. The ANC won 62.65% of the popular vote and gained for itself 252 seats in the National Assembly. The National Party (NP) scored 20% with 82 seats, the Inkatha Freedom Party (IFP) 10.5% with 43 seats, the Freedom Front (FF/VF) 2.17% with 9 seats, the Democratic Party (DP) 1.73% with 7 seats and the Pan Africanist Congress (PAC) 1.25% with 5 seats.¹

On May 10th, 1994, Nelson R. Mandela was sworn in as the President of the Republic of South Africa at the Union Buildings in Pretoria. Thabo Mbeki and F.W. de Klerk were sworn in as Executive Deputy Presidents on the same day. A government of National Unity (GNU) was formed for five years. The parties that won more than 5% of the seats in the National Assembly were given Cabinet portfolios on proportional basis. The ANC, NP and IFP took part in the GNU. Among the 25 Cabinet posts, the NP had four ministerial portfolios and a deputy presidential position, the IFP had three ministerial portfolios, and the ANC eighteen.² The ANC, as the majority party, exercised its dominant governing power. The political power of the Afrikaner elite was greatly weakened as from May 1994.

Following the transformation of South Africa's political landscape after May 1994, the country's foreign policy also underwent a process of dramatic change. The changes affected South Africa's objective and perceived position and role in the world. In moving forward to a new era, South Africa had not only broken with the international isolation of

its dark apartheid years, but had also begun to chart its new foreign policy objectives and the direction of its international relations in accordance with its needs as a new democratic nation.

South Africa's post-apartheid foreign policy focuses mainly on restoring its rightful place as an important regional power and a key player in the international arena, its vision of forging partnerships and strong ties with international major powers as well as neighbouring countries in southern Africa. The new South Africa also strives to serve as a spokesman for the cause of developing countries so as to help create the situation in which "South Africa would exist and develop as a democratic, non-racial, peaceful, non-aligned and prosperous country".³

The eagerness of the new South African government to return to the fold of world nations and play a high-profile role on the world stage following the inauguration of Nelson Mandela in May 1994 was reflected in the speech made by Alfred Nzo, the then Minister of Foreign Affairs of the RSA, in Parliament on May 27th, 1994. Nzo stressed the need for the RSA to break with its isolated past and integrate with the world community. He stated that, in the age of rapid global communication, South Africa must expand its role and integration into that global village. Nzo also emphasised that being part of the African continent, the first step of South Africa's foreign policy programme was to apply for the membership of the Organization of African Unity (OAU). South Africa's next step was to re-enter the UN and the Commonwealth, and to resume participation in, and contribute to, other international organizations.⁴

The priority areas and primary concerns for the South African government were defined as follows:

Firstly, peaceful co-existence and the promotion of economic development in the southern African region is a major priority. Secondly, constructive interaction with Africa, especially to address the challenges of the next decade and to find mechanisms to resolve conflict, is very important.

Thirdly, interaction with the international community at large, in multilateral organizations, is becoming increasingly important. Fourthly, further improvement of our relationship with the G7 nations, as well as South Africa's other major trading partners, is important for the wellbeing of South Africa's people. Lastly, the continuation of traditional friendships and the promotion of new partnerships in the rest of the world is also important.⁵

As South Africa had successfully transformed itself into a non-racial democracy, the Republic has also proceeded to normalise its relations with the rest of the world and was indeed warmly welcomed back into the international community to play an important role in global affairs as from May 1994. In order to reintegrate into the community of nations, the ANC-led GNU strove to establish, resume or upgrade its relations with many foreign countries and multilateral intergovernmental organisations.

South Africa's dream of reintegration into the family of nations came true during 1994. Soon after Mandela's inauguration, the RSA was admitted to a large number of international organisations. On May 23rd, 1994, South Africa was officially admitted as the 53rd member of the OAU; at the end of May 1995, the country joined the Non-Aligned Movement (NAM); in June 1994, South Africa rejoined the Commonwealth after an absence of 33 years and resumed her seat in the UN General Assembly; two months later, South Africa became the 11th member of the Southern African Development Community (SADC).⁶

The restoration of South Africa's seat in the UN General Assembly signified the official ending of the RSA's international isolation and the beginning of a partnership with the world community. The normalisation of the RSA's relations with the UN and its specialised agencies enabled the country not only to join major global international organisations, but also to benefit from multilateral treaties and conventions.

The achievement of the normalisation of international relations was proudly announced by Nzo in parliament: “Our flag flies high in Addis Ababa, New York and the capitals of the world; the democratisation of South Africa has created an historic opportunity for South Africa to play its rightful role on the world stage for the first time in its history”.⁷

By the end of 1994, South Africa had diplomatic relations with 162 countries, with a further 11 in a final stage of conclusion. Compared to 115 countries prior to Mandela’s inauguration, this was an increase of 47 countries; furthermore, the RSA was physically represented in 90 foreign countries.⁸ According to the statistics given by Nzo, a total of 38 countries established new diplomatic ties with the RSA in 1994 and 18 countries upgraded already existing relations during the same period.⁹

7.2 THE CHANGING SITUATION OF ROC–RSA RELATIONS

The normalisation of South Africa’s international relations and its emergence on the world stage as an important player marked the end of the pariah bond that had existed previously between the ROC and the RSA. While the new South African government was in the throes of reshaping its foreign policy, the new administration faced the dilemma of recognition between the PRC and the ROC. The new government had to decide whether or how to continue its bilateral relationship with the ROC and how to relate to the PRC. This was a difficult issue. On the one hand, it was widely expected that, following the advent of a new democratic South Africa in May 1994, the ANC-led GNU would follow international practice and shift its foreign policy orientation and recognise the PRC instead of the ROC. On the other hand, the GNU inherited formal diplomatic relations with the ROC and the absence of diplomatic relations, or, rather, unofficial relations with the PRC.

There was a strong case for the recognition of the PRC. The PRC is a major world power: the most populous state in the world, a nuclear power, a permanent member of the UN Security Council, and one of the world’s fastest growing economies.

Historically, the PRC assisted the liberation movements during the apartheid years. Without forging diplomatic ties with the PRC, the universality of South Africa's foreign relations would be incomplete. Raymond Suttner, the then Chairperson of the Portfolio Committee on Foreign Affairs of the South African National Assembly, compared the situation of having diplomatic relations with all states other than the PRC with "having relations with the European Union (EU) and not Britain and Germany, or southern Africa without South Africa."¹⁰ This would also differ from the international trend as most countries have recognised the PRC as "the sole legal government of China."¹¹

Equally, there was a strong case against the derecognition of the ROC in favour of the PRC. The ROC and the RSA had developed strong economic relations during 1976-1994. The ROC was South Africa's seventh largest trading partner. In 1994, the ROC-RSA bilateral trade totalled R5.35 billion with South Africa enjoying a trade surplus of R664 million. In terms of investment, the ROC had the second highest foreign exchange reserves.¹² The ROC was the seventh largest investor in the world and invested about R1.4 billion in South Africa with more than 280 factories creating more than 40,000 jobs.¹³ In contrast to the mere huge potential market of the PRC, the ROC was already an important investor for the RSA. Even from a trade perspective, although South Africa's trade with the PRC grew faster than that with the ROC, the ROC was a large and more important market than the PRC in terms of its purchasing power.¹⁴ Moreover, as indicated in Chapter IV, the ROC offered Pretoria a great number of economic incentives, grants and aid packages to assist the RSA in financing its RDP. If South Africa were to sever its relations with the ROC, it was quite likely that the ROC government would retaliate by suspending its aid packages, grants and loans, and rescinding its pledged development assistance or withdrawing its investments from South Africa. The ROC's retaliatory action against South Korea was a case in point. In 1992, Taipei avenged the insult of an abrupt break-up of diplomatic relations upon South Korea by terminating preferential trade treatments and the direct air links between Taipei and Seoul. Retaliation would hurt the ROC-RSA economic relationship. These were the main concerns of the ANC-led GNU in handling its relationship with the ROC.¹⁵

In the face of the above-mentioned two Chinas dilemma, the ideal solution for the ANC-led GNU would be the “dual recognition option” – to accord diplomatic recognition to both the ROC and the PRC. A number of divided nations such as the two Germanies, the two Vietnams and the two Koreas were recognised as separate states by the international community. If this approach could be effected, South Africa could avoid making a choice and so overcome the zero-sum nature of the recognition problem.

The ROC was willing to accept dual recognition to coexist with the PRC.¹⁶ Since 1991, when the ROC’s then president, Lee Teng-hui, abolished the “Temporary Provisions Effective During the Period of National Mobilization for Suppression of the Communist Rebellion”, the ROC has formally recognised the reality that “Taiwan is currently separated from the Chinese mainland” and that “the ROC government and the Chinese communists must coexist peacefully.”¹⁷ In other words, the ROC finally abandoned its long-held claim that it was the sole legitimate government of all China. As from 1991 onwards, the ROC did not challenge the undeniable fact that the PRC government effectively rules the mainland. Based on this flexible stance, the ROC government has adopted the policy of pragmatic diplomacy. In line with this policy, the then Minister of Foreign Affairs of the ROC, Fredrick F. Chien, declared in January 1991 that:

In terms of seeking formal ties, all those countries which are willing to be friends with us under the principles of independence, self rule, equality and mutual benefits know that we are willing to be their friend. Since last year we have established or re-established ties with Bahamas, Grenada, Liberia, Belize, Lesotho, Guinea-Bissau and Nicaragua. Grenada and other countries have formal ties with the Chinese Communists, yet they insisted on establishing ties with us as well. These facts fully demonstrate the fact that we have turned proactive in our foreign relations.¹⁸

However, in contrast to the ROC’s growing flexibility, the PRC refused to accept “dual recognition” and is still uncompromising on this issue. The PRC has taken an

unequivocal position on the “One China” policy and insists on the premise that there is only one China in the world. From Beijing’s perspective, the PRC is the sole legal central government of all China and the ROC, (on Taiwan) which was defeated by the Chinese Communists in the civil war in 1949, a mere renegade province of China.¹⁹ The PRC advocates the unification of China through the formula of “One Country, Two Systems” to place the ROC (Taiwan) on the same level as Hong Kong and Macao which are merely “Special Administrative Regions” of the PRC.²⁰ This “One China” position is a non-negotiable issue for the PRC government. The PRC regards this stance as a most important question of national sovereignty and territorial integrity, and allows no room for compromise on this issue. Therefore, Richard Grant, Head of the Asia-Pacific Programme at the Royal Institute of International Affairs in London, deduced correctly that “China (the PRC) will not accept dual recognition, Nelson Mandela or no Nelson Mandela.”²¹

The PRC’s refusal to accept dual recognition was confirmed by Qian Qichen, the PRC Foreign Minister, in no uncertain terms to a visiting South African parliamentary delegation to Beijing in July 1995:

There is only one China in the world. The government of the People’s Republic of China is the sole legal government of China, and Taiwan is an inalienable part of China. We will never accept dual recognition.²²

For the ROC, the PRC’s “One China, Two Systems” formula is not acceptable. The reasons were clearly spelled out by the ROC Vice-President and Premier, Lien Chan, in 1996 as follows:

The “one country” Peking [Beijing] insists on in this transitional arrangement would presumably be the “People’s Republic of China,” and the ultimate system would thus be communist autocracy. Peking’s proposal therefore amounts to reducing the ROC to the status of a local government, while forcing the people of Taiwan to accept Chinese

communist rule and to forsake the democracy, freedom and prosperity they enjoy today.²³

As a result of the PRC's uncompromising stance on the "One China" policy, the PRC has rejected several attempts made by a number of small countries including Burkina Faso, Nicaragua, Grenada, Gambia and Senegal to pursue "dual recognition."²⁴ The PRC is not prepared to have diplomatic relations with any state that maintains diplomatic ties with the ROC. Hence, the option of "dual recognition" had no chance of success. South Africa was left with only two choices: either to maintain the status quo, or to downgrade its diplomatic relations with the ROC and establish diplomatic relations with the PRC.

7.3 THE POSITION OF THE GNU ON THE SEVERANCE OF ROC-RSA DIPLOMATIC RELATIONS

At the time of its assumption of power in May 1994, the GNU did not develop a unified stance on the question of the establishment of diplomatic relations with the ROC. Mandela, the NP and the IFP, some of the cabinet ministers including Minister of Defence, Joe Modise, and the then Director-General of the Department of Foreign Affairs, Rusty Evans, favoured maintaining the status quo. The three partners of the ruling alliance, namely the ANC, the South African Communist Party (SACP) and COSATU, as well as the Department of Trade and Industry (DTI), and most of the senior officials of the Department of Foreign Affairs (DFA) were in favour of the rapid establishment of diplomatic relations with the PRC.²⁵

As the China issue was complex and extremely sensitive, it appeared that the GNU preferred to initiate a process of gradual consensus building on reshaping its China policy, rather than taking a quick decision to break off diplomatic relations between the RSA and the ROC. This would allow various views to emerge and encourage different role players to debate on the proper way to deal with the conundrum the RSA faced.

The GNU's delaying of the decision to switch diplomatic recognition from the ROC to the PRC for two and a half years from May 1994 to November 27th, 1996 was due to several factors:

The first and foremost was Mandela's support for the ROC and his reluctance to sever diplomatic relations with Taipei in the course of the two years after May 1994. As the head of state of the new democratic South Africa, the senior leader of the ANC and a well-respected international statesman with his great stature of moral high ground, Mandela exerted great influence. His favouring of maintaining South Africa's diplomatic ties with the ROC was one of the decisive factors in the GNU's delaying of its decision-making.²⁶ The possible reasons for Mandela's unwillingness to cut off South Africa's diplomatic relations with the ROC are analysed in the ensuing paragraphs.

Secondly, with the normalisation of the political situation in South Africa, the RDP was the cornerstone of the GNU's domestic social planning.²⁷ As Thabo Mbeki, the RSA's then Deputy President, stressed, the RDP "remains the policy anchor on which all government programmes have been and will continue to be based."²⁸ The ANC-led GNU needed foreign economic and financial support to achieve the objectives of the RDP. Nzo also clearly emphasised the importance of the RDP to South Africa's foreign policy:

In our internal policies, the paramount importance of the RDP needs no stressing. My department has recognised the need for foreign trade and investment that will make a substantial contribution to the reconstruction and development of the South African economy, and hence to growth, ensuring peace and prosperity for our people.²⁹

It was under such circumstances that the ROC was able to offer various types of assistance to the new South African government and to attempt to induce it with the advantages of not breaking diplomatic relations. As indicated in Chapter IV, prior to 1996, the ROC had rendered and pledged to provide substantial economic and

development funding to South Africa to support its RDP. Thus, the ROC's strong economic links with South Africa and the former's contributions to the RDP were the main inducements for the new South African government to maintain the status quo for as long as it could do so. However, the GNU's desired objective was still the establishment of diplomatic relations with the PRC, but not at the expense of existing ties with the ROC. Mandela and Nzo repeatedly reaffirmed this stance on various occasions. Nzo reiterated this official position in Parliament on June 18th, 1996, stating that "South Africa wishes to maintain and expand friendly and cordial relations with Taipei and Beijing precisely because we wish to enhance the welfare and prosperity of the people of South Africa, and because we wish to contribute to the new world order."³⁰

Thirdly, apart from the practical economic factor, the new democratic South Africa was also in a "moral dilemma". "How do you justify diplomatic recognition of a communist one-party state, at the expense of a democracy which practices all the principles of liberty?" exclaimed Ric Wilson, a journalist with the Eastern Province Herald in July 1994.³¹ Mandela's commitment to human rights and democracy were contributing factors for his retaining South Africa's diplomatic relations with the ROC as long as he could. This was made evident by his speech delivered on the occasion of his investiture as Doctor of Law at Soochow University in Taipei in July 1993. He stated:

As a liberation movement, the ANC was unique in so firmly nailing its colour to the mast of justice and human rights, decades before the issue came onto our national agenda. We did so because these things mattered to us. This is what we have been fighting for.³²

Fourthly, the GNU was comprised of the ANC, the NP and the IFP. The NP and the IFP were in favour of maintaining the status quo. In view of the different stance taken by the cabinet members of the NP and the IFP from those of the ANC, it appeared that "the president was not prepared to force a decision, preferring instead to persist with a consensus decision-making approach."³³

Fifthly, the shift of diplomatic recognition would affect South Africa's long-term interests. Before the actual severance of ROC–RSA diplomatic relations, it was necessary for the RSA to have in-depth assessment of the consequences and possible impact on South Africa's national interests. The RSA heads of mission conference that was held in September 1995 at Espada Ranch, Pretoria had clearly acknowledged the need of evaluation by proposing that "South Africa's long-term interests in the Greater China Region should be negotiated. It is necessary to evaluate the consequences if the situation is not dealt with in the foreseeable future."³⁴

Lastly, in order to obtain the best deal possible for South Africa, the GNU intended to handle the China issue with great care and manage the process of extrication from the inherited diplomatic ties with the ROC at its own pace so as to ensure that "all stakeholders [were] consulted" and that "all parties concerned [were] treated with respect and dignity."³⁵ By doing so, it was hoped that "South Africa's immediate and long-term interests [would be] adequately protected."³⁶

As the ROC was, and still is one of South Africa's most important sources of investment and because the ROC rendered substantial assistance to the RDP, the GNU tried not to follow the precedence of Korea's sudden breaking of ROC-ROK diplomatic relations (on August 24th, 1992) without any warning or consultation. This had angered the ROC government and damaged the economic relations between the ROC and South Korea.³⁷ It was probably due to the above-mentioned considerations that the GNU deferred its establishment of formal diplomatic relations with the PRC from May 1994 to January 1st, 1998.

7.4 THE ROC GOVERNMENT'S EFFORTS TO SAVE ROC–RSA DIPLOMATIC RELATIONS

From 1990, when the process of political change started to unfold in South Africa, the ROC government endeavoured to safeguard its diplomatic ties with the RSA. As early

as January 1991, after his visit to South Africa, the then ROC Foreign Minister, Fredrick F. Chien, discerned that while South Africa was in the process of normalising the country's external relations with the outside world and aspiring to take its rightful place in the international community, it would inevitably establish relations with the PRC. This he believed was because of the PRC's status as a permanent member of the UN Security Council and Beijing's influence in the Third World.³⁸ Nevertheless, President de Klerk had told Chien during the latter's visit to South Africa on January 22nd, 1991 that as the NP government cherished the special relationship existing between the RSA and the ROC, South Africa's development of relations with the PRC would be "confined to unofficial level", and that there was "no hidden agenda."³⁹

The then South African Foreign Minister, R.F. (Pik) Botha, also assured Fredrick Chien that "as the ROC was South Africa's bad weather friend, the relationship between the two countries would neither change fundamentally, nor be influenced by the PRC." Botha foresaw that "for South Africa, it would not pay to forge diplomatic links with the Chinese Communist regime [at the expense of the ROC]."⁴⁰ Despite the NP government leadership's reassurances, the ROC government was deeply alarmed by the increasing frequency of exchange of visits between the RSA and the PRC and in particular the impending announcement of the agreement reached by Beijing and Pretoria on December 19th, 1991 to establish representative offices in the respective capitals as from the following year. The ROC government was perturbed that the process of setting up semi-official relations might lead to the eventual establishment of full formal diplomatic relations between the RSA and the PRC. Hence Chien called the then RSA Ambassador at Taipei, Alan Harvey, into the Office of Foreign Minister to express the ROC's grave concern about the PRC's increasing activities and diplomatic manoeuvring to improve its relations with Pretoria. Ambassador Harvey reassured Chien that the South African [NP] government would merely develop and expand economic, trade and tourism relations with the PRC, but not formal diplomatic ties with Beijing.⁴¹

In order to safeguard its diplomatic relations with South Africa, the ROC's largest diplomatic ally, the ROC government started to strengthen ROC–RSA economic and financial relations as well as other co-operative projects between the two countries as from January 1991. These booster measures included the establishment of a branch office of the Bank of Taiwan as well as a Vegetable Research Centre in South Africa, the importation of South African liquor and spirits, the offering of a Fixed Rate Re-lending Facility for South African financial institutions, a proposed deposit of USA\$500 million into the account of the Reserve Bank of the RSA, the small (black) farmers' project, the USA\$60 million loan to the IDC and the petro-chemical co-operation project, among various other co-operation programmes and financial assistance.⁴² Apart from these booster measures, the ROC government also intensified the high-level exchange of visits. As a result of this effort, the then South African Foreign Minister, R.F. (Pik) Botha, was invited to visit the ROC in October 1991; F.W. de Klerk went to Taipei in November 1991, and the ROC President, Lee Teng-hui, attended President Mandela's inauguration in May 1994.⁴³

Moreover, the ROC skilfully utilised the transitional period (1991-1994) to cultivate relations with the ANC, which was seen to be the ruling-party-in-waiting. Many leading figures of the ANC including Mandela, Walter Sisulu and Archbishop Desmond Tutu were invited to visit Taipei. Mandela's visit had an important impact on his perception of the ROC and resulted in the delay of the ANC-led government's severing of diplomatic ties with the ROC.

From May 1994 until November 1996, the ROC government went even further, launching a massive lobbying campaign amongst all of South Africa's political ranks and opinion leaders aimed at mobilising support for the maintenance of diplomatic relations. This campaign was characterised by the extension of invitations to prominent South Africans and pledges of assistance to the RDP. Most of the South African cabinet ministers and over 200 parliamentarians were invited to visit the ROC during this period. This was perceived as having "succeeded in delaying the policy decision for many months, if not years."⁴⁴

Mandela was invited by the ROC government to visit Taipei during July–August, 1993 for four days. This was Mandela’s first visit to Taiwan in his capacity as president of the ANC. Mandela’s trip was also the first by an ANC leader to the ROC. During his visit, Mandela met the then ROC President Lee Teng-hui and the ROC’s other political leaders including the then Premier Lien Chan, and the KMT Secretary-General Hsu Shui-teh, and the then Democratic Progressive Party (DPP) Chairman Hsu Hsin-liang.⁴⁵ At the conclusion of his visit, Mandela remarked that this visit to the ROC marked “the opening of a new chapter in [ROC–RSA] relations.”⁴⁶ He had been warmly received and he was deeply impressed by the ROC’s economic progress, highly successful educational policies, well-educated labour forces, its democratic reforms and advanced technology and agriculture. Therefore, he anticipated that “the government of the Republic of China and the business community on this island of Taiwan [would] become important partners in the developmental programmes in a democratic South Africa.”⁴⁷

As from 1994, one of the ANC’s most pressing tasks was to resettle and demobilise the returned cadres of the Umkhonto We Sizwe (MK), the military wing of the ANC. In line with this policy, Mandela was particularly impressed by the ROC’s experience in demobilisation and resettlement of its retired soldiers and its well-managed vocational centres. Mandela visited the Vocational Training Centre (VTC) in Taichung on July 31st, 1993, and was highly impressed by the ROC’s system of vocational training. He expressed the wish that the ROC government would donate a training centre on the scale of the one in Taichung to the new South Africa, and assist the RSA in training the relevant personnel including instructors for its operation. The ROC government responded very positively to Mandela’s request. It was agreed in principle that the ROC government would assist in building and equipping such a training centre worth USA\$40 million for the democratic South Africa, once the Interim government of National Unity was in place. Apart from the proposed VTC, Mandela also discussed other topics with the ROC government leaders including the development of small and medium businesses, in which the ROC had considerable experience.⁴⁸

In addition, to secure the ROC's assistance for the RDP under an ANC-led GNU, the other important purpose of Mandela's visit was to "get funds for the ANC election campaign" and to "reassure the country's business community that its economic future would not be threatened in the new South Africa."⁴⁹ At Mandela's request, the ROC government agreed to give 10 million USA dollars (equivalent to R33 million) to the ANC for the April 27th, 1994 election campaign.⁵⁰ Furthermore, the ROC Premier, Lien Chan, promised to provide the new South African government with a total amount of USA\$100 million as a development loan.⁵¹

Despite Mandela's well-disposed rapport with the ROC leadership, the ANC's friendship with the PRC dated back to the 1950s⁵². The ANC and other African liberation movements enjoyed cordial relations with the PRC long before 1994.⁵³ As a result of this historical allegiance, "there was a strong ideological affinity with communist China [i.e. the PRC] in the ranks of the ruling ANC–South African Communist Party alliance".⁵⁴ Mandela felt likewise. When he was invited by the ROC government to visit Taipei, he made it clear during the press conference held on his arrival at Taipei on July 30th, 1993, that "the democratic South Africa [would] not abandon its long-term friend [the PRC] who assisted the ANC movement during its worst time".⁵⁵ By contrast, the ROC had no relations with the ANC and other black liberation movements before 1993. On the contrary, the ROC was perceived by members of the ANC-SACP-COSATU alliance as supportive of the South African white government and its apartheid policies.⁵⁶ Therefore, most of the members of the alliance were in favour of establishing full diplomatic relations with the PRC. This stance was reflected by Mandela's remarks on his arrival at Taipei when he was asked about the ANC's future policy on the existing ROC–RSA formal diplomatic relations. Mandela honestly declared that:

After the election next April, South Africa will remain a member of the United Nations, and that of many international organisations. We will thus be bound to the policies and decisions of these organisations. So far, these organisations do not recognise the Republic of China.⁵⁷

In other words, Mandela implied that as the UN and other international organisations only recognised the PRC, South Africa, in line with international practice, would break diplomatic relations with the ROC in favour of the PRC as soon as a multi-racially elected new government was formed in South Africa. Although no finality was reached by the ANC, it seemed that Mandela originally intended to use his visit to serve as a warning to the ROC to brace itself for the impending diplomatic readjustment that would take place if the ANC won the 1994 general election.⁵⁸

However, after his visit to Taipei in 1993, although he was still committed to building diplomatic relations with the PRC, Mandela appeared to back down over his plan to cut diplomatic ties with the ROC immediately after the 1994 election. Mandela was willing to recognise Beijing, but at the same time he was pragmatic enough to allow the new ANC-led government to seek partnership relations to the fullest extent with the ROC, as this was in the best economic and financial interests of the democratic South Africa. As long as the situation would allow the RSA to do so, ROC–RSA relations remained unchanged. Most analysts believe that one of the factors that may have contributed towards the turnaround of Mandela’s attitude towards the ROC was the USA\$10 million donation that the ROC made to the ANC for its 1994 election campaign.⁵⁹

Aside from the donation and the pledged assistance, the other important factor that influenced Mandela to maintain ROC–RSA diplomatic links was his good impression of the ROC and his appreciation of the ROC’s positive response to his requests during his 1993 visit. However, with Mandela’s world-acclaimed image of “sainthood”, a donation of USA\$10 million from a small country like the ROC would not necessarily be able to “buy” Mandela’s friendship. It was reported that Mandela had received considerable financial support from the Arab World, Malaysia, Indonesia and also the PRC before 1994.⁶⁰ The ROC’s donation was just a small drop in the ANC’s coffers. It should also be noted that the ANC received the same amount in donations from the PRC when Mandela paid his first visit to mainland China a few months before his trip to Taipei. The PRC’s donations and grants breakdown were as follows: USA\$2 million in cash, a credit of USA\$3 million to purchase Chinese manufactured military uniforms, shoes,

weapons and other products, and one consignment of goods that was valued at USA\$5 million.⁶¹ Therefore, it would be reasonable to deduce that the donation alone was not the only factor which led Mandela to change his mind pertaining to his China policy. For him to do so, there must have been something more than naked material self-interest. This was reflected from the comments he made at a news conference at Taipei before his departure from the ROC. Mandela admitted that he was deeply impressed by what he saw in the ROC and said that this trip had left “an indelible impression” on him and his delegation.⁶² As a result of this good impression and his gratitude for the various types of support that the ROC accorded to the ANC, Mandela changed his attitude towards the ROC. He was willing to maintain South Africa’s diplomatic relations with the ROC, however, at the same time he aspired to establishing diplomatic ties with the PRC. At the news conference before he left the ROC, Mandela said that his trip had laid a firm basis for the development of ever-closer relations between the ROC and South Africa. He did his best to alleviate both the ROC government’s and the business sector’s fears regarding an ANC-led government by indicating that “the future democratic South Africa [would] be an independent country that has its own independent policies; so our attitude towards the ROC [would be] based on the benefits we receive[d] from the ROC government”.⁶³

From May 10th, 1994 when Mandela was inaugurated as the President of the RSA to November 27th, 1996 when he announced the severance of ROC—RSA diplomatic ties. Both Mandela and his Foreign Minister, Nzo, espoused the principle of a dual approach to deal with the question of China. On the one hand, they repeatedly reaffirmed the RSA’s commitment to retain her relations with the ROC, and on the other hand they made it clear that the democratic South Africa would not abandon its long-time friend (the PRC) and wished to strengthen and improve relations with her.

For two and a half years, the Mandela administration had kept the dual approach stance towards the two Chinas and maintained the RSA’s diplomatic ties with the ROC. Based on this approach, Mandela and Nzo repeatedly reiterated their reassurances that Pretoria would not cancel its diplomatic relations with the ROC even if it established

formal relations with Beijing. During this period, the ROC tried its utmost to strengthen its trade, investment, financial assistance as well as economic and technical co-operation with South Africa. The ROC's development assistance to South Africa was largely motivated by its foreign policy objectives and the maintenance of ROC–RSA ties. Mandela reassured Lee Teng-hui of the firm diplomatic relations between the two countries during his inauguration as head of state in May 1994. In September 1996, two months before the announcement, Mandela and Nzo still assured the visiting ROC Vice-Premier, Hsu Li-teh, that it would be “immoral” to sever diplomatic ties with the ROC.⁶⁴ Therefore, from the ROC government's and public opinion's perspective, Mandela's personal support for the continuance of diplomatic ties with the ROC was seen as the most important pillar which stood in the battering sea of the ANC-SACP-COSATU alliance. Mandela's various statements led the general public of the ROC to believe that as long as Mandela remained in office, the ROC's diplomatic relationship with the RSA was guaranteed.⁶⁵

7.5 PRESSURE PUT ON MANDELA TO REVERSE THE STATUS QUO

Nevertheless, the ROC government and people expected too much of Mandela. There is no denying that Mandela played a pivotal role in the transition and that he carried considerable influence in the international forum because of his towering image of human dignity, racial reconciliation and unconditional forgiveness. By rising above his time of suffering, injustice and oppression, Mandela consciously embraced the spirit of humanity and the virtue of forgiveness. Because of this, he was reckoned one of the “Great Souls” in mankind's history.⁶⁶ But Mandela's support had its limitations. He was not the only role-player in the RSA's foreign policy decision-making process and much pressure and influence were brought to bear on his decision. While Mandela was hoping to maintain the status quo until a consensus could be reached, the ANC, SACP, COSATU combined with academics, the business sector, public corporations, the Portfolio Committee on Foreign Affairs of the South African National Assembly, the South African government and the PRC government were out to exert pressure on him.

Notwithstanding Mandela's good intentions, the PRC's rigid "One China" stance still forestalled the possibility of "dual recognition". In reality, Mandela's dual approach could not be translated into a real operational policy. Therefore, what Mandela was doing during this period was simply delaying the inevitable, and this caused uncertainty. This uncertainty in turn led to serious public debate in South Africa on the China issue during 1994-1996.

The SACP and COSATU were not happy with Mandela's delay of recognition of the PRC. They failed to understand why the government delayed the inevitable. Regarding South Africa's relationship with the ROC, the three partners of the ruling alliance basically shared the same position—the democratic South Africa should end diplomatic relations with the ROC and establish diplomatic ties with the PRC. The consistent policy of the ANC-SACP-COSATU tripartite alliance was that they perceived diplomatic relations with the ROC as an historical injustice that had been inherited from the apartheid government.

The tripartite alliance's position was evident from a secret letter, written in the name of Mandela, conveyed by a SACP delegation to Beijing led by its chairman, Joe Slovo, in August 1993 to the PRC leaders. In the secret letter it was clearly stated:

The new South Africa will correct the historic injustice which apartheid perpetrated in relation to China when it gave diplomatic recognition to Taiwan [ROC]. It will undoubtedly give diplomatic recognition to the People's Republic of China [PRC] as the sole representative of the whole Chinese nation.⁶⁷

The content of the letter was published by the PRC's official Xinhua News Agency on August 10th, 1993.⁶⁸ However, the ANC's Department of International Affairs denied the report on August 18th, 1993 and assured the ROC that a democratically-elected South African government would not sever its ties with the ROC in favour of Beijing.⁶⁹ Despite

the ANC's denial, it was obvious that the letter was sent to Beijing shortly after Mandela's visit to Taipei to assure the PRC that the ANC-led government would not abandon an old friend. This letter was a reflection of the tripartite alliance's policy. The denial was merely intended to allay the ROC's fears so as to ensure that ROC investment and assistance would not be disrupted by the revelation of the alliance's position. This explained why the Xinhua News Agency, on August 19th, 1993, defended the correctness of its report after the ANC issued its denial on the previous day.⁷⁰

The tripartite alliance's stance regarding its future diplomatic relations with the ROC was also reflected in the ANC's working document entitled "Summit on Foreign Policy for a New Democratic South Africa" published on October 9th, 1993. In this document, the ANC's Department of International Affairs stressed the importance of the concept of human rights and the links with the rest of the African continent and the need to reshape South Africa's foreign policy.⁷¹ On the issue of the future of ROC–RSA diplomatic relations, it was stated that "in issues of recognition, we will be guided by international law and practice at the United Nations".⁷² The real meaning of the phrase "practice at the United Nations" was "the code word for Beijing's policy objective of depriving the Republic of China on Taiwan of everything it stands for, indeed its very existence".⁷³ In other words, it was code language implying that the RSA should "sever all relations with the Republic of China (ROC) on Taiwan, and establish full (diplomatic) relations with the People's Republic of China (PRC), as the United Nations had done".⁷⁴ As a matter of fact, the initial wording of the ANC policy document clearly indicated its intention to readjust ROC–RSA diplomatic relations, but this wording was quietly revised after the ROC Ambassador, I-cheng Loh, approached the ANC and expressed his deep concern.⁷⁵ The original wording was as follows:

Taiwan [the ROC] was accorded recognition by the apartheid South African government. A democratically-elected government will have to consider the question once it takes office, bearing in mind both our national interest as well as the international practice with regard to the question.⁷⁶

Among the ANC-SACP-COSATU tripartite alliance, the SACP was particularly vociferous in its strong opposition to Mandela's retaining diplomatic relations with the ROC. This standpoint was due to the SACP's ideological identity and its historical links with the PRC. There was also a dislike of the ROC within the ranks of the SACP for the ROC's previous close ties with the white-ruled South Africa. The SACP hankered after the derecognition of the ROC and criticised the continued relations. From 1995 onwards, the SACP started to exert pressure on both Mandela and Nzo in cabinet meetings and in the ANC's National Executive Committee (NEC) to immediately downgrade South Africa's diplomatic relations with the ROC.⁷⁷ The then Deputy Leader of the SACP, Blaze Nzimande, and the then Chairperson of the Portfolio Committee on Foreign Affairs of the South African National Assembly, Raymond Suttner, were especially clamorous.⁷⁸

The SACP itself was also actively involved in expediting the normalisation of South Africa's relations with the PRC. Several SACP delegations were dispatched to visit the PRC for bilateral consultations. Apart from Slovo's 1993 visit, the most notable SACP delegations to the PRC took place in early 1996 and in November 1996. The November 1996 delegation was led by the ANC's Deputy General-Secretary, Cheryl Carolus. However, Nzo was still firm on the dual approach position. On January 31st, 1995 when he visited Japan, Nzo clearly reaffirmed that South Africa's official position was that "the South African government would hope to strengthen and improve its relationship with the PRC on the one hand, and the ROC on the other."⁷⁹ He emphasised that he saw no reason for South Africa to cut its diplomatic ties with the ROC. Nevertheless, to alleviate the SACP's pressure, Nzo admitted that South Africa was in the process of negotiating with the PRC on the question of establishing diplomatic ties with Beijing.⁸⁰ From this, it was clear that the SACP's pressure had a tremendous impact on the GNU's China policy.

The South African National Assembly's Portfolio Committee on Foreign Affairs also developed its position on the two Chinas issue. The South African Parliament thus

became another pressure point and debating forum as the Committee was chaired by Raymond Suttner during 1994–1998, a very able and hardworking member of the SACP. Suttner was not hesitant to let his pro-Beijing stance be known in Parliamentary debates, the media, ANC meetings and even during the workshop on the RSA's China policy held by the Foundation for Global Dialogue (FGD) and the South African Institute of International Affairs (SAIIA) at Jan Smuts House on August 30th, 1995.

Suttner strongly advocated that the South African government should break with the past and reprioritise its relations. From Suttner's perspective, the rationale of the change was due to the fact that during the apartheid era "foreign policy was forged against the background of a small minority of states wanting close co-operation with [South Africa]" and that since democracy, the RSA's situation had "changed domestically and internationally, both in relation to ourselves and to the world apart from us."⁸¹ From as early as August 1994, during a Parliamentary debate, Suttner urged the South African government that there was a need to give "fresh consideration of what to prioritise in our foreign relations policy, the international organisations we belong to and what we seek to gain from them."⁸² In his view, the democratic South Africa should develop its relations with the Third World countries (i.e. the South) because "the natural sphere of operation of the foreign policy of the new South Africa is within South[ern] Africa and Africa and in relation to the countries of the South."⁸³

In respect of South Africa's China policy, Suttner was of the view that it was necessary for the RSA to urgently establish diplomatic relations with the PRC and lower the level of relationship with the ROC.⁸⁴ However, he was pragmatic enough to point out that "there are many areas of friendship and relations other than the official diplomatic level." Therefore, Suttner suggested that if South Africa decided to opt for diplomatic relations with the PRC and to break off relations with Taiwan, this should be handled in such a way that South Africa's relationship with Taiwan, as a whole, would not be jeopardised.⁸⁵

During this period, numerous South African academics also put persistent pressure on Mandela to cut diplomatic ties with the ROC and establish diplomatic ties with the PRC. There was increasing dissatisfaction expressed by many prominent South African scholars about the continuation of ROC–RSA diplomatic links and the uncertainty of the two Chinas issue. Foreign policy institutions such as the SAIIA and the FGD entered into the debates as well. The GNU was slated for its indecision regarding this question. There was a growing consensus in the South African academia on the need for the RSA to recognise mainland China and improve its relationship with the PRC, as the PRC was becoming an increasingly important global player. However, the question of what would happen to ROC–RSA diplomatic ties, if and when South Africa established full diplomatic relations with the PRC, caused intense public debate. Should South Africa, in particular with Mandela’s towering international status, pursue a “dual recognition” policy? The “dual recognition” approach was rejected outright by the PRC government. Therefore, it was not possible for South Africa to implement this policy in terms of practical politics. As dual recognition was impossible, many scholars in South African academic circles felt that the normalisation of relations with the PRC was inevitable, and that the timing of this decision should be sooner rather than later. Delaying the decision would have a negative effect on South Africa’s national interests. This was especially relevant to Hong Kong, which was scheduled to revert to the PRC on July 1st, 1997. The most ardent proponent for recognising the PRC without further delay were Greg Mills, the Director of Studies (later National Director) of the SAIIA. Greg Mills was in favour of exclusive recognition of the PRC and believed that dual recognition was not a workable option because Beijing would not allow this to happen. Therefore, he asserted that it would be in South Africa’s long-term economic and political interests to establish full diplomatic relations with the PRC and to manage the shift of relations with the ROC so that Pretoria could continue to enjoy its beneficial economic relations, and other levels of relationship, with the ROC despite the severance of ROC–RSA diplomatic ties. As to the timing for the switch of recognition, he perceived that “the obvious time frame [was] sometime between the March [1996] Taiwanese Presidential election and July 1997, the handing over of Hong Kong”.⁸⁶

Nevertheless, in spite of the above-mentioned view held by the majority of scholars in South African foreign policy institutions, attempts were made by some South African intellectuals to opt for a “dual recognition” policy – South Africa should maintain diplomatic relations with both the ROC and the PRC. This option was advocated by Willie Breytenbach, a professor of the Department of Political Science at the University of Stellenbosch; John Daniel, Head of the Department of Political Science of the University of Durban-Westville; Themba Sono, Executive Director of the Centre for Development Analysis in Pretoria; and Deon Geldenhys, Professor of Political Science at the Rand Afrikaans University in Johannesburg. The ROC government was willing to accept the “dual recognition” option and stated categorically that it would not sever diplomatic ties with South Africa if Pretoria entered into full diplomatic relations with Beijing.⁸⁷ But this option was, and still is, simply not allowed to be implemented by Beijing. The PRC will break off diplomatic relations with any country that dares to try dual recognition. Grenada, Burkina Faso, Nicaragua and Gambia are all cases in point. As a result of the PRC’s zero-sum stance, no country internationally has ever achieved “dual recognition” of the two Chinas.⁸⁸

However, the ROC government was of the view that as compared with these small countries, which had tried and failed to achieve dual recognition, South Africa was in a much stronger position. Therefore the ROC hoped that Mandela might be able to utilise his unique high moral stature in international relations to interact with the PRC to try out the feasibility of dual recognition once again so that the ROC could use this as a precedent for its relations with other countries.⁸⁹

The pressure on the South African government to normalise its relations with the PRC also emerged from the influential business sector and public corporations. The PRC’s fast-growing economy and its rapidly expanding consumer market could not be ignored. The South African business sector, particularly its parastatal enterprises such as Armscor, Denel, Eskom and Iscor, had a keen interest in exploring and establishing a foothold in the huge and rapidly growing market of mainland China. Between 1991 and 1995, the PRC was the fastest growing economy in the world with an average annual

GDP of 12.2%.⁹⁰ The PRC's economy was booming and foreign investment, particularly Taiwanese capital, were pouring in during the first half of the 1990s. Taiwanese investment in the PRC rose from 237 factories with a total of USA\$2.7 billion in 1991 to 11,700 factories totalling USA\$35 billion in 1996.⁹¹ The ROC became the second most important investor in the PRC, next only to Hong Kong.⁹² As the ROC itself was doing business with the PRC, it was therefore very difficult for the ROC to request the RSA not to have business transactions with the PRC, the third largest economy in the world, bigger in size than the ROC and Hong Kong put together.

The PRC began to wield its economic muscle from the beginning of the 1990s, and the fact that the PRC would recover Hong Kong on July 1st, 1997 and Macao on December 20th, 1999 further increased the importance and global strength of mainland China. Trade between the PRC and the RSA had expanded from USA\$14.6 million in 1991 to USA\$900 million in 1994. In Rand terms, the PRC–RSA two-way trade surged from R468 million in 1991 to R1.8 billion in 1994.⁹³ The PRC–South Africa trade volume was lower than the 1994 ROC–RSA total trade figure of R4.4 billion. However, if the 1994 Hong Kong trade figure of R2.9 billion was included, the combined total trade between South Africa and China–Hong Kong was higher than the ROC–RSA trade.⁹⁴ From 1995 onwards, the PRC became South Africa's sixth largest trade partner. The perceived potential market and the impending absorption of Hong Kong thus impacted on the balance of the Greater China region. From the standpoint of the South African business community, there was a need for the South African government to normalise relations with the PRC so as to have diplomatic leverage to protect South Africa's strategic interests in the Greater China region and to maximise the RSA opportunity to reap the potential benefits of gaining access to a new market of 1.2 billion people.⁹⁵

It would have been untenable for South Africa not to look after its growing economic interests in the PRC. As discussed in Chapter III, long before the 1989 Tienanmen Square incident, South Africa had tried to cultivate its relationship with the PRC. To this end, secret contacts with the PRC were made from the 1970s and undisclosed trade links with Beijing via Hong Kong were established dating back to 1960. The trade items

between the PRC and the RSA included military hardware, maize, uranium and other minerals.⁹⁶ With a view to expanding its arms trade with the PRC, Armscor established its representation in Beijing in the early 1980s.⁹⁷ From the establishment of its representative to 1995, Armscor sold a total of R230 million worth of weaponry to the PRC.⁹⁸ Armscor's desire for extensive military co-operation with the PRC was one of the important factors that may have attributed to the switching of recognition to the PRC. In 1994, Iscor exported 4 million tonnes of iron ore to the PRC.⁹⁹ To facilitate the handling of its ore exports, Iscor invested R35 million in an iron ore storage facility on the PRC's north-east coast.¹⁰⁰ In order to assist the PRC to commission and operate a nuclear power plant at Daya Bay in Guangdong Province, Eskom entered into an agreement with the China Light and Power Company in 1993 to exchange relevant expertise, information, technology and personnel training pertaining to the nuclear power plant. In terms of this agreement, four Eskom staff worked at the said Chinese nuclear power plant and a number of Chinese personnel were trained at the Koeberg nuclear power plant, near Cape Town.¹⁰¹

Aside from the afore-mentioned parastatal corporations, private enterprises were also anxious to tap the business opportunities in the world's potentially biggest market. In March 1994, Nedbank opened a branch in Beijing to facilitate South African investment in the PRC. Many joint ventures were set up between South African private enterprises and their Chinese counterparts in the PRC. Volkswagen AG and South African Breweries (SAB) established the most notable joint ventures. In 1992, Volkswagen AG of Germany established a joint venture with the PRC's First Automobile Works in Changchun in North East China, and Volkswagen South Africa was contracted as a sub-supplier to export semi-knocked-down (SKD) A2 Jetta vehicles to mainland China in the first phase period before the joint venture could manufacture its local vehicles. During the period from May 1992 to August 1995, Volkswagen South Africa supplied the PRC with 27,720 SKD A2 Jetta vehicles worth approximately R960 million.¹⁰²

SAB made South Africa's largest investment in the PRC. SAB entered into a business partnership with Chinese breweries in the PRC's province of Liaoning, Northeast China

(formerly Manchuria). The joint venture company was called China Resources (Jilin) Brewery (CREB). Over the three years from 1994 to 1997, SAB acquired, through CREB, joint control of five Chinese breweries with a total stake of more than USA\$41.7 million. These included one brewery each in Jilin City and Sichuan Province, the Shenzhen C'est Bon Food and Drink Company in Guangdong Province and two breweries in Shengyang City (formerly Mukden) and Dalian in the province of Liaoning (formerly part of Manchuria).¹⁰³

In addition, many more South African companies were interested in doing business with the PRC. These included JCI, Investec Bank and MIH Holdings. MIH owns M-Net, Supersport, Multichoice and M-web. The China Central Television (CCTV) network concluded an agreement with MIH to co-produce television programmes in 1997. In the same year, the PRC's trade vice-minister, Shi Guang-sheng, and the DTI of the RSA signed a deal worth USA\$550 million for various business transactions. In accordance with this deal, South Africa would sell diamonds, iron ore, steel, coal, copper, cobalt, paper and other goods worth USA\$269 million to the PRC.¹⁰⁴

All in all, by 1998, there were 17 South African funded businesses operating in the PRC, and the RSA's businesses had invested more than R4 billion in the country.¹⁰⁵ As the PRC's huge market and continuing high growth loomed large on the horizon of the international economic stage, the PRC subtly used the importance of its market to pressure South Africa to establish formal diplomatic ties. Among South Africa's influential business circles there was a growing concern that the absence of diplomatic relations with the PRC might hinder South African enterprises from gaining economic access to the PRC market and from receiving preferential treatment. It was due to the above-mentioned economic reality that South Africa could not continue to ignore the PRC's importance in the international community. The South African business sector was of the view that in order for South African entrepreneurs to maximise strategic opportunities in the PRC, relations with the PRC had to be normalised as soon as possible.

The South African foreign policy establishment, particularly the DFA as well as the DTI, was also in favour of the normalisation of relations with the PRC. As a matter of fact, in as early as May 1995, both the DFA and the DTI had already completed cost-benefit assessments of the policy option of normalising relations with the PRC. On May 23rd, 1995, an interdepartmental meeting was held at the Diplomatic Guest House in Pretoria to assess South Africa's real long-term interests with regard to the two Chinas and to what extent a shift in South Africa's policy position was necessary. Aziz Pahad, the Deputy Minister of Foreign Affairs, chaired the meeting. Twenty-one departments participated in this meeting. The meeting came to the conclusion that the PRC was a major power, and therefore, in the RSA's long-term economic and political interests, South Africa should seek to normalise its relations with the PRC and downgrade its relations with the ROC. The PRC is very influential in the UN Security Council, and Beijing's modernisation programme of its defence forces was seen as an important opportunity for South Africa. By contrast, the ROC was ridiculed as a country that "made a great deal of noise" but "not much substance."¹⁰⁶

Similar views emerged from the first post-apartheid Heads of Mission Meeting that was held during September 4th–8th, 1995 in Pretoria. This meeting was chaired by Nzo, and opened by Mbeki, then Deputy President of the RSA. The two Chinas issue was discussed in this meeting's workshop. Consensus was reached on a number of issues, which are indicated below:

- It was decided that relations with China [the PRC] should be normalised, sooner rather than later, and specifically with a view to Hong Kong, that this should be done before the end of 1996. South Africa's strategic interests were central to the normalisation of relations with mainland China.
- The China issue affected South Africa's foreign policy across the board – both bilaterally and in various multilateral forums. There were certain realities pertinent to the issue, such as the fact that "dual recognition" was a non-issue. It was agreed that the Cabinet needed to address the realities of this situation soon.
- It was concluded that there was a need to negotiate while South Africa still had leverage, vis-à-vis a favourable dispensation for South Africa's long-term interests in

the Greater China region. It was necessary to evaluate the consequences if the situation was not dealt with in the foreseeable future. This evaluation included Hong Kong – if the situation with China was not normalised before 1997, as well as Taiwan – if the situation with China was normalised in the foreseeable future.

- It was decided that South Africa should manage the process to ensure that all parties concerned were treated with respect and dignity. Therefore, the parties concerned were to be informed about South Africa's intentions at an early date in order to obtain the best deal possible for South Africa. Timing was crucial.¹⁰⁷

The conclusions of the above meeting and the views of the South African foreign policy establishment were presented to the South African cabinet, which considered the related policy option on two occasions. Nevertheless, the final decision and the timing of the announcement were left to Mandela to decide.¹⁰⁸

In the meantime, the PRC was trying to put pressure on the South African government to make a choice between the two Chinas before Hong Kong reverted to the PRC on July 1st, 1997. Beijing utilised the Hong Kong issue to influence Pretoria to normalise its relations with the PRC prior to the looming deadline, so as to protect South Africa's interests in Hong Kong. Devoid of formal diplomatic relations with the PRC, South Africa's Consulate-General in Hong Kong could have been downgraded to semi-official status or even closed by the PRC, and SAA flights to Hong Kong would have to be renegotiated with Beijing. It was also generally feared that if there were no diplomatic relations, the PRC might impose duties on South African products entering Hong Kong and that visa-free entry for South African passport holders would be revoked.¹⁰⁹ If this undesirable situation happened, South Africa's trade and other ties with Hong Kong could be adversely affected.

For the PRC, the issue of Hong Kong was a very important showcase in relation to its strategy of unification and its Taiwan policy. The basis of this so-called Taiwan policy is "one country, two systems".¹¹⁰ The PRC's "one country" (one China) is the People's Republic of China, which, according to the PRC's definition, is the sole legitimate

government representing the whole of China, including Taiwan. The PRC's ultimate goal is to categorically deny the existence of the ROC. Adopting such a strategy, the PRC used the re-incorporation of Hong Kong, in particular its Basic Law, as a diplomatic weapon to compel countries that maintained diplomatic relations with the ROC, either to scale down these relations or to recognise the PRC instead.

In June 1995, the PRC proclaimed that according to the Basic Law of the new Hong Kong Special Administrative Region (as Hong Kong was now termed by the PRC), Hong Kong's future external relations and its official interactions with Taiwan (ROC) would have to be approved by Beijing.¹¹¹ As the hand-over of Hong Kong approached, the PRC's Hong Kong policy statement greatly increased the pressure on the South African government to make a decision. The hand-over was seen as the sword of Damocles to cut South Africa's diplomatic relations with the ROC. Most South African government agencies sensed the need to change the RSA's China policy before the absorption of Hong Kong into the PRC on July 1st, 1997. The then Consul-General of the RSA in Hong Kong, Michael Farr, strongly recommended in July 1995 that in order to safeguard South African interests in Hong Kong, the South African government should swiftly resolve the China question. He pointed out that "negotiations could take some time and delay could be prejudicial in regard to [South African] trade, landing rights [for the SAA] and the future of the Consulate."¹¹²

The then Chairperson of the Portfolio Committee on Foreign Affairs of the National Assembly, Suttner, made similar arguments after he led a delegation of Members of Parliament to visit Beijing, Shanghai and Hong Kong in July 1995. The delegation's report concluded that if South Africa continued to maintain diplomatic relations with the ROC after June 30th, 1997, South Africa's bilateral trade with Hong Kong, the future of the South African Consulate-General in Hong Kong, and the SAA landing rights would be "entirely [at] the discretion of the PRC."¹¹³ The report also cited Consul-General Farr's opinion and warned that South Africa would not only have to negotiate the status of its mission in Hong Kong with the PRC government, but also lose SAA's landing rights in Hong Kong. The report indicated that "as long as South Africa maintains

diplomatic relations with Taiwan, we would be unable to conclude a formal Air Service Agreement with respect to air service arrangements between South Africa and Hong Kong".¹¹⁴ From the above analysis, it was generally believed that the imminent return of Hong Kong to the PRC on July 1st, 1997 was one of the most important factors which influenced Mandela's timing of his announcement before the deadline of the hand-over.¹¹⁵

7.6 THE RSA'S NORMALISATION OF RELATIONS WITH THE PRC

Under the combined pressure of the ANC-SACP-COSATU alliance, the South African parliament, the South African government, academics, the business sector, parastatal corporations and the PRC, Mandela could no longer ignore the increasing vociferous clamour for normalisation of relations with the PRC before the return of Hong Kong. In response to these various sources of pressure, the process for normalising South Africa's relations with the PRC was set in motion by Mandela as from July 1995.

Hence, during the period from July 1995 to August 1996 the South African government sent various delegations to Beijing and Taipei to test the possibility of pursuing "dual recognition" of the PRC and the ROC. To sound out the PRC's attitude towards "dual recognition", the delegation from the Portfolio Committee on Foreign Affairs of the South African National Assembly was sent to visit Beijing and Taipei in July and November 1995, respectively. To exert further pressure on Mandela, the SACP passed a resolution in November 1995 requesting the ANC's National Executive Committee (NEC) to pressure the RSA government to speed up the normalisation of relations process with the PRC. In December 1995, based on the SACP's resolution, the ANC's NEC urged the GNU to send an official delegation to Beijing to discuss the establishment of diplomatic relations with the PRC. Therefore, Mandela sent the then RSA Foreign Minister Nzo to pay fact-finding visits to Beijing in March 1996 and Taipei in July 1996 to discuss and assess the feasibility of the "dual recognition" approach. In addition, several fact-finding missions were also conducted by officials of the foreign

policy establishment and NGOs to gather information and examine the possible impact of the recognition of the PRC.¹¹⁶

Despite Mandela's endeavour to try out the feasibility of "dual recognition", Mandela's personal prestige and his towering international moral status did not help South Africa to wring any concession from Beijing on the recognition issue. The RSA's attempt to pursue a "dual recognition" policy met with the PRC's flat rejection. The PRC leadership insisted that the PRC regards Taiwan (the ROC) as a province forming an integral part of China, and that the PRC's declared policy towards Taiwan (the ROC) is the policy of "One Country, Two Systems". Therefore, the precondition set by the PRC was that South Africa must first sever its diplomatic relations with Taiwan (the ROC) before establishing diplomatic ties with the PRC. Neither "dual recognition" nor maintaining the status quo was acceptable to the PRC. This was made abundantly clear by the PRC leadership to the July 1995 delegation of the Portfolio Committee on Foreign Affairs of the RSA National Assembly. The PRC leadership reiterated in no uncertain terms the PRC's position that the PRC would not tolerate any deviation from the concept of "One China", which includes Taiwan. They emphasised that on the question of "One China" there can be no compromise. They considered attempts to promote dual recognition to be an interference with the sovereignty of the PRC. The South African Parliamentary delegations was told that should any state with which the PRC has diplomatic relations, establish diplomatic relations with the ROC, the PRC will (as it has consistently done) sever such relations. In line with this policy, the PRC would refuse to establish diplomatic relations with any state which maintains diplomatic relations with the ROC.¹¹⁷

The same position was reiterated to Nzo in March 1996 when he visited Beijing to investigate and discuss the normalising relations with the PRC. For this visit, Nzo was instructed by Mandela to lead a "Presidential delegation" consisting of nine persons from both the RSA government and Parliament to visit the PRC on his behalf. This delegation met the political leadership of the PRC at the highest level, including the President and Secretary-General of the Chinese Communist Party (CCP), Jiang Zemin;

Li Peng, the Premier; Qian Qichen, the Vice-Premier and Foreign Minister; and Madame Wu Yi, the Minister of Foreign Trade and Economic Co-operation. The PRC President, Jiang Zemin, emphatically stated in the high-level meeting that the PRC would never accept “dual recognition” or foreign mediation for the PRC–ROC dispute, which the PRC considered an internal matter. He stressed that the PRC would not like to see South Africa, in particular Mandela with his high international profile, endeavour to set a precedent in this regard. The PRC leadership reminded Nzo and the other members of the Presidential delegation that while the PRC had given support to the liberation struggle, Taiwan (the ROC) had supported the white racist regime.¹¹⁸

Apart from the above-indicated PRC position and conditions for establishing diplomatic relations, the PRC leadership also raised the Hong Kong issue during the meeting, emphasising that South Africa should bear in mind that, as the sovereignty of Hong Kong would revert to the PRC after July 1st, 1997, Hong Kong’s foreign affairs and defence would be under Beijing’s control. Furthermore, the prospect of the PRC’s huge market, the PRC’s intention of granting Most Favoured Nation (MFN) treatment to the RSA and the UN issue were used as incentives to induce South Africa to facilitate the normalisation of relations during the PRC–RSA bilateral high-level meeting in Beijing. The RSA Presidential delegation was advised by the PRC leadership to take a long-term view of relations with the PRC. It was pointed out that good relations with the PRC were indispensable if South Africa wished to maintain its economic interests in the PRC and Hong Kong. The Minister of Foreign Trade and Economic Co-operation, Madame Wu Yi, expressed the PRC government’s wish to sign the Exchange of Notes for the granting of MFN trade status with the RSA during her attendance of the United Nations Conference on Trade and Development (UNCTAD) in South Africa in April 1996. She envisioned that within the next fifteen years, valuable opportunities for the development of trade and joint ventures between the PRC and South Africa would arise. She promised that the PRC would provide aid to South Africa after the establishment of diplomatic relations. She confirmed that the PRC was well prepared to do so.¹¹⁹

Although Nzo's two post-visit reports were never made public, and neither report made any concrete recommendations, somehow between the lines, the reports concealed an unequivocal message inferring that since "dual recognition" was not acceptable to Beijing, the severance of diplomatic ties with the ROC would be inevitable.¹²⁰

In the meantime, the PRC continued to use various means available, including Madame Wu Yi's visit to South Africa, the imminent hand-over of Hong Kong as well as a propaganda blitz to push South Africa's hand for recognition. Wu arrived in Johannesburg in April 1996 and left South Africa in May 1996. The main purpose of her visit was to attend the UNCTAD Conference, which was held in Midrand, just outside Johannesburg, from April 26th to May 11th, 1996. During her stay in South Africa, she was skilful enough to use the opportunity her visit presented to press the South African political leadership to speed up the normalisation process. She not only succeeded in signing of the Exchange of Notes for the granting of MFN trade status with Alec Erwin, the RSA Minister of Trade and Industry, but she also met with Mandela on April 30th, 1996 to discuss the normalisation of bilateral ties. She managed to gain the support of the South African political and business communities and highlight the need for South Africa to expedite the establishment of diplomatic relations with the PRC so as to safeguard the RSA's greater national interests. A growing consensus on the need for the normalisation of relations was thus whipped up in the South African media by Wu's visit.¹²¹

As a result of Wu's successful diplomatic manoeuvre, Mandela gave assurances to her during their meeting at Mahalamba-Ndlopfu, Pretoria, that as "dual recognition" was not possible, South Africa would downscale its relations with Taiwan (the ROC) in order to establish diplomatic relations with China (the PRC). Mandela indicated that Nzo's forthcoming visit to Taipei was aimed at seeking agreement with, and explaining to Taiwan that recognition of the PRC was inevitable and could not be avoided. Despite this, Mandela also honestly told her that the overwhelming majority of the ANC leadership demanded recognition of the PRC, and that he was the only one that was cautious.¹²² From Mandela's remarks it was apparent that the issue of recognition had

reached the final decision point by the end of April 1996. Mandela seemed to be determined to establish diplomatic relations with the PRC, but no time-frame was mentioned.

To add a greater sense of urgency, the PRC Ministry of Foreign Affairs in Beijing, through its Assistant Foreign Minister, Ji Peiding, also echoed Wu's demands. On April 27th, 1996, Ji issued a veiled warning to South Africa pertaining to the future of the South African Consulate-General in Hong Kong. Ji stated that as the deadline was approaching, diplomatic notes had already been sent to 30 countries, including South Africa, which maintained diplomatic relations with Taiwan (the ROC) to the effect that without establishing diplomatic relations with the PRC, the Hong Kong missions of these 30 countries would be allowed to continue only on a semi-official basis.¹²³

In order to exert further pressure on the RSA, the PRC aired its message of displeasure and impatience as well. In May 1996, the PRC President Jiang Zemin, intentionally omitted South Africa from his tour of Africa. At the same time, the PRC authorities released the news of various economic co-operation projects, including the so-called Dragon City complex, to the South African media with a view of inducing the South African general public to believe that by establishing diplomatic ties with Beijing, South Africa would greatly benefit from the immense economic investment from mainland China. The so-called Dragon City complex has not materialised to date. According to the PRC's propaganda, this project alone would create 500,000 new jobs and would inject USA\$18 billion into South Africa.¹²⁴

The tightening of the PRC's screws, coupled with its successful manoeuvring of the various means at its disposal, meant that the ROC had, more or less, lost its diplomatic war in South Africa by September 1996. The fate of ROC-RSA diplomatic ties was almost decided, pending the official announcement.

The ROC government was deeply worried about the damaging effects of Nzo's post-trip reports and the growing consensus in South Africa on the need for normalising relations

with the PRC. In order to save the collapsing ROC–RSA diplomatic relations, the ROC sent Vice Premier Hsu Li-teh to visit South Africa from August 26th to September 3rd, 1996 pledging to offer more trade, investment, economic aid programmes and various co-operation projects including a proposal for a USA\$3.5 billion petro-chemical complex joint venture in the Eastern Cape. Although Mandela publicly repeated his assurances that he would not break off diplomatic ties with the ROC, Hsu did not succeed in salvaging the faltering ROC–RSA relations. The die had already been cast. Mandela wanted formal ties with the PRC, but not at the expense of Pretoria’s long-time political and economic ties with the ROC. However the reports of the fact-finding missions clearly reflected that there was no way Mandela could achieve “dual recognition”. Mandela decided to follow the international major powers in establishing diplomatic ties with Beijing rather than Taipei.

On November 27th, 1996 at 4:00 p.m., Mandela announced at a press conference that South Africa had decided to cut diplomatic ties with the ROC and establish full diplomatic relations with the PRC as from January 1st, 1998. He declared that diplomatic relations with the ROC would be severed at the end of December 1997, but that the RSA would continue to maintain other relations with the ROC.¹²⁵

The explanation for cancelling diplomatic ties with the ROC, according to Mandela’s statement, was due to the following consideration:

In its international relations, South Africa has become an active participant within the Organisation of African Unity [OAU] and the Non-Aligned Movement [NAM], as well as within the UN system. A permanent continuation of diplomatic recognition of the Republic of China on Taiwan is inconsistent with South Africa’s role in international affairs.¹²⁶

Judging from the above explanation, it was apparent that South Africa’s aspirations to play a prominent role in international multi-lateral forums, such as the SADC, the OAU, the G77, the Commonwealth, the NAM and the UN, in particular South Africa’s interest

in seeking candidacy for the UN Security Council, was one of the important factors for Mandela to switch recognition. There is no denying that the democratic South Africa has always been keen to see the UN Security Council transformed into a relatively more democratic and representative organisation, even though South Africa has not yet decided whether it would pursue its own permanent seat on an expanded UN Security Council. The statement made by the Director-General of the RSA's Department of Foreign Affairs, Siphon Pityana, on July 24th, 2000, is proof of this policy. Pityana publicly confirmed that South Africa supported Africa's demand for two permanent seats on the Security Council, and that the UN section of the South African Department of Foreign Affairs had proposed that South Africa should campaign for a seat.¹²⁷ As the PRC is one of the Big Five which continue to dominate the UN with veto power, without the PRC's blessing, South Africa's dream of a permanent seat would remain elusive as long as the RSA retained its diplomatic ties with the ROC. This probably weighed heavily on Mandela's decision. During the press conference Mandela admitted that: "We tried to urge that [dual recognition] , but the People's Republic of China made it clear that they will not tolerate that; and it is impossible to move forward on the basis of dual recognition."¹²⁸

To sum up, Mandela's public admission indicated that the afore-mentioned factors, including the return of Hong Kong, the UN issue, the need for South Africa to be in line with the international trend, the PRC's rejection of "dual recognition" as well as the various other sources of pressure analysed in this chapter, caused his volte-face. Even so, Mandela was appreciative of the ROC's assistance. He had done his best to prolong the maintenance of the status quo and tried to pursue "dual recognition", but without any success. In the end, Mandela chose to announce the decision himself at his home in Johannesburg, which is next to the official residence of the ROC Consul-General (the first embodiment of ROC presence in South Africa), rather than in the President's Office or the Department of Foreign Affairs in Pretoria. The curtain fell on ROC-RSA diplomatic relations in a unique way, just as the relationship commenced in a unique historical era of both countries.

It was evident that Mandela was reluctant to hurt the feelings of the ROC government and its people and tried to part with the ROC as graciously as possible. He announced that the severance would take effect on January 1st, 1998. In giving a one-year notice, Mandela apparently intended to provide ample time for the two sides to work out a mutually acceptable formula for future interaction and resolve the practical problems as well. On March 6th, 1997, in Singapore, Mandela frankly revealed that by doing so “we have given them [the ROC] enough time for us to say thank you for what you have done”.¹²⁹ He further indicated that “the specific nature in which both [countries] relations will be structured will be dealt with of course by the experts and to the mutual satisfaction of both countries.”¹³⁰ Mandela’s personal revelation in Singapore partially explained why he chose as early as November 27th, 1996 to announce the termination of diplomatic ties with the ROC as from January 1st, 1998. However, as analysed in the preceding part of this chapter, the looming deadline of Hong Kong’s return to the PRC on July 1st, 1997 must have been an important consideration for the timing of the announcement. There was also speculation that the timing was designed to relieve Mandela’s successor, Mbeki, from the burden of the controversial two Chinas issue before Mandela’s retirement in 1999, and that the one-year transition was in part intended to put the PRC under pressure to make up for the loss Pretoria had sustained as a result of its severance of diplomatic ties with the ROC.¹³¹

Although South Africa’s change of relations with the ROC was long-expected, the ROC government and people, and certain sectors of the South African general public were caught off-guard by Mandela’s announcement. In its editorial, the South African daily newspaper, The Citizen, declared that “the sudden decision to reverse this stance came as a bombshell.”¹³²

Before making the announcement, Mandela did not consult or give any advance warning to the ROC government, the South African Parliament or his own cabinet and the Department of Foreign Affairs. As a matter of fact, only three months beforehand, on August 26th, 1996, Mandela still assured the then ROC Vice-Premier Hsu Li-teh during his visit to South Africa, that it would be “immoral” for him to break diplomatic ties

with the ROC in favour of the PRC.¹³³ The ROC Ambassador, I-cheng Loh, received only 24 hours notice of the decision.¹³⁴ South Africa's Ambassador in Taipei, Johannes Viljoen, was told by phone, ten minutes before the announcement.¹³⁵ The ROC Ambassador was verbally informed of the impending announcement by Mandela on the morning of November 26th, 1996, and the Director of the Chinese Centre for South African Studies in Pretoria, Gu Xin-er, was told during lunch time later that day.¹³⁶ At 1:00 p.m. in the afternoon, the ROC Ambassador hastily requested Mandela to cancel the scheduled media conference, but Mandela told the ROC Ambassador that he was determined to go ahead with his announcement at the next day's press conference.¹³⁷ The sudden switch surprised both Loh and Gu. The ROC Ambassador was dismayed at the bad news, and he immediately made an urgent report to the authorities in Taipei. But Gu, as the representative of the PRC, was delighted by this decision. Gu stated that "the establishment of diplomatic relations is in the interests of both our peoples and we welcome it".¹³⁸

In South Africa, Mandela's announcement aroused divergent reactions among various political parties and opinion makers. The responses basically depended on the extent of the historical links and the closeness of friendship between certain political parties or opinion makers and the ROC. Those who had close links with the ROC, such as the leaders of the NP, the FF and the IFP were outraged by Mandela's sudden reversal of recognition. The rank and file of the ANC-SACP-COSATU tripartite alliance welcomed the decision. Shortly after the announcement, De Klerk issued a press statement condemning the decision. He strongly criticised the way that this matter had been handled, and he stated that it was a serious issue to break diplomatic ties with any country. Furthermore, De Klerk asserted that the ROC was a good friend of South Africa and had done nothing wrong, therefore a satisfactory solution, instead of breaking ties, should have been found for this issue. De Klerk was also critical of the fact that Mandela did not discuss this important diplomatic issue beforehand with him as leader of the then official opposition. De Klerk perceived that this could be seen as a further proof of the growing influence of the SACP on the national government policy.¹³⁹

The IFP Secretary-General, Ziba Jiyane, expressed shock and dismay at Mandela's announcement. In an IFP statement, issued on November 28th, 1996, Jiyane lamented that "South Africa's decision to pander to Communist China's insistence that it sever diplomatic recognition with Taiwan before establishing diplomatic ties with that country compromises South Africa's integrity and political morality, given mainland China's appalling human rights record, and heavy investment by Taiwan in South Africa, particularly during its transition to democracy."¹⁴⁰

The FF Chief Spokesman on Foreign Affairs, Pieter Mulder, blasted Mandela in a statement issued on November 28th, 1996, for the haste and lack of consultation with the Parliamentary Portfolio Committee on the sudden change of policy. Mulder was particularly unhappy about the fact that Mandela personally gave the ROC Vice Premier, Hsu Li-teh, assurances that diplomatic ties would not be severed, yet soon after this, Mandela broke his word. Mulder said that "nobody can now blame the ROC if the promised development projects are cancelled to the disadvantage of South Africa and causing the loss of numerous job opportunities."¹⁴¹

The Democratic Party (DP) Spokesman for Foreign Affairs, Colin Eglin, was of the opinion that, given international political realities and South Africa's longer-term economic interests combined with the Hong Kong factor, diplomatic ties with the PRC were inevitable. However, the DP felt that the RSA government should do its utmost to ensure that, despite the new diplomatic circumstances, economic and social relations with the ROC would remain friendly and co-operative.¹⁴²

The South African press commentaries were mostly in favour of the change of relations with the ROC, in particular the predominantly pro-government black newspapers such as The Sowetan and The New Nation. The politically more independent liberal English newspapers such as The Star, The Pretoria News, Business Day, Natal Mercury and The Daily News generally expressed their support and gave their qualified backing to the switch of recognition. Most of these newspapers were of the view that for South Africa's national interests, it was necessary to take this political move, even though

some of them criticised the timing and the way the decision was made as well as the manner in which the announcement was handled. The Star in its editorial made the most notable exemplary comments on November 29th, 1996:

At last South Africa has resolved its China policy.... The immense growth potential of the PRC's market and its political clout as a permanent member of the UN Security Council have persuaded all the major countries to recognise it at the expense of the ROC. In its own national interests, South Africa had very little choice but to follow suit.¹⁴³

The majority of South Africa's political analysts were of the same opinion and praised the choice of the PRC as the sensible one.¹⁴⁴ Only a few relatively conservative newspapers, such as The Citizen and The Natal Witness were against bowing to pressure from the PRC. The Citizen slammed Nzo and Pahad, accusing them of causing a diplomatic debacle.¹⁴⁵ The Natal Witness felt so strongly about South Africa's submission to the PRC's demands that it pointed out that "only self-delusion could prevent us from seeing that kow-towing to a totalitarian state at the expense of a democracy makes a mockery of our moral stance."¹⁴⁶

For the Taiwanese community in South Africa, Pretoria's decision to switch diplomatic recognition sparked fears of uncertainty and profound indignation. Most of the Taiwanese investors were jittery over the RSA's change of relations with Taipei and were nervous about the future of their investments in South Africa. In January 1997, about 280 Taiwanese firms which were affiliated to the Association of Chinese (ROC) Industrialists in southern Africa temporarily closed their factories and ceased their trading to protest against Pretoria's plan to downgrade its relations with the ROC, and to urge the two governments to maintain a high level of relations in the future after negotiations.¹⁴⁷ As Taiwanese investments and RDP assistance in South Africa were part of the vested interests that the RSA wanted to retain during the upcoming bilateral negotiations, the South African government was deeply worried that the protest might turn into a full-scale disinvestment campaign if the ROC government called for

sanctions or retaliation. But the ROC government had no intention to do that. There was no rash response on the part of the ROC government. En route to Malawi and Swaziland, the then ROC Minister of Foreign Affairs, John H. Chang (an illegitimate grandchild of Chiang Kai-shek), assured the South African general public on January 14th, 1997, that the ROC government would not call for an investor pullout from South Africa. However he cautioned that Pretoria would need to offer the ROC government sufficient representation in South Africa, so as to ensure Taiwanese business interests were protected, otherwise “they will depart [by themselves] if they do not feel safe”.¹⁴⁸ The RSA government was greatly relieved to learn of the rational and pragmatic reaction from the ROC government.¹⁴⁹

In Taiwan, the ROC government and public were stunned by Mandela’s announcement. Although it was not totally unexpected, most of the Taiwanese people were surprised to hear Mandela’s sudden decision, because only three months earlier Mandela personally gave categorical assurances to the ROC Vice Premier that South Africa would not switch recognition. Therefore, it was quite understandable that after Mandela’s announcement, the ROC government and people were deeply disappointed. They experienced once again a rather rude awakening to the world’s harsh political reality and the PRC’s unrelenting diplomatic onslaught. South Africa’s turnabout on diplomatic ties dealt a stinging blow to the ROC’s diplomacy in the African continent. South Africa was the largest of the 30 countries that recognised the ROC at that time, and South Africa was also the most powerful country in the sub-Saharan region. The loss of diplomatic ties with the regional power was perceived as a painful blow to the ROC on the African diplomatic battlefield.¹⁵⁰

Pent-up anger and deep disappointment prevailed in the ROC. The ROC government immediately called in the South African Ambassador in Taipei and instructed the ROC Embassy in Pretoria to lodge a strong protest against “this unfriendly decision on the part of the government of the Republic of South Africa”¹⁵¹. In the meantime, the ROC Vice President and Premier, Lien Chan, issued an official statement on November 28th, 1996 to berate the PRC for the use of “underhand tactic[s] to undermine the ROC’s

diplomatic relations” and also to urge the RSA to “carefully reconsider all decisions pertaining to this policy decision.”¹⁵²

Despite being deeply shocked by Mandela’s surprise announcement, the ROC government was not angry with him. The anger was directed at Beijing, which imposes diplomatic isolation upon the island state. The ROC government still clung to a glimmer of hope that Mandela, with his magic of moral force, might be able to face-down the hard-liners in his own camp and rescue the sinking relationship from rupture.¹⁵³

In an attempt to save ROC–RSA diplomatic ties, the then ROC Minister of Foreign Affairs, John H. Chang, visited South Africa during December 3rd–7th, 1996, to negotiate the retention of the official relationship and the arrangements for ROC–RSA future relationship. During his visit to South Africa, Chang held talks with Mandela and Nzo on December 4th and 5th, respectively. However, despite Chang’s appeal, Mandela upheld his decision. Except for Mandela’s expressed statement to maintain relations with the ROC at the highest level of representation short of full diplomatic recognition, the South African government refused to make any concession to the ROC’s proposals, including the retention of the three Consulates-General in Johannesburg, Durban and Cape Town; the use of the name Republic of China in the designations of the future missions; and the use of the ROC flag and national emblems.¹⁵⁴ Chang was so upset that, after his meeting with Nzo on December 5th, 1996, he announced at the Diplomatic Guest House in Pretoria, the immediate suspension of all ongoing development assistance programmes and the 36 bilateral treaties and agreements in force, including the Air Service Agreement on the direct flight between Taipei and Johannesburg.¹⁵⁵ The immediate suspension affected not only the direct air links between the two countries, but also the progressive USA\$40 million Vocational Training Centre in Pretoria West.¹⁵⁶ Apart from the cancellation of the ongoing co-operation projects, Taipei was reluctant to provide new economic aid or soft loans to South Africa. However, trade and investment remained largely unaffected. After Chang’s departure, the two sides decided to leave the task of negotiating a new formula of future relations to their officials in the RSA Department of Foreign Affairs and the ROC Embassy in Pretoria.¹⁵⁷

7.7 THE ESTABLISHMENT OF ROC–RSA SUBSTANTIVE RELATIONS

From December 3rd, 1996 to the end of December 1997, the governments of the ROC and the RSA held seventeen rounds of talks (four rounds of high-level talks and thirteen rounds of working-level negotiations) to work out a mutually acceptable mechanism for the bilateral future relations. Among these talks, four rounds were conducted between their deputy foreign ministers or foreign ministers and thirteen rounds of talks were held between the working level officials, led by Ambassador Loh and the appointed special committee of the RSA Department of Foreign Affairs.¹⁵⁸

In the meantime, the South African negotiation team, headed by Pahad, and the PRC delegation under the leadership of its Assistant Foreign Minister, Ji Peiding, also engaged in three rounds of negotiations during this period. According to the ROC Embassy's confidential report, the negotiation process with the two Chinas was overseen by the then Deputy President, Mbeki, not Mandela or Nzo.¹⁵⁹ As Mbeki has always been keen to develop solidarity and strategic partnership with the PRC, the South African negotiation team submitted to all the demands imposed by the PRC without any objection, with the exception of Beijing's request that ROC properties in South Africa be handed over.¹⁶⁰

By the beginning of October 1997, the PRC and the RSA had already decided on the fundamental framework for future ROC–RSA relations for the ROC. In the Joint Communiqué between the RSA government and the PRC government on “The Establishment of Diplomatic Relations”, it has been clearly stipulated that “the government of the Republic of South Africa recognises that there is but one China in the world, the government of the People's Republic of China is the sole legal government representing the whole of China and recognises China's position that Taiwan is an unalienable part of China.”¹⁶¹ By accepting the PRC's “One China” clause, South Africa has legally recognised that the ROC (Taiwan) is a province of the PRC. Many countries desisted from doing so by avoiding recognition of the PRC's claim to Taiwan.

For instance, the United States only “acknowledges” the PRC’s position, and Japan “understands and respects” that position without agreeing to it.¹⁶²

Moreover, in section 1 of the Memorandum of Understanding between the government of the RSA and the government of the PRC on the Establishment of Diplomatic Relations, it prescribed that South Africa will not only “sever its diplomatic relations with Taiwan” but also “abrogate all intergovernmental treaties or agreements” as from January 1st, 1998.¹⁶³ Section 2 of the Memorandum, prohibits South Africa after January 1st, 1998, from maintaining any form of official relations or conduct official exchanges with Taiwan (the ROC). It stipulates:

After the establishment of diplomatic relations between South Africa and China, the South African government shall no longer maintain any form of official relations or conduct official exchanges with the Taiwan authorities. Taiwan’s non-governmental agencies in South Africa shall not have any official functions, nor shall they engage in any official activities or use any designations that may imply “two Chinas”, “one China, one Taiwan” including the display of [the] so-called “national flag”, national emblem” and other signs.¹⁶⁴

To rub salt into the wound, on January 28th, 1998, Nzo, at the request of the PRC, sent an official circular letter to ban official visits by ministers and premiers of the RSA to Taiwan, and restrict the access of the ROC diplomats to the South African government. South African ministers, premiers and officials were advised not to attend any official ROC functions.¹⁶⁵ With the above-mentioned restrictions in place, the PRC had succeeded in curbing the scope of ROC–RSA future relations. This was a mockery of Mandela’s promise that the RSA’s future relations with Taiwan would be “the highest level of relations short of diplomatic recognition.”¹⁶⁶

In spite of the harsh treatment meted out by South Africa to its former diplomatic ally, the ROC government did not have much choice but to opt for pragmatism and accept

the new arrangements of relationship with South Africa. To the ROC, South Africa is too important to be left without any relations at all. Strategically, South Africa is a pivotal regional power and a gateway to the African continent. Economically, South Africa is not only the ROC's largest trading partner in the whole of Africa, but also an important fishing base for the ROC's fishing vessels to operate in the Atlantic Ocean and the Indian Ocean. The ROC needed to protect its investments in South Africa and preserve its interests in the fisheries. In addition, there are other diverse interests which cannot be wished away.

Therefore, in the end, the ROC government settled for pragmatic diplomacy and agreed to maintain substantive relations with South Africa. The ROC realised that it had to change relations with the RSA for the sake of protecting the mutual interests of the two countries. The focus of the ROC's policy also changed as from 1998. The ROC's future relations with South Africa will be determined more by economic interest and market forces, rather than political motivation and special diplomatic consideration.¹⁶⁷

In line with this pragmatic policy, the ROC and the RSA eventually agreed to pursue a practical *modus vivendi* for their future relations as of the end of December 1997. The two sides reached an agreement by December 1997 that from January 1st, 1998, the previous ROC Embassy in Pretoria and its three Consulates-General would be changed into the "Taipei Liaison Office in the Republic of South Africa" and the "Taipei Liaison Offices in Johannesburg, Cape Town and Durban" respectively. The previous South African Embassy in Taipei would be known as the "Liaison Office of South Africa". All of these are located in the same premises as before. The Head of the respective South African and Taipei Liaison Offices shall bear the title of "Representative"; the respective Head of the Taipei Liaison Offices in Johannesburg, Cape Town and Durban shall be called "Director-General". Although the accredited representatives and offices are not allowed to fly their respective national flags and use the designation of the ROC, they are accorded diplomatic privileges and immunities on a reciprocal basis.¹⁶⁸ In real practice, the functions of these offices are more flexible than the prescribed official nature specifies, although this is done discreetly, as it has been pursued by many

countries, including the USA, France, Singapore, Malaysia, Indonesia, India, Turkey, Sweden, Russia, Thailand and Australia.¹⁶⁹

From the aforesaid, it is evident that both the ROC and the RSA followed a very pragmatic approach to deal with each other while affording no *de jure* recognition to the other entity. The long-standing official links between the ROC and the RSA came to an end on December 31st, 1997. The ROC flag was lowered at the ROC Embassy in Pretoria on January 1st, 1998, and the ROC Embassy was renamed the Taipei Liaison Office. Since the archives of ROC–RSA substantive relations after 1998 are still classified as confidential and politically highly sensitive, the details of the historical development of ROC–RSA relations after 1998 will be left to future scholars to pursue.

FOOTNOTES

CHAPTER VII

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53. A. Pahad's remarks made at the conference on "China entry into the WTO—Implications for South African Business" held at the Hyatt Hotel, Rosebank, Johannesburg on May 30th, 2000.
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CHAPTER VIII

8.1 CONCLUSION

Before the 1970s, the ROC's contacts with the RSA were rudimentary. It was during the period from the establishment of ROC–RSA diplomatic ties in 1976 to the end of the 1980s that ROC–RSA relations broadened. Both countries' common interests were founded upon anti-communism, security-strategic considerations, complementary economies and their respective international isolation. However, by the time of the emergence of a new democratic South Africa in April 1994, the convergence of common interests no longer existed. The USSR had collapsed in 1991. The strategic and nuclear co-operation between the two states had dissipated by the end of the 1980s. Since 1994, the RSA has emerged from isolation to play an increasingly important role in international affairs. The party that came to power in South Africa in 1994 has different political aspirations than the previous NP government. The ANC-led government positions itself as a global player aspiring towards debt cancellation, the eradication of poverty, increased market access and the African Renaissance.¹

In the meantime, as a result of its economic reforms, the PRC has re-emerged as one of the most powerful and influential nations on earth.² The RSA could not ignore the PRC's rising international status, its economic power and its vital position as a permanent member of the UN Security Council. Conscious of the PRC's strategic and economic importance, the RSA considers its relationship with the PRC not only as one of primary importance but also as a strategic partner in international affairs. Mbeki has contemplated the formation of a "G7 of the South" and is keen to improve the solidarity of the "Group of 77 and China" so as to bring the PRC, India and other key countries of the South together to counterbalance the influence of the USA and the G8 of the North.³ The PRC also intends to strengthen China–Africa co-operation and mobilise African support to counter the domination of the USA and other western powers.⁴

Under these circumstances, it was generally anticipated that the RSA government would shift its China policy and normalise its relationship with the PRC. Despite Mandela's personal support for the continuance of diplomatic ties with the ROC, and the ROC's thrusts of so-called "chequebook diplomacy"⁵ (financial aid, loans and grants) and its lobbying campaign, the pressure to derecognise the ROC exerted by the PRC, the ANC-SACP-COSATU tripartite alliance, the South African business sector, public corporations, academia, parliament and members of the government, was too much for Mandela to withstand. As South African foreign policy had changed its focus, the renowned South African historians, Rodney Davenport and Christopher Saunders, deduced that:

The decision to open diplomatic relations with the People's Republic of China, which involved the ending of formal ambassadorial ties with Taiwan, was controversial in view of the helpful role which Taiwan had played in supporting the South African economy during the years of isolation, and had continued to do afterwards; but the formal breach was unavoidable in view of the previous UN decision to accord China a place on the Security Council on her own terms.⁶

The PRC's outright rejection of "dual recognition" and the looming deadline of the hand-over of Hong Kong to the PRC on July 1st, 1997 was the last straw for Mandela, and he "reluctantly came to the conclusion that the reversal of the status quo was the only feasible option open to the South African government."⁷ Mandela eventually succumbed to the realism and the PRC's dictation of "One China" and he announced that the diplomatic links between the ROC and the RSA would be severed from the end of 1997. The decision to change the diplomatic relationship has generally been accepted by the South African public. A new chapter of bilateral relations was thus unfolded from January 1st, 1998 onwards.

The study of the relations between the ROC and the RSA during 1948-1998 concludes that despite their close bonding and partnership in all spheres, the two geographically

and culturally distant pariah states did not succeed in breaking out of the international diplomatic isolation through their bilateral alignment, and that the pariah alignment was short-lived and of limited value. Despite the efforts that had been made to implement various fields of co-operation between the pariahs, the whole exercise proved to be futile, and labour was vainly spent in an attempt to counter diplomatic isolation. In the end, the two states' alignment could not challenge the long-held dominance of the strong powers. As the major powers dominate the inter-state system in the world community, it is not possible for the ROC to avoid the world of realism and power politics. Clearly, the ROC's security and survival are centred around the USA, and the ROC's fate is difficult to separate from the politics of the USA and the PRC. As a small state, the ROC has very little leverage to bargain with these two major powers. As from 1971, the PRC has tried to ostracise the ROC from international interactions. By comparison, as from 1994, the RSA was able to fully return to the international community because of the change in its domestic political dispensation.⁸

One of the major findings of this research is that the development of bilateral relations is largely determined by the respective countries' fluid internal and external situations, foreign policy goals, as well as their long-term economic and strategic considerations. Short-term financial gain was only a minor factor. It is evident that by November 1996, the two countries had already reached the point of an irreparable divergence of national interests. No matter how hard the ROC diplomats tried to wrestle with the trend of drifting apart, the change of relations was bound to happen. Therefore, despite the ROC's strenuous efforts to save its diplomatic ties with the RSA, the ROC merely delayed the inevitable and prolonged ROC–RSA diplomatic relations for two and a half years. The effects of the ROC's "cheque-book diplomacy" were limited, but its costs were high. According to Nzo's estimation, the cost of the ROC's RDP assistance alone was US\$647 million, excluding other expenditure such as the ROC's US\$10 million donation to the ANC and the cost of the ROC's lobbying campaign.⁹ In the end, no amount of financial aid or grants could really persuade the South African government to maintain its diplomatic ties with the ROC, once the RSA had decided that its vital national interests and new foreign policy focus lay with the PRC. Nevertheless, for the

two countries' bilateral long-term interests, both governments were able to exercise their creative powers and use unconventional diplomacy to pursue substantive relations.¹⁰

8.2 EPILOGUE

After the severance of ROC–RSA diplomatic relations, the two countries' relations are conducted on the basis of interest-driven, substantive and pragmatic diplomacy. The political interest that motivated the ROC to render large amounts of financial aid to the RSA no longer exists. Market forces will determine economic relations. Loans will be granted purely on a “commercial rather than political basis” and “there will be no further aid [for the RSA], which is of no benefit to the ROC.”¹¹

Although the two governments were flexible enough to devise “Liaison Offices” to replace their respective embassies and consulates-general as from January 1st, 1998, the loss of diplomatic ties not only made the improvement of economic relations difficult, but has also left the future ROC–RSA bilateral relationship in a state of uncertainty. Both countries are still searching for a formula to handle future bilateral relations.

The lack of a legal framework and the RSA's self-imposed restriction of contact at the official level are obstacles in the path of the new relationship. By derecognising the ROC, and accepting “One China”, the RSA in effect confirms that the ROC does not exist, and hence all treaties and agreements concluded between the two states are null and void. Soon after the cancellation of ROC–RSA diplomatic relations, Nzo wrote a circular letter to all cabinet ministers and premiers restricting their official visits to the ROC and restricting the access of ROC diplomats to South African governmental departments. It was advised that “no personnel of the respective Taipei Liaison Offices should be invited to the official functions hosted by the South African government” and vice versa.¹² ROC diplomats are restricted to “the level of Director-General for important matters and to [the] functional level for routine matters.”¹³

In the course of South Africa's negotiation for recognition of PRC, the South African government was pressurised by the PRC government to subscribe to its "One China" principle – Taiwan, (the ROC) is but a province of mainland China. In accordance with the Joint Communiqué between the government of the PRC and the government of the RSA on the establishment of diplomatic relations, the government of the RSA recognises that "there is but one China in the world, the government of the People's Republic of China is the sole legal government representing the whole of China and Taiwan is an inalienable part of China."¹⁴ In other words, in normalising its relations with the PRC, the RSA has been forced to accept the PRC's claim that the ROC is non-existent, but merely a part of the PRC. Through the derecognition of the ROC, the RSA may no longer maintain any official relations or conduct any official interactions with the ROC. The South African government functionaries also stick to the "One China" principle and all previously concluded agreements between the ROC and the RSA have been annulled by the RSA.¹⁵

So far, no arrangement has been made to replace those invalid bilateral agreements and no mechanism has been set up to maintain the long-standing economic ties or to deal with the trade problems. Even the practical economic issues, such as a forum for economic co-operation and an investment guarantee agreement remain unresolved. The trade and economic relations between the ROC and the RSA have been left to take their own course.¹⁶

Although the two countries' trade and economic ties found their own way to continue, the limbo status of bilateral relations is not conducive to the strengthening of the ROC–RSA economic relationship. This constraint was manifested in the 1996-1998 trade figures. Following the announcement of the impending severance of ROC–RSA diplomatic ties, the ROC–RSA bilateral trade volume gradually decreased. The total of the two-way trade between the ROC and the RSA reduced from USA\$1.87 billion in 1995 to USA\$1.76 billion in 1996, USA\$1.78 billion in 1997 and USA\$1.40 billion in 1998. However, while South Africa's trade with the ROC saw a decline of 9.2% in 1998, and a slight recovery in 1999, the RSA–PRC bilateral trade has expanded rapidly since

1998.¹⁷ This was partly due to the financial meltdown of East Asia in 1997-8 which caused the diminishing of the ROC's demand for South Africa's mineral and natural resources, and partly due to the break-off of ROC-RSA diplomatic ties. From the above analysis, it is clear that the severance of diplomatic ties affected ROC-RSA economic and financial ties, but did not really jeopardise ROC-RSA bilateral trade and economic links, in spite of various obstacles and the shadow of uncertainty.

As regards ROC investments in South Africa, these remained largely unchanged after South Africa's switch of diplomatic recognition from the ROC to the PRC in January 1998. Contrary to some scholars' predictions, the ROC entrepreneurs were not pressured by the ROC government to scale down their businesses nor did they withdraw their investments from South Africa.¹⁸ Despite facing an adverse political and economic climate and the serious crime wave, the ROC companies in South Africa have survived the post-diplomatic crisis. Being a democratic country, the ROC government has not much control over the business community. It is the private sector that does business with the RSA. As most ROC industrialists had put their capital in direct investments, they would not close down their operations and relocate from South Africa to other African countries which maintain diplomatic relations with the ROC. Realising the importance of its economic links with the RSA, the ROC government respected the decisions of the private sector. Therefore, Taipei did not discourage and has never curtailed or pressured ROC companies to cease their economic activities in South Africa. Apart from the fact that most of the ROC enterprises are fixed direct investments, ROC investors chose to remain in the RSA due to the importance of South Africa's location as a springboard to the African continent and beyond, and the RSA's excellent infrastructure, equal legal protection, good education and living environment. According to Kwazulu-Natal Marketing Initiative's (KMI) report, and the author's own survey conducted in 1999, there were 311 ROC factories operating in South Africa during 1999, which is an increase of 31 factories compared to the 1996 census.¹⁹

The above economic statistics point to the fact that most of the ROC investments in South Africa are direct investments which are difficult to pullout quickly, and that the

ROC remains one of the major investors despite the lack of formal diplomatic ties after 1998. The ROC's direct investments are governed by commercial considerations rather than diplomatic/political objectives. In short, in the immediate post-diplomatic years, the state of the bilateral economic and trade relationship did not change seriously. The trade flow continues without much disruption.

However, in the diplomatic/political spheres, most of the high-level exchange of visits and interactions of the afore-mentioned institutional structures, such as the ROC–RSA Defence Industry Co-operation and the ROC–RSA Ministerial Conference on Economic and Technical Co-operation, have ceased. The same is true of ROC–RSA relations in other spheres. Since the breach of ROC–RSA diplomatic ties, bilateral military, educational/academic, socio-cultural, sport, tourism and aviation links are also in a state of dormancy. The RSA is no longer seen as an important diplomatic ally of the ROC, and vice versa. Both sides have lost interest in the other country and are drifting back to their original reluctance to embrace each other. Both the ROC's and RSA's media lacks interest in the situation of the other country, with the exception of certain dramatic events. For example, the Taiwan's 1999 earthquake and the victory of the DPP in the March 2000 presidential election was fairly widely reported in the South African media, and the RSA's crime situation has received extensive coverage in the ROC media. The cordial bonding that existed between the two countries from the mid-1970s to the early 1990s came to an end in 1998. The two countries have entered into an historical stage of the cooling of state relations as from January 1998.²⁰

Our analysis has brought to light the reality that whether or not the ROC will be fully integrated into the international community and see the end of its enforced isolation will largely depend on its cross-Straits relations and a dramatic change of political attitudes and policies in Beijing, Washington and Taipei itself. Currently, ROC–RSA relations are still in transition. In the future, economics and the substantive relationship will supersede the past formal diplomatic ties. At the moment, it is still too early to tell whether the unorthodox approach will work or not. However, given the ROC's resilience and strength, ROC–RSA future relations will not stagnate. There is still room for Taipei

and Pretoria to develop a strong substantive relationship without jeopardising the RSA's strategic relationship with Beijing. Like other countries with substantive relations with the ROC, this will require wisdom, creativity and a flexible balancing act on the RSA's part as well as an understanding of the Taiwanese pathos and spirit of liberty. The people of the RSA should understand that the people of Taiwan are determined to uphold their freedom and democracy, and will not capitulate to the PRC's intimidation. On New Year's Day 2001, the ROC president, Chen Shui-bian, outlined the "Taiwan spirit" as follows:

After it was ceded to Japan in the 1895 Treaty of Shimonoseki, Taiwan entered the 20th century frustrated by its inability to control its own destiny. Nevertheless, for over a century, the determination of the people of Taiwan to be their own masters and not capitulate has never changed.... Taiwan is like a "rose that will never be squashed", in the words of the senior Taiwan writer, Yang Kuei. Even in the darkest age of suppression, the people on Taiwan still maintained their pragmatism, diligence and undaunted character.²¹

Therefore, despite the enormous difficulty of the international environment and the PRC's imposition of diplomatic isolation, by adopting flexible "pragmatic diplomacy" to engage with the outside world, the ROC manages to circumvent isolation. With the passage of time, many countries have found that it is to their advantage to "draw upon Taiwan's technical expertise, managerial pool, capital resources, trade, and know-how"²² David Dean, a senior USA diplomat, commented that "[diplomatic] isolation isn't working very well because of Taiwan's economic strength and other strengths."²³

In spite of the fact that ROC–RSA relations reached an historical low point during 1998–1999, the RSA Department of Foreign Affairs' East Asia Directorate and the Taipei Liaison Office in Pretoria have both made great efforts to restore some element of trust and confidence between the two sides since then. This has resulted in a slight improvement of the working relations between the two offices. In addition, there has

been a gradual realisation that the ROC, with its economic power and capital, is still relevant to the RSA's national interests and the African Renaissance. There is a need for the RSA to engage the ROC to develop South Africa's economy. At a time when investment and economic development have become the new priorities of the RSA's foreign policy, relations with the ROC are of importance. The African Renaissance is central to the RSA's new foreign policy. Addressing the SAIIA in November 1999, the RSA's Minister of Foreign Affairs, Nkosazana Dlamini-Zuma, stated that "the promotion and attainment of the African Renaissance shall constitute the key-defining goal of all our foreign policy."²⁴

To pursue this lofty goal, the ROC is in a position to make a positive contribution to the RSA's economic development. According to Monika Glinzer, a former researcher with the SAIIA and presently an official with the DTI, "there is a great potential to take advantage of Taiwan's potential to train South Africans in areas such as agriculture, land reform, information and SMME development."²⁵ Glinzer also suggested that, in addition to the already strong presence of Taiwanese textile and clothing companies, the enactment of the USA's Africa Growth and Opportunity Act (AGOA), could "provide an excellent incentive for further Taiwanese investment and hence job creation."²⁶ Greg Mills is of the same view and indicated that "Taiwan is today one of the world's largest investors, despite its political isolation."²⁷ Furthermore, Mills believes that "today, Taiwan's investment in South Africa's textile and garment industries may offer parallel development and industrialisation opportunities to the region."²⁸ Mills concludes that whether Taiwanese and other investors react to these opportunities depends largely on how the governments in the region react.²⁹

Due to the above-mentioned factors, the South African government has realised that "South Africa and Taiwan share considerable interests built up over an extended period of time" and that "Taiwan will therefore continue to remain an important economic partner of South Africa."³⁰ This reality cannot be wished away. Based on this awareness, the RSA's Department of Foreign Affairs has adopted a relatively holistic approach to the greater China region and, since 2000, has identified the ROC as an

important role-player to support the African Renaissance. The Department has not only taken cognisance of the ROC's non-exploitative economic interaction with Africa, but has also taken note of the following opportunities for the RSA's future economic development:

- Taiwan remains a significant contributor of FDI to Africa. FDI from Taiwan governed by commercial considerations rather than political objectives.
- Potential for significant growth in FDI [Foreign Direct Investment] to Africa (especially in labour intensive sectors such as clothing and textiles) as a result of opportunities created by instruments such as the US Africa Growth and Opportunity Act and free trade agreements with (e.g.) the EU.
- The "Taiwan Experience" in the development of an economic base – especially in manufacturing and SMME development – could create a sustainable development model for Africa.
- Keeness on Taiwan's side to provide capacity training for Africa in its own experiences in areas such as land reform, manufacturing industry, management capacity and agricultural development.
- Taiwan has demonstrated its willingness to assist Africa to bridge the technology gap through IT [Information Technology] focused training programmes.
- Imports into Taiwan regulated by commercial considerations (with few tariff and non-tariff barriers as a result of Taiwan's preparations for WTO [World Trade Organization] accession), rather than political intervention, hence the ability to help Africa to compete on a fair basis.
- High levels of affluence create opportunity for increased exports of precious commodities (gold, diamonds, platinum) to Taiwan.³¹

From the above analysis, it is clear that South Africa is at a unique point in its history and the RSA's relations with the ROC are at the crossroads. Will the African Renaissance succeed or fail? Are bilateral relations between the ROC and the RSA going to decline or progress? The answers to these questions will evolve in the coming years. This thesis does not seek to answer these questions. The development and

implications of the post-diplomatic ROC–RSA relationship are pending further scholarly research.³²

FOOTNOTES

CHAPTER VIII

1. See The Star, January 29th, 2001, p.9 (Millennium Africa Renaissance Programme); The Citizen, January 29th, 2001, p.4 (Mbeki puts his case for south); Sowetan, January 25th, 2001, p.16 (Selling African renewal).
2. The RSA Department of Foreign Affairs (DFA), Briefing Document: The People's Republic of China (PRC) and the Republic of China on Taiwan, p.1.
3. DFA, telex to the RSA Embassy in Beijing regarding "PRC: G7 of the South" on June 4th, 1999, p.1. See also Li Peng's speech at the special meeting of the RSA National Assembly and the National Council of Provinces on November 18th, 1999, pp.2-5.; The Ministerial Declaration of the Group of 77, Midrand, April 28th, 1996, p.1; and Corporate Intelligence Review, Vol.7, No.8, 2000, p.35.
4. Shelton, "The Beijing Sino-Africa Forum: Consolidating a New paradigm for China's Africa Policy" in Global Dialogue, Vol.6.1, February 2001, pp.27-28; see also the RSA office of the Presidency, statement by President Mbeki at the banquet in honour of President Jiang Zemin, April 25th, 2000, pp.1-2; The Cape Argus, April 26th, 2000, (China, SA seek new world order).
5. Mills, "South Africa and the Two Chinas", p.167. See also Le Pere & Van Nieuwkerk, "Making Foreign Policy in South Africa", p.213.
6. T.R.H. Davenport and C. Sauders, South Africa: A Modern History, p.593.
7. Le Pere & Van Nieuwkerk, "Making Foreign Policy in South Africa", p.214.
8. Geldenhuys, "International Involvement in South Africa's Political Transformation" in Carlsnaes & Muller (eds.), Change and South African External Relations, p.35.
9. DFA, Nzo's Remarks for the Discussion with the PRC Delegation, at the Union Buildings, on January 27th, 1997, p.2.
10. The Citizen, December 5th, 1996, pp.1-2 (Non-diplomatic ties for SA, ROC).
11. Davies, South Africa and Taiwan, p.7.
12. Nzo's circular letter to the RSA cabinet ministers and provincial premiers, January 28th, 1998, p.2.
13. *Ibid.*, p.3.
14. Joint Communiqué between the Government of the Republic of South Africa and the Government of the People's Republic of China on the Establishment of Diplomatic Relations, December 30th, 1997, p.1.
15. Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the People's Republic of China on the Establishment of Diplomatic Relations, December 30th, 1997, p.1, clause 1.
16. *Ibid.*, p.1, clause 3.
17. J. Dlodlu, "Trade with Taiwan drops as China moves in", The Star, January 26th, 1999. See also Shelton, "China's Africa Policy and South Africa: Building New Economic Partnerships", in South African Yearbook of International Affairs, 2000/01, October 2000, p.390.
18. See Woods, Ph.D. thesis, p.260. Woods indicates that "should a future South African government withdraw its diplomatic representation from Taiwan and recognise the People's Republic of China, it is most probable that Taiwanese companies would be under great pressure from their government to curtail their operations in South Africa."
19. KwaZulu-Natal Marketing Initiative (KMI), Statistics of Foreign Investment, April 1st, 1998 to March 31st, 1999. In accordance with KMI's statistics, there were 14 new Taiwanese investment projects, injecting R34.38 million in the KwaZulu-Natal province during the said period. In other provinces, there were 17 new Taiwanese factories. There were, therefore, a total of 31 new Taiwanese factories during this period.
20. TLO Archives, Pretoria: The Summarised Minutes of the Discussion between the RSA Minister of defence, Joe Modise, and the ROC Minister of Foreign Affairs, Janson C. Hu, held at MOFA, Taipei, on July 3rd, 1998, p.2. During the discussion, Modise stated that following the cancellation of ROC-RSA diplomatic relations, the long-existing ROC-RSA government relations had been frozen.
21. Chen Shui-bian, Cross-century Remarks on New Year's Day, 2001, p.1.
22. H. Feldman, Constitutional Reform and the Future of the Republic of China, p.62.
23. *Ibid.*



24. See the full text of Minister n. Dlamini-Zuma's speech delivered at the SAIIA, on November 1st, 1999, p.5.
25. Glinzer, "Not a Zero-sum Game: SA, Taiwan and China", in SAIIA's Intelligence Update, 24/2000, p.3.
26. Ibid.
27. Mills, "Sowing Investment" in Business Africa, October 2000, p.1.
28. Ibid.
29. Ibid., p.3.
30. DFA, Nzo's Remarks for the Discussion with the PRC Delegation, at the Union Buildings, on January 27th, 1997, p.2.
31. DFA, Document regarding the Assessment on the Greater China Region, p.1.
32. See Davies, South Africa and Taiwan, pp.1-13.