The Taiwan Question in China-U.S. Relations

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The Taiwan issue has been regarded as the most sensitive question between China and the United States (U.S.). Although China-U.S. relations have made much progress, the Taiwan question has arrested the concerns of Chinese and American decision-makers for many years. Why is the Taiwan issue so important for the relationship between China and the U.S.? How is the future trend of development of China-U.S.-Taiwan? The different views of the governments in Washington and Beijing on the Taiwan issue, what result could it lead to? This study intends to answer these questions. To analyze this issue, I empirically examine the cases of Nixon’s visit to China in 1972 and Lee Teng-hui’s visit to the United States in 1995. By combining security complex theory and neorealism and neoliberal institutionalism I find that the Taiwan issue influenced the relationship between China and the U.S., and whether the Taiwan issue is settled properly will affect the normal development of China-U.S. relations directly.

Keyword
China, the United States, Taiwan, neorealism, neoliberal institutionalism, security
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Abstract

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1. INTRODUCTORY CHAPTER

The relationship between China and the United States (U.S.) is regarded as one of the most focused and most complex international relations. There are so many controversial issues in China-U.S. relations: human rights, arm sales, alleged nuclear proliferation, a huge trade deficit, and more. However, these matters at least could be settled in an amicable way.

But on the issue of Taiwan, there is little or even no hope of diplomatic working to settle for China and the U.S. For the Chinese government, Beijing claims that Taiwan is Chinese inalienable territory, and is a part of Chinese sovereignty. The Taiwan issue is regarded as a Chinese internal affair and evidence that it is China's civil war between China's Communist Party and the National Party. Any Chinese authority couldn't make a concession to the Taiwan issue.

In the meanwhile, Taiwan’s geographic situation has very important strategic meanings to sustainable development of China’s economy in the 21st century. Because Taiwan locates in the mid-point of Chinese coastline, and it closes to China Mainland, once China loses Taiwan, the security of China will not be ensured. For example, China is the third biggest importer of oil in 2003.¹ The Taiwan Strait is the key transport line for oil from mid-east to the North of China. In other words, if China realizes unification of Taiwan, then China will obtain strategic advantage in East and Southeast Asia, and reduce the threat from the U.S. and Japan.

From the view of Taiwan people, they thought they have the right to choose its future as a democratic country, and most Americans and a significant majority of members of Congress agree that it should. So a December 2000 RAND² study of foreign policy and national security issues concluded, “Critical differences between China Mainland and Taiwan about the future of their relations make the Taiwan issue the most intractable and dangerous East-Asian flashpoint-and the one with the greatest potential for bringing the United States and China into confrontation in the near future.”³

For the United States government, ‘containing China’ is always a big voice after the Cold War. The U.S. has some military alliances or military bases in Asia-Pacific region. From the north to south, South Korea, Japan, Philippines, Guam, Australia, these military points like a chain locking China. If Taiwan joins the alliance of the U.S., China will lose the space of strategic development to the ocean. So Taiwan is a good chess for the U.S. to contain China.

Thus the right solution of the Taiwan issue is very crucial for the development of China-U.S. relations. Although China-U.S. relations have made much progress since the establishment of diplomatic relations between China and the United States, but the Taiwan question has still arrested the concerns of Chinese and American decision-makers. Observers of China-U.S. relations have always used the term “the Taiwan question” to signify the difficulty in properly handling the Taiwan issue. The so-called “Taiwan question” implicitly means that Taiwan is a


² RAND: Research and Development. It mainly focuses on issues of national security.

chessman on this chessboard between China and the U.S. That is, Taiwan’s security is determined by actions of the United States and China, and the Taiwan issue has the great influence, restricts and affects the development of China-U.S. relations. Therefore, China and the U.S. have to pay much more attention to the Taiwan issue, deal with everything prudently.

1.1 Aim and Research Question
The ultimate objective of this study is to analyze the impact of the Taiwan question on China-U.S. relations. There have been many researchers studying China-U.S. relations, ranging from economic to political as well as strategic relations, since China-U.S. relations have been influential in affecting the world situation since 1978 when China embarked on its open door policy. The Taiwan issue is the most difficult solved question between China-U.S., and this issue has little hope to be negotiated and make an agreement. So, in this study I will concentrate on the importance of the Taiwan issue to analyze its influence on China-U.S. relations.

Practically speaking, it is impossible to look into every incident among the Taiwan, China and the United States within a limited research time. Therefore, instead of going through all the incidents and its impacts, I select only two cases: Nixon’s visit to China in February 1972 and Lee Teng-hui’s visit to the United States in May 1995. These two are worth being analyzed because the rapprochement of the U.S. and China in the former case represents ‘decreasing tensions,’ both sides reached an agreement on the Taiwan issue; while the latter incident represents ‘increasing tensions’ in China-U.S. relations, both sides diverged from each other on the Taiwan issue.

The main questions of study are:

1. Why is the Taiwan issue so important for the relationship between China and U.S.?
2. How is the future trend of development of China-U.S.-Taiwan?
3. The different views of the governments in Washington and Beijing on the Taiwan issue, what result could it lead to?

These questions will be as a foundation for this study and be a central for the analysis. Thus, with the help of the above research questions and theories develop general propositions from the analysis.

1.2 Disposition
The thesis is divided into six chapters. The first chapter serves as an introduction, gives the overview of the structure of the paper, and eventual formulation of the research problem, purpose and questions. The second chapter is devoted to the development of theoretical

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4 Since the Korean War, the United States was viewed as China’s number one enemy until the early 1970s. Even after 1979, when a formal diplomatic relationship was established between the two countries, the United States was still perceived by China as a major threat. On the other hand, the Sino-Soviet relationship deteriorated dramatically in the 1960s, which led to several serious border clashes in 1969 along the Ussuri and Amur rivers. Subsequently, the Soviet Union became China’s number one archenemy until the mid-1980s. India had several border military confrontations and wars with China from 1959 to 1962. Since then it was treated as one of China’s military threats until 1979. Japan has been treated as a rival of China, partly because of the bitter memory associated with its invasion of China in the 1930s, and partly because Japan is a close ally of the United States. Taiwan also is regarded as a long-time military rival of China, but because of its relatively small size and military strength it brings no major threat to China.
framework. Chapter III works as a background of general issues. This chapter is composed of two parts, one part is historical background of the Taiwan issue in China-U.S. relations, which includes three periods (1950s-1960s; 1970s-1980s; 1990s-present), and another is the origin of Taiwan issue, which is from 1895 to present. In Chapter IV, I examine the two cases in-depth that Nixon’s visit to the United States and Lee Teng-hui’s visit to the United States. This chapter is composed of two parts, in which each case is dealt with respectively. In Chapter V, I will analyse the Taiwan question in China-U.S. relations from military security, economic security and political security respectively, and analyse political, economic, military interest of China, the United States and Taiwan in China-U.S.-Taiwan relations. Finally in Chapter VI, I will conclude my study by briefly summing up what the research findings are.

1.3 Limitation
As the purpose of this study is to analyse the Taiwan issue in China-U.S. relation, the period of 1950s--February 2004 was chosen. This study focuses on the Taiwan issue and leaves other issues between China and U.S. outside the scope of analysis. Furthermore, the scope of analysis is only Nixon’s visit to China and Lee Teng-hui’s visit to the United States, other problems were left outside due to the extraordinariness.

1.4 Methodology
The research mainly uses the qualitative case study method. And this study will base on case analysis to examine the importance of the Taiwan questions in China-U.S. relations. The qualitative method refers to the forms of data collection and analysis.

In this study, two cases are described and analysed, why I use this method is the case study is "an intensive, holistic description and analysis of a single instance, phenomenon, or social unit." These two cases, which one is "Nixon’s visit to China", and another is "Lee Teng-hui’s visit to the United States", are conducted in order to get an in-depth understanding of the importance of the Taiwan issue in China-U.S. relations. In the book of “Case Study Research: Design and Methods”, Yin (1995), defines case study research method as:

“A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident, relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and benefits from the prior development of theoretical propositions to guide data collection and analysis.”

The cases of Nixon and Lee are chosen for a number of reasons. Yin notes, that “the case study allows an investigation to retain the holistic and meaningful characteristics of real-life events—such as individual life cycles, organizational and managerial processes, and international relations.” However, the two cases are clearly suitable cases. Firstly, the first case is that Nixon’s visit to China was the first cooperation between China and the U.S., and became allies, the U.S. even acknowledge “Taiwan is a part of China” in “Shanghai Communiqué”. This is a good turning point between China and the U.S., and this is also a

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7 Ibid, p.3.
8 See the appendix I.
new start of normalization of China-U.S. relations. In sum up, it has a historic meaning case for analyzing the importance and influence of the Taiwan issue in this context. The second case of Lee’s visit to the United States is very meaningful one because it was the first crisis of China-U.S. establishing diplomatic relations. Owing to Lee’s visit to the United States, China-U.S. became tension; this indicates further that the Taiwan issue influenced China-U.S. relations to a great extent. Secondly, these two cases have a far-reaching impact on the relationship between China-U.S. The first one, China and the United States handling the Taiwan issue based on the “three communiqués” in a long-term development. And another one, because of Lee Teng-hui’s visit to U.S. and his “two-states” theory, gave Taiwan separatists more theoretical support. The separate actions of Taiwan are more open and stronger now, this led to the tension of China-U.S.-Taiwan relations.

In this research, two theories-neorealism and neoliberal institutionalism-are applied to analyze the Taiwan question in China-U.S. relations. These two theories stated that the world is anarchical, the states need to overcome some inhibits, find the common interest, and achieve cooperation. Followed the theoretical propositions, it helps to “focus attention on certain data and to ignore other data,”9 and “organize the entire case study and to define alternative explanations to be examined.”10

Data has been collected from articles, research papers, newspapers and Internet. Some data are from governmental documents, discussions with researchers in the area, and analysis of policies. When appropriate, information and data from previously published sources are allowed to apply for this study. The way documents and texts were addressed have been closely related to the theoretical approach.

In this thesis, qualitative methods will be the main source. The documents of China, the U.S. and Taiwan, official reports, international agreement together with academic research made in the issue will be examined. While books, journals and articles are the basic secondary sources utilized, China, the U.S. and Taiwan official documents, governmental documents, international agreements, declarations are the primary sources that provide the raw data that will be analyzed along the study.

Throughout the thesis, I use the Chinese pinyin system that is used in the People’s Republic of China (P.R.C.) as well as in international organs. I have made a few exceptions from this rule for a few words and persons’ names. For example, I called Chiang Kai-shek and Lee Teng-hui by these older and more known names, rather than Jiang Jieshi and Li Denghui respectively. I hope that this will not confuse the readers. The study has been facing language challenges, as all information and data are from sources written in Chinese or English. Because some information is available in Chinese, they had to be translated into English. There is always a risk that translations used in the text will not fully convey the message in the original language. The information of this research is valid until February 2004.

1.5 Overview of Previous Research

In the relationship between China-U.S., the Taiwan issue has been the hot topic. Many researchers studied it, and produced many views about this. Among these views, the most

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10 Ibid, p.104.
influence one is that the Taiwan Strait is “a potential tinderbox” and “the most dangerous hot spot in East Asia”.11

On the Taiwan issue, some researchers thought that a good China-U.S. relationship is better for Taiwan and its security. And others argued that an improved China-U.S. relationship actually hurts Taiwan’s interest and therefore compromises its security. However, a part of researchers contend to maintain the status quo. In the following, I will introduce briefly a few of researchers’ views on the Taiwan issue in their works.

Su Ge (1998) in his study, he stresses that the Taiwan issue is not the problem between China and the U.S., and factor which influence bilateral relations. He analyzed the origin and trend of the Taiwan issue, studied the origin and development of the U.S.’s policy to China, and analyzed systematically American diplomacy, China-U.S. relations and Cross-Straits relations. He emphasized both China and the U.S. should cooperate in strategic, economic and ideological fields, on the Taiwan issue, he stressed that the U.S. does not intervene in the internal affairs of other countries. “Chinese government will realize unification under ‘one China, two systems’.”12

Ralph N. Clough (1999), he assesses the intractable differences between Beijing and Taiwan, the rise of an opposition party advocating Taiwan independence, and Beijing’s threat to use military force. At the same time, he weighs the moderating influence of investment and trade across the Taiwan Strait and the reopening of Cross-Strait dialogue. He argues that the United States can best minimize the risk of conflict with a policy of ambiguity that retains the flexibility to intervene military or not as circumstances dictate and that at the same time gives more active approval and support to cooperation between the people and governments on both sides of the strait.

Emerson M. S. Niou (1998) stresses that China should seek cooperation from the U.S. to help contain Taiwan independence, China and the U.S. should contain Taiwan independence. A peaceful resolution of the Taiwan issue will be China and the U.S.’s common interest.

Dennis Van Vranken Hickey (1999) emphasized that it is in American’s best interest to maintain a stable, constructive relationship with both Taiwan and China. He stated “we have to recognize that past diplomacy between the U.S. and China has come at the expense of Taiwan in history of our relations, so our new period of relations between the U.S. and the PRC clearly has at its root that the improvement of our relationships will not harm Taiwan in any way.”13

Although many researchers have written articles on the Taiwan issue in China-U.S. relations, the fact is that not many of them have used a systematical theoretical approach in analyzing the Taiwan question. And Chinese researchers usually pay more attention on the case research, seldom use theory and methodology to analyze the Taiwan issue and China-U.S. relations. Therefore, I wish that my research could contribute to theoretical and methodological study in the field of International Relations in China.

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11 This is the assessment made by a bipartisan panel of national security experts in the U.S., in a report: Taking Charge: A Bipartisan Report to the President Elect on Foreign and National Security, released by the Rand Corporation on November 13, 2000.


The Taiwan question is regarded as the most sensitive and crucial highlight in China-U.S. relations. The researchers from China Mainland, the U.S., Taiwan and other countries have paid much more research on it. On the other hand, few European researchers are interested in Taiwan and China-U.S. relations. I hope this thesis could also interest some European researchers.
2. THEORETICAL FRAMEWORK

Three main theoretical frameworks have dominated the study of international relations as a subfield of political science: classical realism, modern realism (neorealism) and neoliberal institutionalism. In this chapter, I will make a brief description of two contemporary theories of international politics: neorealism (derived from realism) and neoliberal institutionalism (derived from liberalism). Traditionally, war and the use of force in inter-state conflicts have been the central theme for the realist school of thought. Liberals have focused on economic interdependence and other transnational aspects of international relations.

Except these, this chapter will focus on security studies in International Relations (IR) theories. Different theories explain security from different angles. David Baldwin (1995) emphasizes that IR theories pay much more attention on military in security, therefore security should not be studied only as military policy but also non-military issues. Buzan, Waever and de Wilde (1998) stress that the changes with the end of Cold War led the broadening of the concept of security which is applied not only to the maintenance of state sovereignty, but also to the safeguard of societies and individuals within those states.

2.1 Realism/Neo-realism

Realism has dominated international relations theory at least since the World War II. Morgenthau, Niebuhr, Aron, Kennan, Herz and Wight are the representatives of classical realists. They produced many their works after the World War II. The common feature of their works is that the world is to be “realists”. Realists think, “International anarchy fosters competition and conflict among states and inhibits their willingness to cooperate even when they share common interests.” In the meanwhile, realist theory also argues “international institutions are unable to reduce anarchy’s constraining effects on interstate cooperation.” Realism holds a pessimistic attitude for international cooperation.

In the late 60s and the 70s, international structure began to change, so realism met some limits. At this time, neo-realism emerged to complement these limits. Kenneth Waltz and Robert Gilpin are the representatives of neo-realism, they believe that “the struggle for power is the result of the structure of the international system as a whole, rather than the nature of

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14 Realism is divided into classical realism and neorealism, and I will summarize the features of neorealism and neoliberalism, then I will make distinctions between them. Realism is the dominant theory of international relations that emphasizes the state as unitary and rational actor and focuses on the actions and interactions of states. For the most part, realists study patterns of conflict and cooperation in the context of an anarchical international system. Usually, security issues dominate the realist agenda at the expense of other concerns. National interests or objectives, power, and the balance of power are key concepts for a majority of realists. (Wenger & Zimmermann, 2003:48)


17 Barry Buzan evaluates Waltz’s contributions as follows:

“1. His theory succeeded in defining system structure in a way that allows it to be used as a discrete explanation for some of the behavior of units in the international political system. 2. It thereby created a firm structural basis amplified and clarified the much vaguer notions of structure present in classical realism, strengthening them to the point where they render unnecessary the controversial normative foundations of power politics in human nature and the internal dynamics of state politics: the label “Neorealism.” 3. It exposed an area of theoretical bedrock which can serve as a solid foundation for further development of international system theory. Waltz’s accomplishment was to identify important dumble elements in a field where development of scientific analysis is everywhere hampered by the apparent universality of change.” (Buzan, 1993: 23-4)
man.” Especially Kenneth Waltz’s structural realism provides a systemic theoretical basis for neo-realism.

For the understanding of state behavior, neo-realism is supported by five core assumptions. The first and most fundamental is the assumption of **anarchy**. “Anarchy” is no higher central authority above the states. This means that there is no power beyond states themselves that can enforce international agreements or protect the legitimate interests of states.

The second assumption is that states possess “offensive military capabilities to defend themselves and extend their power.” In the neo-realist view, “power is more than the accumulation of military resources and the ability to use this power to coerce and control other states in the system. Waltz and other neo-realists see power as the combined capabilities of a state.”

Third, states can never be certain of the intentions of other states, leading to a lack of trust. Someday an ally could be the next enemy. Fourth, states are motivated by a concern with survival, just for maintaining their independence and sovereignty. Finally, states are rational actors, but “there will be room for miscalculation.”

According to the assumptions of neo-realists, the international system is anarchic, so conflict and war are unavoidable. In the neo-realist view, such as Waltz, it is not just the uneven development or distribution of power among states that leads to conflict. A conflict comes from anarchic international system and self-help system. The cause of war is found in the anarchic nature of the international system as well as on individual and state levels.

Therefore in the anarchic world, the states need more power for survival and enhance security through self-help, either by increasing their own military and economic capabilities, or through alliance with strong powers. This kind of self-help system (Waltz, 1979) and alliance causes a security dilemma finally, they either break out in a war or collapse due to excessive military expenditures.

From above these, states must rely on self-help to guarantee their survival in an anarchic international system. Waltz notes, “Self-help is necessarily the principle of action in an anarchic order.”

In the neorealism perspective, because the international system is anarchic and conflict, states are not safety and must pay much more attention to maintain their power, “security is the highest end in anarchy”. This indicates that the states need the protection of their

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21 Ibid, p.185.
22 Ibid, p. 257.
24 Ibid, p.126.
sovereignty, or the desire for survival. Waltz notes, “Survival is a prerequisite to achieving any goals that states may have.” Therefore, security is very important theme for the states.

Owing to the desire for security, the states need to have more power than other states, it can influence the result of interaction and guarantee its survival in an anarchic world. In the neorealist view, “power is more than the accumulation of military resources and the ability to use this power to coerce and control other states in the system.” Waltz and other neorealists regard power as “the combined capabilities of a state.”

Therefore, according to the international stability, the true matter is the balance of power. All self-help systems tend to be governed by a balance of power dynamic maintained by the great powers. States tend to balance their rivals domestically, by acquiring greater military and economic power, or by building alliances with stronger powers.

However, the theoretical assumptions of neorealism have been criticized. Neo-realists ignore the prospects of cooperation among states because they believe that anarchy drives states to unilaterally pursue their interests and thereby before cooperation with one another, making inter-state cooperation difficult. And the critics point out, neorealism continues ambiguities in the concepts of power and balance of power, and the importance of internal determinants of foreign policy.

2.2 Neo-liberal Institutionalism

In recent years neoliberalism is developed by critics of realism/neorealism. Neo-liberalism, derived from liberalism, and it focuses on how Intergovernmental Organizations (IGOs) and other nonstate actors promote cooperation and peace, examines how states cooperate with other and deemphasize conflict, points to regional integration.

In some sense, neoliberalism accepts some assumptions of neorealism, neoliberalism still has optimistic view of international cooperation, although it accepts the world is anarchic. Keohane admits the importance of systemic theory emphasized by Waltz. However, he points out the inconsistency between Waltz’s balance of power theory and Waltz’s assumption that the state tries to gain maximized power. Both of them acknowledge that the international system is anarchical, accept that “states are the main actors in world politics” and that they are self-interested and insecure. Although both emphasize the importance of economic power, neorealism focuses on the importance of self-reliance, and neoliberals value the benefits procured through international economic activities.

The crucial difference between neo-realism and neo-liberalism is their views on the relevance of “relative gains” versus “absolute gains.” Neorealists think that in the international society,

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26 Ibid, p.185.
28 Key neo-liberal scholars include Joseph Nye, Robert Keohane, Richard Rosecrance, Robert Jervis, Kenneth Oye, Charles Lipson, Robert Axelord.
states are concerned only with relative gains. In other words, a state will agree to cooperate with other states only when it can benefit more than the other participants. In contrast, neoliberalism thinks that states are only concerned with absolute gains in international cooperation.\textsuperscript{31} For neoliberalism, whether cooperation results in a relative gain or loss is not very important to a state, so long as it brings an absolute gain.\textsuperscript{32} So the more states care about relative gains, the more difficult will cooperation is.

While neoliberalism accepts the assumption of neorealism that the international society is anarchical, it criticize that the neorealists have underestimated the probability of international cooperation and power of international institutions. Therefore, neoliberals stress that the role played by international cooperation in maintaining world peace.

"Neoliberalism regards institutions as the mediator and the means to achieve cooperation in the international system".\textsuperscript{33} Neoliberals argue that institutions can change state concerns about relative gains in cooperation. According to Keohane, "states have the broadest range of common political, military, and economic interests".\textsuperscript{34} Thus, they have the greatest hopes for large absolute gains through joint action. That is, states that have many common interests should have the fewest worries that they should have the fewest worries that they might become embroiled in extreme conflicts in the future, as a result, they should have the fewest concerns about relative achievements of gains arising from their common endeavors.\textsuperscript{35}

Neo-liberalism emphasizes the phenomena of international interdependence. And with the development of the world, the economic power has become more important than in the past. In the Cold-War and Post-Cold-War eras, however, the so-called interdependence was still the dependence of the relatively weak states on the stronger ones. In the era of globalization, due to the perviousness of global finance and global trade, the relations between the weak and strong states become symbiotic. The lack of financial and economic security in the weak states could also threat national security of the strong states.

Hence, in the era of globalization, the more the weaker states are incorporated into the global market the more secure these states will become. Turning back to the relative-absolute-gains debate, since the pursuit of relative gains can easily lead to confrontations or conflicts, such a strategy is only plausible under the bi-polar system during the Cold War. If all countries pursue only "relative gains," then no "public interests" will ever be created.\textsuperscript{36} It is possible to have any global-scale interactions when there are the public interests.

As above-mentioned, there are so many differences between neorealists and neoliberal institutionalists, but they should not be overemphasized. Both of them agree that the international system is anarchic and because of that cooperation between the states is difficult.

To sum up, neoliberal institutionalism focuses on concepts such as international regimes, multilateralism, and cooperation through negotiation.

### 2.3 Security Studies

The demise of the Cold War has had many reflections on the world politics as well as on International Relations. The Cold War structure, with its well demarcated blocs and conventional and fairly clearly understood concepts, has been replaced by a new world order. Security has been gained and lost; gained is owing to the benefits the world has enjoyed since the end of the Cold War, and lost thanks to a host of subsequent new worries which have ensued.

Security research is rising in the recent decades. Traditionally the concept of security has been defined in terms of states and the qualities of statehood. This definition assumes an anarchic environment in which states oppose each other, mistrust each other and deem it their prime task to survive by protecting their territorial integrity and the physical well-being of their citizens. As a consequence, security has been defined as the absence of physical threat to the territorial and functional integrity of a given state.\(^{37}\)

Barry Buzan as the leading figure of Copenhagen School, he suggests a broader definition of security. The concept of security goes beyond traditional politico-military notions by putting emphasis on interconnectedness of different realms of society. Buzan states that “the security of human collectivities is affected by factors in five major sectors: military, political, economic, societal and environmental.”\(^{38}\) From this view, Buzan emphasizes the interconnectedness, global trends and rising density of international interaction as crucial conditions that necessitate the broader notion of security because “these conditions made the narrow views of national security and national security strategies inappropriate and counterproductive.”\(^{39}\)

“The normal pattern of security interdependence in a geographically diverse, anarchic international system is one of regionally based clusters, which is labeled security complexes.”\(^{40}\) Security complexes are about the relative intensity of interstate security relations that lead to distinctive regional patterns, both the distribution of power and historical relations of amity and enmity shape the regional patterns. “The three components of the structure in a security complex are the arrangements of units and differentiation among them; patterns of amity and enmity; and distribution of powers among units.”\(^{41}\)

A security complex is defined as “a set of states whose major security perceptions and concerns are so analyzed or resolved apart from one another.”\(^{42}\) Studying further from classical security complex theory, Buzan, Waever and de Wilde (1998) emphasize a wider range of sectors in security study. They define homogenous complexes, which hold the classical view of complexes concentrating on specific sectors, and heterogeneous complexes, which assume that regional logic can comprise different types of actors interacting across various sectors.

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40 Ibid. p.11.
41 Ibid, p.13.
Within this new framework, security complexes extend beyond state and interstate relations and beyond politico-military issues.

Therefore, “the security complex approach allows capture the security dynamics and the interdependence operating in a region with relation to their impact, both internally and externally, on states and societies.” 43 “A security complex can be defined in terms of economic factor; the existence of a regional organization or the need for it; a perceived security threat; and geopolitical, historical and cultural links that might exist between the members involved.” 44

In Rethinking Security after the Cold War, Buzan states, “in a multipolar world, security agenda has got fragmented and governments face increasingly divergent needs and threat perceptions”. 45 So, it emphasizes emerging different types of threats regardless of decline in the military concerns.

In discourse on security something is presented as an existential threat with the absolute priority of handling, in that way legitimizing the breaking of normal political rules. Security discourse also serves in the reproduction of power and hegemony, because it is always linked to the notions of threats.

As security means survival, survival for the state means maintaining its sovereignty that can be threatened by “anything that questions recognition, legitimacy, or governing authority.” 46 Having in mind the international system, the existential threats can be anything that endangers the existence of the rules, norms and institutions that constitute those regimes. 47

In this paper, comprehensive security is used as the main concept. The concept of comprehensive security was carried out in Japan after the Second World War. Comprehensive Security includes security at various levels as state, society and individual as well as at economic, social, political and cultural levels.

Comprehensive security encompasses security at state level that there is no security threat between states and within societies; secondly security at economic, social, cultural levels that in all fields societies could develop in a way without feeling any threat such as natural catastrophes, economic instability, political and cultural identity problem; thirdly security at individual level that individuals can have a secure and risk-free life. 48

2.4 Theoretical Framework

John Mearsheimer (1990, 1994/5) stresses “the incompatibility of states’ goals and interests enhances the competitive nature of an anarchic system and makes conflict as inevitable as

44 Ibid, p.4.
47 Ibid. p.22.
cooperation in the era of globalization.”49 In this study, China, the United States and Taiwan have their own goal, and in an anarchic system, for strengthening their own interest, it maybe causes a conflict among them. Thus, this research will use neorealism and neo-liberal institutionalism theory as analytical tool.

The security complex theory makes this study with its broad and comprehensive security notion including both military and non-military issues. The study includes both the premises of neo-realism and neo-liberal institutionalism. The security complex theory provides a framework for studying particular regions. It allows for explanations of security interdependence between China and the U.S.

In my study, I focus on the Taiwan question on China-U.S. relations. Among them, I assume that the states are rational actors. They pursue their own national interest, especially national security. China, the United States and Taiwan all have sought their own national interest, whether during the Cold War period or the Post-Cold War period. Regarding the three ones dealt with in this study, the two major powers’ national interests have been formulated differently given what the most critical values are at a certain time. In other words, the friendliness of China and the U.S. shown from time to time does not indicate a fundamentally cooperative relationship, but a temporary strategy to pursue their own interests.

These states struggle to gain more power, influence, and security, this will lead to conflict or war. Even after the end of the Cold War, the relations between and among many states maintain the characteristics of the Cold War. China and the United States are still competitors in many ways, rather than cooperators. They have different ideologies, operate different political systems, and seek different values. As above mentioned, neo-realism emphasizes the international structure in determining states’ foreign policies and their relations.

In the traditional security realm, the interrelations between the big states to a large extent determine the peace and stability of the world. Consequently, how to deal properly with China’s relations with the United States affects not only the vital interest of China but also the broader peace and security in the Asia-Pacific region, Eurasia and even the whole world.

“Realist maxims would have counselled the United States to be in a position to make an alliance, or at least an accommodation, when feasible, with the weaker Chinese to counterbalance the Soviet Union—as Henry Kissinger and Richard Nixon eventually did.”50

In the following chapters, I will further expound the Taiwan question influences on the relationship between China and the United States through in-depth case studies.


3. BACKGROUND CHAPTER

In order to analyze my case studies very well, it is necessary to introduce the background of the Taiwan issue in the China-U.S. relations. In the relationship of China-U.S.-Taiwan, the Taiwan issue has been the most important and most sensitive problem after the end of the Cold War. One analyst described the Taiwan issue as “an irresolvable political, if not also military, flashpoint in bilateral relations” 51. In the following, I need to introduce the historical background of the Taiwan issue in the China-U.S. relations, and then describe the origin of the Taiwan issue briefly.

3.1 Historical Background of the Taiwan Issue in the China-U.S. Relationship

In this part, I will focus on introducing the period of historical background from 1950s to present. Since the People’s Republic of China (P.R.C.) established in 1949, China-U.S. relations have passed through several phases.

3.1.1 1950s-1960s

After the P.R.C. established, China was still weak, Mao Zedong feared attack from the United States, which had aided Chiang Kai-shek’s defeated Guomintang regime, and signed a security treaty in February 1950 with the Soviet Union.

During the 1950s and 1960s, China-U.S. relations have undergone a great change from animosity and conflict to candid dialogue and constructive cooperation. Because China was a member of communism group that controlled by the Soviet Union after the establishment of PRC. Therefore, the U.S. regarded China as a bitter enemy. And in Korea War (1950-1953) and Vietnam War (1961-1975), China also involved in against the U.S. Following Beijing’s decision to enter the Korean conflict in November 1950, at that time, the U.S. allied with Taiwan to “contain” the PRC. The Taiwan-America relations turned into a military alliance and reached its peak when a Mutual Defence Treaty (MDT) was signed in 1954.

By and large, the Kennedy and Johnson administrations remained closer relations with Taiwan, because Taiwan was one of important chess to against communism group from U.S.’s strategic view. Meanwhile, China also proclaimed that Taiwan must be liberated, but the U.S. sounded a warning that China could not take any actions against Taiwan. Therefore, the conflicts cause the Taiwan Straits Crises twice during the 1950s. These crises almost led to a direct China-U.S. confrontation.

In the end of 1960s, the global political structure changed greatly. In the 1960s, China and the Soviet Union caused a great divergence on the boundaries, even the serious military conflict. This fighting resulted in the collapse of the relations between the Soviet Union and China and this led to a sudden change of the foreign relations among the United States, the Soviet Union and China.

So the Soviet Union became the common enemy of China and the U.S. China and the U.S. had the common benefit to against the Soviet Union. Since 1961, the U.S. had suffered from

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the Vietnam War, and the U.S. tried to leave the war without any successful hope. In order to
end the Vietnam War, the U.S. had to get help from China. Meanwhile, China also had to get
help from the U.S. on the Taiwan issue.

At that time, China also worried about its security very much. The Soviet Union, the biggest
enemy, was on the north of China, and it was the biggest strategic threat to China. On the
Southwest, China was facing the conflict with India, because of the territorial issue. On the
South, the Vietnam War was continuing. On the Southeast, China also faced the threat from
Taiwan and the U.S. Looking around, China found that it could not find any friend, and it was
around by enemy. Based on the global political situation, China and the U.S. recognized the
common benefit and started cooperation.

3.1.2 1970s-1980s

China and the United States became a strategic partnership, and there was rapprochement
remarkably between China and the U.S. from about 1979 to 1988. Here it is necessary to
introduce the event of “Nixon’s visit to China”, because it was the milestone of China-U.S.
relations. The visit changed the situation of China-U.S. relations, and the global political
structure was also changed. And in the period of the Nixon and Ford administrations, owing
to the common strategic interest between China and the U.S., the U.S gradually abandoned
Taiwan.

In 1969, Richard Nixon was elected as President of the United States. He started to adjust the
U.S. global strategy, and tried to see China differently. And in February 1972, President Nixon
of the United States received invitation to visit to China, during which Premier Zhou Enlai of
the State Council of China held talks with President Nixon on the normalization of bilateral
relations and other matters of common interest. And President Nixon travelled to Beijing,
Hangzhou and Shanghai. This visit ended twenty years of confrontation and isolation between
the United States and China. Students and culture exchanges increased obviously between
these two countries, and impelled the development of their relationship. Moreover, National
Security Adviser Henry Kissinger visited to Beijing secretly, the United States resumed its
official relations with China in 1979.

On February 1972, the result of Nixon’s visit was that the U.S. and Chinese Governments
issued the “Shanghai Communiqué”, which was an important milestone in China-U.S.
relations, and also was the first official treaty signed after the establishment of the P.R.C. This
was one of the important treaties between the United States and China too. According to the
treaty, both sides would conduct their relations on the principle of respect for sovereignty and
territorial integrity. And in the Communiqué both nations pledged to work toward the full
normalization of diplomatic relations. The U.S. acknowledged the Chinese position that all
Chinese on both sides of the Taiwan Strait maintain that there is only one China and that
Taiwan is a part of China. These statements enabled China and the U.S. not to temporarily
consider the Taiwan question, and to strengthen cooperation and further contacts.

During the time of restoring the normal relationship between the United States and China,
China Mainland itself was suffering from its Cultural Revolution (1966-76), it escalated
frictions between China Mainland and the U.S., and so the relationship of China Mainland and
the United States cannot get the further improvement during this period.

52 Please see the Appendix I.
But the situation was changed on December 15, 1978, U.S. President Jimmy Carter announced that “the United States and the PRC have agreed to recognize each other and to establish diplomatic relations on January 1, 1979”\(^{53}\). This showed that their relations were moving in a positive direction.

Moreover, Deng Xiaoping, also announced to visit the United States. With the development of reform opening, the Chinese economy had closer links with the United States, but on some sensitive issues, such as the Taiwan issue, tensions were still remained. The United States still insisted on protecting Taiwan and supplying it with sufficient defensive weapons in case that the P.R.C. used force. Nonetheless, China Mainland and the United States issued a joint communiqué in which the two countries decided to establish diplomatic relations at the ambassadorial level from January 1, 1979.

And in the Joint Communiqué, the two sides reaffirmed the principles agreed on in the Shanghai Communiqué, that is, “the United States recognized the Government of the People's Republic of China as the sole legal Government of China and Taiwan as part of China”\(^{54}\). It was also stated “within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan”\(^{55}\). Meanwhile, the U.S. gave up recognition of the ROC, and withdrew all the U.S. forces stationed on Taiwan. Therefore, the relations between the U.S. and Taiwan reached another lower point.

Although the U.S. took some actions on the Taiwan issue, the U.S. Congress passed the Taiwan Relations Act (TRA), and made into law by the President. In this important document, the U.S. government said “The United States will make available to Taiwan such defence articles and defence services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defence capability”\(^{56}\).

In the end of 1980s, great change took place in global political structure. The cold war ended following the collapse of the Soviet Union, the U.S. interest in the People’s Republic of China as a strategic asset in global politics declined. The U.S. lost the super competitor. Tensions between China Mainland and the U.S. increased quickly.

A good deal of discord has arisen over some issues, which once overlooked for the sake of national security, between China Mainland and the United States as major points of contention. There were some important problems, of course, over human rights, some key aspects of non-proliferation policy, and economic relations. Among these problems, the most important and tough issue, of course, was Taiwan. On this issue, China Mainland and the U.S. could not be incompatible owing to the lack of trust deeply and different objective. Therefore, if this issue could not be properly settled, it will cause military confrontation, even war. In the U.S.’s eyes, ‘containing China’ had become a strategy of the U.S. to deal with China-U.S. relations. Taiwan question is a perfect factor to contain China Mainland’s development. And Taiwan has enough ability to make trouble to China Mainland.

In 1980, Republican candidate Ronald Reagan came into power in the United States, he declared Taiwan was the long-time ally and friend of the United States, and called for the peaceful development of China-U.S. relations. Therefore, a joint communiqué was signed on

\(^{53}\) Please see the Appendix II.

\(^{54}\) Ibid.

\(^{55}\) Ibid.

\(^{56}\) Please see the Appendix IV.
the 17 August 1982, which settled part of the altercation between the United States and China Mainland on the Taiwan issue, but Reagan was still keen on selling arms to Taiwan regardless of the opposition from China Mainland and this policy restrained China Mainland and the United States from improving their relations. In brief, there were not good relations between the United States and China Mainland during the presidency of Reagan, in particular over the Taiwan issue.

In November 1988 George Bush, a Republican was elected President of the United States. At the very beginning, it seemed that China-U.S. relations could improve since President Bush had previously acted as the head of the United States Liaison Office (USLO) in Beijing. The Chinese leaders considered President Bush as an “old friend”. However, the Tiananmen Incident of 1989 led Washington to impose sanctions and suspend military relations with Beijing. After this incident, China’s human rights become one of the issues that the United States was most concerned with and this also gave rise to some grievances from China. After just one decade since normalization, the warmth in U.S.-China relations had turned cold.

3.1.3 1990s-Present

Since Bill Clinton came into power, bilateral relations did not improve well, especially remained uneven in 1993 and 1994, and in 1995 the situation were deteriorating steadily. By mid-1995, after a private visit to the United States by Taiwan’s President, Lee Teng-hui, Beijing reacted very strong, and conducted ballistic missile exercises. And the United States sent two carrier battle groups in response to P.R.C. military exercises in the Taiwan Strait. U.S.-China relations had reached their lowest point since the establishment of the relationship in 1979. On March 25, 1996, the P.R.C. ended the military exercise, but to some extent, this crisis did not impact the result of Taiwan presidential election. Lee Teng-hui won the most of the vote in the field of four candidates in presidential elections.

After the election, the tensions began to ease. Both American and Chinese leaders sought to improve the political relationship in 1997 and 1998. High-level contacts, political dialogue, and presidential summitry resumed, including the October 1997 visit of Chinese President Jiang Zemin to Washington, and the planned June 1998 visit by President Clinton to China Mainland. All these showed that China-U.S. relations entered on a new stage of development, and the relationship between China-U.S. reached a peak during 1997-1998.

In June 1998, Bill Clinton and Jiang Zemin held the summit in Beijing, marked a new progress in the constructive strategic partnership between the U.S. and China Mainland. During this summit, President Clinton acknowledged the “three nos” policy on Taiwan: “no support for Taiwan independence, no support for ‘one China, one Taiwan’—or two Chinas—and no support for Taiwan membership of international organizations of sovereign states.”57 However, after he made the “three nos” remarks in 1998, Clinton affirmed to some members of Congress that there was no change in the U.S. policy on Taiwan. And they reaffirmed the commitments under the Taiwan Relations Act, and supported Taiwan’s entry into the International Monetary Fund, the World Bank and other international organizations.

The Democratic Progressive Party’s (DPP) Chen Shui-bian come into office as the President of the Republic of China on May 20, 2000. DPP is a party insists independence of Taiwan. The separation movement of Taiwan leads that China Mainland is more aware of the

gradualism of independence. Chen Shui-bian has long promoted independence from China Mainland. And soon after, George W. Bush sworn in as the President of the United States, he thought that the China-U.S. relationship not as a strategic partnership, but as strategic competition.

But after the terrorist attacks in New York City and Washington D.C., Bush’s approach to Beijing was changed, he would no longer regard Beijing as a strategic competitor, but a trading partner of the U.S., and repeated that the U.S. would not support Taiwan independence. While the Bush Administration has taken office for less than 2 years, military exchange and high-level official visit took place very frequently. Under President Bush, the U.S. told both Beijing and Taipei in no uncertain terms that the U.S. would like a peaceful resolution of the Taiwan issue and would help Taiwan to defend itself. Thus, by the end of 2001, the U.S. relationship with Taipei and with Beijing is both turning amicable.

President Chen Shui-bian remarked on August 3, 2002, that there is “one country on either side of the Taiwan Strait” did not help matters. This remarks prompted U.S. to reiterate, “the U.S. does not support Taiwan independence.”

In December 2003, Taiwan President Chen Shui-bian proposed Taiwan’s plan to conduct a defensive referendum on March 20, 2004. For this event, U.S. responses very strongly, Bush said, “We oppose any unilateral decision by either China or Taiwan to change the status quo, and the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally, to change the status quo, which we oppose.”

3.2 The Origin of the Taiwan Issue

Taiwan has been regarded as the territory of the People’s Republic of China for more than one thousand year. From the historical perspective, Chinese mainland regarded Taiwan as a part of the P.R.C. According to the historical record, since the Yuan Dynasty (1206-1368) Chinese governments of different periods have set up offices in Taiwan, exercising effective administration over the island. In the mid-17th century Dutch colonists occupied Taiwan. In 1662 General Zheng Chenggong expelled the Dutch colonists from Taiwan and recovered the island.

It is quite obviously that the Chinese Mainland leadership and people have paid much attention on the Taiwan issue. From the First Opium War, the P.R.C. experienced a serious humiliation from the western nations as well as Japan. In April 1895, following the end of the China-Japanese War of 1894, in which Japan defeated China, China and Japan signed the unequal Treaty of Shimonoseki under which China ceded Taiwan to Japan. Since Taiwan was occupied Japan in 1885, some American businessmen had reckoned the annexation of Taiwan. Commodore Perry also made the same recommendation to the American government, pointing out the island’s strategic value.
From then on, Taiwan became the colonies of Japan, and was occupied for almost the half century. No doubt, the Taiwanese colonial experience has been a very important factor in the making of a Taiwanese consciousness. For half a century, the Taiwanese people were away from political developments of the Chinese Mainland.

In July 1937 the Chinese people began to war against Japan, China-Japanese war began. During this war, under the pushes of the Communist Party of China and other patriotic forces, the Chinese Guomintang and the Communist Party of China set up united battlefront against Japan, resist the invasion of Japanese imperialism. "In 1945, Japan surrendered and accepted unconditionally the Potsdam Proclamation and Cairo Declaration and returned Taiwan to China." From then on, Taiwan has again become part of China and come back under Chinese sovereignty.

After the war of resistance against Japanese aggression, the Guomintang clique headed by Chiang Kai-shek flouted the people's aspirations for peace and for building an independent, democratic and prosperous new China. Relying on the U.S. support, this clique tore up the 10 October 1945 agreement between the two Parties and launched an all-out anti-popular civil war. The Chinese people were compelled to respond with a people's liberation war, which was to last more than three years under the leadership of the Communist Party. Finally, the People's Republic of China was proclaimed on 1 October 1949 and the Government of the new People's Republic became the sole legal government of China.

After being defeated, a group of military and political officials of the Guomintang clique were forced to flee from the Chinese Mainland to Taiwan in December 1949, moved his government to Taiwan's capital, Taipei. Chiang's Nationalist Party, known as the Guomintang, claimed it was the legitimate government of the whole China. So Chiang K'ai-shek created the division between the two sides of the Straits. At that time, the U.S. government was strongly opposed to communist governments and hence it only recognized Taiwan officially. Since 1949, to a large extent, the relations between the U.S. government and Taiwan have affected the relationship between China and the U.S. Moreover, the Taiwan issue has been the most influential issue preventing the improvement of China-U.S. relations. In order to ease tension in the Taiwan Strait area and seek ways of solving the dispute between the two countries, the Chinese and American government held 136 sessions of talks at ambassadorial level from August 1955 to February 1970.

Taiwan and China Mainland share the same culture, language and tradition. From this perspective, the Taiwan question is the domestic affair of China. But, because of some historical reasons, the U.S. has involved into the question. As well as, the Taiwan question has been very sensitive question in China-U.S. relations, and it is influenced by the global political structure and regional political structure in the Far East.

From the above brief basic historical background, we could recognize that Taiwan issue is one of the most essential and precarious issues existing between the United States and China. The Taiwan issue is an obstacle in the China-U.S. relations.

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3.3 **Summary**

This chapter provided a detailed introduction of background of the Taiwan question in the China-U.S. relations, and the origin of the Taiwan question. The background information offered a basic knowledge to readers, and the basis for analysis in the next step.

This chapter focused on two points. The first is the history of China-U.S relation. Although China and the U.S. involved into diplomatic relations in early 19th century, the history relating closely to today's situation was from the end of 1940's. In the past half-century, China and the U.S. were in conflict and cooperation from time to time, through the cold war and post cold war. In the history of past half century, Taiwan question was one of sensitive and import issues in China-U.S. relations.

The second point is about the origin of the Taiwan question. The origin of Taiwan question was after the World War II, due to the China Civil War (1945-1949) between China Communist Party and Guomintang. The U.S. had supported the Guomintang, therefore the U.S. has involved deeply into the Taiwan question for a long time. Therefore, the Taiwan question is out of China interior affairs, and has been in China-U.S. relations.
4. CASE STUDIES

4.1 Nixon’s Visit to China

From 21 to 28 February 1972, the President of the United States, Nixon made a visit to the P.R.C. This historical visiting opened the door of China-U.S. relations finally. After this visiting, Nixon said, “a week he stayed in China is a week of changing the world.”

Before Nixon was elected as the president of the United States, the P.R.C. had been regarded as a major threat to the U.S. China involved in the Korea War (1950-1953) and Vietnam War (1961-1975), became their ally, aided and supported them against American aggression. Moreover, The United States made a promise to defend Taiwan (ROC), against the P.R.C., China Mainland.

When Richard Nixon came to power in 1969, the U.S. was in a bad condition in Vietnam War, Americans began to protest this bloody and useless war. With all the protesting, heavy casualties, and the never ending attacks, the U.S. president Nixon decided to have all army personnel pulled out of Vietnam. And at the same time, the U.S. also met economic problem, owing to much finance on the war, and caused a huge of the financial deficit in 1970.

Facing these problems, Nixon began to see China differently. China had a small nuclear arsenal and was developing intercontinental ballistic missiles. But the direct threat to the U.S. was from the Soviet Union, not China. The U.S. saw important strategic benefits for an opening to China. A U.S.-China rapprochement could frustrate the Soviet Union efforts to contain China while increasing the U.S. bargaining leverage with the Soviet Union. In addition, with efforts to negotiate a Vietnam War settlement faltering, the U.S. hoped that better China-U.S. relations might prompt China to encourage North Vietnam, the alliance of China, to settle. Finally, with the economic competition sharpening between the industrial nations, China was an alluring prospect for the U.S. exporters and multinationals.

Therefore, compared with China, Taiwan’s value was declined. The U.S. could enjoy more benefits from cooperation with China than Taiwan. Base on these perceptions, Nixon decided to use a new policy with China. In the October 1967 issue of Foreign Affairs, he wrote “we simply can not afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors. There is no place on this small planet for a billion of its potentially most able people to live in angry isolation.”

At that time, China was also in a serious worry about its own security, and it needed to get some support from the United States too. The Soviet Union was on the north of China, there were some disputes about territorial problem and in 1963 reached the climax. And also China underwent the Cultural Revolution; the domestic political situation was not stable. In short, China needed a friendly relationship with the U.S. very much to reduce the threat from the Soviet Union.

After Richard Nixon was elected as the president of the United States in 1969, China-U.S. relations improved gradually. In November 1969, the U.S. Seven Fleet withdrew its patrols from Taiwan Strait quietly. Faced the frictions of the Vietnam War, the U.S. sought the solution path actively in the fall of 1970. Hence, Chairman Mao Zedong said, “China-American difficulties could be solved only through direct negotiations and would welcome a visit by Nixon.”

In April 1971, China invited the U.S. ping-pong team, which was then in Japan for the 31st World Table Tennis Tournament, to visit China. In 1972, the Chinese table-tennis team returned to a visit to the United States. The sport, table tennis made a great contribution to boost the contacts between Chinese and Americans. And in the history of diplomacy, this was called the “Ping-Pong Diplomacy”.

Through this “Ping-Pong Diplomacy”, China and the U.S. gained further confidence, and Zhou Enlai, Premier of the State Council of the People’s Republic of China, sent an invitation to the U.S. President Nixon to visit China Mainland at an appropriate time before May 1972, finally President Nixon accepted the invitation with pleasure. The door, which closed between China and the U.S. for a long time, was reopened.

Before Nixon’s visit to China Mainland, the greatest obstacle was the Taiwan issue between China-U.S. On April 21, 1971, China sent a verbal message to the American government: “If we really want to revive China-U.S. relations, then all American military forces must be withdrawn from Taiwan and the Taiwan Strait.” For this problem, the U.S. only can acknowledge that “Taiwan belongs to China and would not support Taiwanese independence and counterattacks against the Mainland; (2) the United States would support China’s resumption of its seat in the UN, but would not support the ousting of Taiwan; (3) the United States would set a time table for withdrawing two-thirds of its troops from Taiwan after the end of the war in Indochina and then reduce the number of troops in the future; (4) the U.S.-Taiwan Mutual Defense Treaty should be settled by history”.74

So, on February 21 to 28, 1972, President Nixon visited to China Mainland, and got very warmly welcomed. Finally, on February 28, both sides experienced deep considerations, issued very important communiqué, the “Joint Communiqué between the People’s Republic of

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69 The Cultural Revolution is a tragedy in Chinese history. The political movement started in 1966 and ended in 1976. During the ten years, many Chinese citizens lost freedom and lives. The country entered a chaos status.


74 Ibid, pp.221-222.
China and the United States of America" (also referred as the “Shanghai Communiqué”) on February 28, 1972. Therefore, President Nixon’s trip to China opened a new chapter in history, caused a fundamental change in the world’s balance of power and ended over two decades of China-U.S. estrangement.

Although both sides issued the Shanghai Communiqué, the Taiwan issue still existed between them. On the Taiwan issue, the attitude of the U.S. was still ambiguity, just like what the Communiqué wrote:

“The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all US forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.”

4.1.1 Influence of Nixon’s Visit to China on China-U.S. Relationship and Taiwan

The United States’ President Richard Nixon’s historic visit to China in 1972 marked a major turning point in China-U.S. relations—a turning point with a high price. President Richard Nixon’s unprecedented visit to China in 1972 helped pave the way for President Jimmy Carter’s eventual diplomatic recognition of the PRC in January 1979. Since Nixon’s visit, there have only been four other presidential visits to China—Gerald Ford (1975), Ronald Reagan (1984), George Bush (1989), and Bill Clinton (1998). On the Chinese side, several senior leaders have visited the United States—Vice Premier Deng Xiaoping (1979), Premier Zhao Ziyang (1984), President Li Xiannian (1985), President Jiang Zemin (1997), and Premier Zhu Rongji (1999).

From the establishment of the People’s Republic of China in 1949 to the Nixon visit to the Chinese Mainland in 1972, the United States had been a strong supporter of Chiang Kai-shek’s nationalist government located on the island of Taiwan. The Shanghai Communiqué reflected two aspects, one is that the Chinese and American leaders’ common understanding of the importance of containing the Soviet Union, another one is that the continuing support of the U.S. for Chiang Kai-shek and the Guomindang. Nixon’s historic 1972 trip made China-U.S. relations reach a highest point with the Shanghai Communiqué. The part of the Communiqué on which there was the strongest agreement was: “The normalization of China-U.S. relations is in the interests of all nations; both sides wish to reduce the danger of international military conflicts; neither side should seek hegemony in the Asia-Pacific; each side opposes the efforts of any other country or group to establish hegemony.”

At that time, the U.S. and the Soviet Union were two strongest countries, so, when the Communiqué was announced to the world, it obviously indicated that China and the U.S. were to oppose the Soviet Union together. The agreements in the Shanghai Communiqué clearly showed that both sides were to use the strategy of containing the Soviet Union to get strategic

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75 Please see appendix I.

76 Joint Communiqué between the People’s Republic of China and the United States of America, on February 28, 1972, please see appendix I.

interests and overcome the ideological differences between the United States and China. And Taiwan was forced to exit from the world stage under this kind of international situations.

However, the Shanghai Communiqué was an actual statement of alliance, and some controversial issues were avoided. But to a large extent, the Taiwan question was too significant to be ignored. The announcement of the Communiqué made many nations state that they will define their respective policy toward ROC again. For these statements, the Chinese Government reiterated their statements:

"The Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installation must be withdrawn from Taiwan. The Chinese government firmly opposes any activities which aim at the creation of 'one-China, one Taiwan,' 'one China, two governments,' 'two Chinas,' and 'independent Taiwan' or advocate that 'the status of Taiwan remains to be determined.'"

When China-U.S. negotiated to issue the Communiqué in China Mainland, Taipei Government was not invited to join, although the Taiwan question in the China-U.S. relations was very prominence. In response, on February 28, 1972, just one day after the joint communiqué was issued and released to the world, Taipei produced a lengthy statement of its own. They declared the communiqué was invalid. From then on, the national security of Taiwan has become a very precarious concept.

In the relations of China-U.S.-Taiwan, military arrangements are very important, so the American military presence in Taiwan must be carefully dealt with in the China-U.S. negotiations. Therefore, the government in Taipei reacted strongly to Nixon's visit to China and the Shanghai Communiqué.

Taiwan was not the only dissenting voice in the aftermath of the Nixon trip. When the president returned to the United States, he discovered divergent political opinions regarding the abandonment of Taiwan. Though a decade's old policy was being reversed, the U.S. Congress, by and large, offered its support to the Communiqué.

However, some members, both in Nixon's Republican Party and in the opposition Democratic Party, were critical of Nixon's bold move. Some Democrats criticized Nixon for giving up Taiwan. Senator Hubert Humphrey's criticism was particularly noteworthy, he accused the Nixon administration of making too many concessions without bringing pressure in the Chinese Mainland Government. Conservative Republicans were less vocal, but perhaps no less convinced than their Democratic counterparts that the President had moved too far away from Taipei. The Republicans were specifically concerned over the gradual withdrawal of military forces and the resulting lack of security for a territory so close to the Communist power. These congressmen might have been more vocal, but instead of choosing to mute their criticism of a fellow Republican in the White House. Far from solved, the Taiwan question remained an unresolved dilemma in the minds of many U.S. representatives and senators.

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78 Please see appendix I.

After subsequent years of Nixon’s visit to China, Taiwan continued to decrease in international status. The vague statements of the joint communiqué might have sufficed for several years, but the Carter administration formally recognized China in 1979. The move brought accolades from former President Nixon as well as Henry Kissinger, who congratulated the Carter administration for taking the bold step made possible by the communiqué signed earlier in the decade. In spite of this support for Carter’s extension of the 1972 policy, not everyone was convinced that the course of events in Taiwan evolved properly. Ronald Reagan expressed shock upon hearing word that Taiwan would lose its diplomatic status. This future president said “...I didn’t believe any President of the United States would...abrogate, without cause, a treaty with such a staunch friend and ally. I think it is a betrayal of the people in Taiwan”.

Before issuing the Shanghai Communiqué, the U.S. policy was very obviously, it not only favored the nationalists exiled on Taiwan, but contended that they and not the Communists constituted the legitimate government for all of China. The Shanghai Communiqué changed all of that. The United States, under the leadership of President Richard Nixon and his National Security Advisor Henry Kissinger, reversed its long-standing support for the nationalist Taiwanese in favor of a new relationship with the Mainland Chinese Communists. Therefore, the issue of the Shanghai Communiqué has far-reaching influence on the development of China-U.S. relations.

4.2 Lee Teng-hui’s Visit to the United States

On 22 May 1995, the State Department announced that President Clinton had decided to allow President Lee Teng-hui of Taiwan to make a private visit to the U.S. to visit his alma mater, Cornell University. The Chinese reacted with a series of strong steps, leading to large-scale military exercises and missile tests close to Taiwan in late 1995 and March 1996. In response, the U.S. sent two aircraft carrier groups into the area. Just as they did during the Quemoy-Matsu crises in the late 1950s, U.S.-China relations plummeted to a new lowest point. The crisis, from Clinton’s decision on the Lee’s visit in May 1995, to the ending of military exercises of both the PLA and the U.S. Navy around the Taiwan Strait in April 1996, lasted almost a year.

Here it is necessary to say that the U.S. sold the arms to Taiwan in 1992, the improvement of relations with Taiwan in 1994 and the granting of a visa to Taiwan President Lee Teng-hui in 1995 were the steps that resulted in the Taiwan Straits Crisis which began on 22 May 1995 and lasted until 25 March 1996.

In New Year’s Day of 1995, Chinese President Jiang Zemin had called for a peaceful resolution to the dispute between Beijing and Taipei, encouraging leaders in both capitals to work toward a mutually acceptable "one country, two systems" framework. Jiang Ze-min passed a message via Liang Su-rong, an adviser to Lee Teng-hui, stressing three points: “one, China and Taiwan should let bygones be bygones; two, provided Taiwan did not seek independence, everything else could be discussed; and three, the meeting between Lee and Jiang could be on ‘an equal footing’.” In April 1995, Taiwanese President Lee Teng-hui…
responded to Jiang's statement with a call for greater economic cooperation between China and Taiwan and establishment of regular dispute resolution mechanisms for disagreements between the two. But at the same time, Taiwanese officials were at work trying to secure a visa to allow President Lee to come to the United States to visit his alma mater (Cornell University in New York State).  

Since 1993, Taiwan has taken many actions to raise the international visibility of the island and to strengthen non-diplomatic relations in the international community. Taiwan Government did many things to change its international status, for example, vacation diplomacy and participation in Asia-Pacific Economic Cooperation (APEC) negotiation, through these diplomatic activities, Taiwan sought to encourage people in other countries to pay attention to Taiwan and to support Taiwan, and increased the influence of President Lee in the world. The strategy of pragmatic diplomacy reached a breakthrough in 1995. So the Taiwan issue come out in June of 1995 when the Clinton Administration.

There is convincing evidence that the changes in perception and policy of the U.S. decision-makers so as to let the Taiwan President visited Cornell University in the United States was attributed to the pressure from the U.S. Congress. More than 39 members of the House of Representatives and the Senate submitted a joint resolution demanding the administration allow President Lee to travel to Cornell University to receive an honorary degree. In the beginning of May, the resolution passed the two concurrent with the largest possible majority 97 to 1 in the Senate and 396 to 0 in the House. Besides, the U.S. Congressman, especially the Republicans, support arms sales to Taiwan as Taiwan is a democratic country but China Mainland was not in reality.

The U.S. State Department Spokesman Nicholas Burns said, “President Lee will visit the U.S. in a strictly private capacity and will not undertake any official activities. It is important to reiterate that this is not an official visit. The granting of a visa in this case is consistent with U.S. policy of maintaining only unofficial relations with Taiwan.” The visa decision followed a three-year evolution of the U.S. policy toward Taiwan. In 1992 the Bush administration, in violation of its pledge in the 1982 U.S.-China arms sales communique to reduce the quantity of the U.S. arms sales to Taiwan, sold Taiwan 150 F-16 warplanes. In 1994 the Clinton administration modified upward the protocol rules regarding the U.S. “unofficial” treatment of Taiwan diplomats, which had for the most part been in effect since 1981. Then, the next year, it allowed Lee Teng-hui to visit the United States. From China’s perspective, the United States seemed determined to continue revising its Taiwan policy and, in so doing, encourage Taiwan’s leaders to seek formal sovereign independence for Taiwan.

Owing to Lee’s visit, China Mainland reacted strongly, Chinese leadership summoned the American ambassador and demanded that the United States changed its decision. “If the United States clings to its erroneous decision to permit the visit on the basis of miscalculation

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85 Financial Times. (March 8, 1995). "Pressure to let Taiwan's president visit US".


of the situation, it will inevitably cause severe damage to China-U.S. relations,” the Foreign Ministry spokesman declared. In order to emphasize the severity of damage to China-U.S. relations, China Mainland cancelled or postponed a series of meetings between the U.S. and Chinese Mainland officials in subsequent months. And the China Mainland recalled Ambassador Li Daoyu from Washington, when he come back to China Mainland, he did not give any indications, and delayed approval of the agreement for the newly appointed American ambassador to Beijing, former senator Jim Sasser.

The State Department did its best to avoid appearing an official character to Lee's visit. No federal government official met Lee during his stay, although Senators Jesse Helms, Frank Murkowski, and Al D’Amato greeted him during his brief stopover in Syracuse. Cornell University officials referred to him as “President Lee of Taiwan” and did not use “the ROC” flag, play the Taiwanese national anthem, and arrange a press conference for him. Lee did not visit Washington on his trip.

During Lee Teng-hui’s visit, he gave a political speech at Cornell University, and conducted separatist activities on various occasions with the purpose of creating “two Chinas” or “one China, one Taiwan”. In his Cornell speech, he mentioned “the Republic of China” seventeen times. These showed that Lee's trip to the U.S. was not a private one transparently. And the U.S. broke the policy restricting high-level contacts between the U.S. officials and Taiwanese leaders. Faced with this situation, China Mainland argued that the actions of the U.S. against the three Joint Communiqué between China and the U.S., and hampered the resolution of the Taiwan issue between China Mainland and Taiwan.

For Lee’s visit, Chinese government felt that it was necessary to conduct missile tests from July to October 1995 in order to show the capabilities of China Mainland to prevent foreign intervention and to safeguard its own territorial integrity. Chinese leadership gave up the peaceful resolution and forcible strategy to the Taiwan question. China Mainland raised a new and very strong way possible military attack to deter Lee from continuing down this path.

China Mainland conducted military exercise, Taiwan people felt very scared to the military exercise, although Taiwan Government comforted people to remain calm and sought to play down the threat. This exercise had considerable impact on Taiwan. The stock market in Taiwan dropped abruptly, and companies and individuals transferred large amounts of capital abroad.

This mini-crisis in the Taiwan Straits has a very strong impact on China-U.S. relations, from then on, China-U.S.-Taiwan relations reached another lowest point.

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91 For a comprehensive description and analysis of the turn in policy in 1995 and the associated military moves, see Greg Austin (ed), Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power, Strategic and Defence Studies Centre (Canberra, 1997); and Suisheng Zhao (ed), Across the Taiwan Strait, (Routledge,1999).
4.2.1 Consequence of Lee Teng-hui's Visit to the U.S. on China-U.S.-Taiwan Relations

This Taiwan Strait crisis was the result of interacts of many domestic and international factors. It forced both sides to consider with reality, to recognize the interests involved and the limits to their pursuit, and to take a clear and cautious position on crucial issues. More importantly, this crisis made clear that China, the U.S., and Taiwan needed urgently a stable and perhaps constructive relation.

Lee Teng-hui's visit to the United States caused the great changes of interrelations of China Mainland and Taiwan, China and U.S., Taiwan and the U.S. After China and the United States established diplomatic relations in 1979, the frame of the three relations—China, the U.S. and Taiwan, was stable, and have improved the peace and development of the whole world and Asia-Pacific region, and driven the Cross-Straits relations to move along the road toward peaceful reunification. But owing to Lee's visit to the United States, this kind of stable relations had a great adjustment among the three, and will cause a series of conflict.

Lee's visit to the U.S. broke the surface balance of China Mainland, Taiwan and the United States, sharpened the conflict of the three. Lee's visit to the United States made the conflict of Chinese government, the U.S., and Taiwan come to the surface, sharpen, and therefore caused the fourth Taiwan Straits Crisis (1995-1996). Bilateral relations of China and the United States declined to the lowest point since establishing diplomatic relations, the Cross-Straits relations took a turn largely, the Straits situation become tense suddenly. This Crisis, it not only become the turning point of China-U.S. relations after the Cold War, but had a far reaching impact on the Cross-Straits relations.

The China Mainland missile test and the dispatch of the U.S. carrier emphasized the seriousness of the Taiwan issue in China-U.S. relations. There are many disputes between Washington and Beijing, such as trade, nonproliferation, or human rights, but the Taiwan issue could carry the risk of drawing the two nations into a military conflict. After Lee's visit to Cornell University, a series of events, which illustrate how misunderstandings and miscalculations on the part of Washington, Beijing and Taipei could produce consequences, that none of them desired.

For Lee Teng-hui's visit to Cornell, China Mainland leadership thought that this decision of the U.S. was a serious challenge to China Mainland's opposition to Taiwan's independent movement. A Chinese foreign ministry statement charged that this was Lee's latest step in his efforts to create “one China and one Taiwan.” China Mainland Government thought that the U.S. policy to Taiwan had encouraged Lee Teng-hui's theory of “one China and one Taiwan” and Taiwan independent movement. Moreover, the visa decision followed a succession of similarly important decisions since the end of the Cold War. In 1992 George Bush approved the sale of 150 F-16 military planes to Taiwan. The sale not only violated the August 17, 1982, U.S.-China communiqué on the U.S. arms sales to Taiwan, but also suggested increased the U.S. support for Taiwan in its conflict with China.

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Lee Teng-hui visited to Cornell, its main aim to enhance the Taiwan's international status. And Lee conceded that the China Mainland's reaction was stronger than he anticipated.95 However, both Taiwan and the U.S. failed to understand China's sensitivity about Taiwan sovereignty question. For Lee's visit, China Mainland felt the need to conduct missile tests to safeguard its territorial integrity. And China Mainland Government thought that it was China Mainland's domestic affairs to unify with Taiwan. From China Mainland perspective, Lee's visit to the United States indicates that the United States leadership would like to support Taiwan on various issues, especially giving up the traditional “One China” policy and the three communiqués issued with China Mainland before.

However, the Taiwan Strait confrontation further reveals how easy it could be for the United States and China to stumble into a collision. The United States is committed to the defense of Taiwan, but it was not helpful for itself in a confrontation with China. Therefore, the United States and China must deal with the Taiwan issue carefully into this century.

This confrontation was the first between the military forces of the United States and China Mainland since the offshore island crisis of the late 1950s. It attracted the attention of the American people, it made them recognize the dangerous possibility that the differing policies of the governments in Washington and Beijing on the Taiwan issue could lead to military conflict.

4.3 Summary

This study is based on two case studies. Both cases were the milestones of studying China-U.S. relations. The chapter presents the information of both cases and support analysis in next chapter.

Nixon’s visit to China is one of big significant affairs during the Cold War. His visit not only changed the situation of China-U.S. relations and U.S.-Taiwan relations, but also changed the situation of global politics. After his visit, China and the U.S. started cooperation rather than confrontation. Although China and the U.S. shared many common interests in the global politics and security, they failed in finding common interests in the Taiwan question.

Lee’s visit to the U.S. is the important mark that China-U.S. relations are changing after the Cold War. His visit led to a series of reaction in the relations among China, the U.S. and Taiwan. After Lee’s visit, the relations among three parties became more complex.

5. ANALYTICAL CHAPTER

In this chapter, I apply the theoretical framework to analyze the two cases. Further, I will analyze the Taiwan question in China-U.S. relations from military, economic and political security, in order to research the trend of the China-U.S. relations. Security as the concept is not a threat but it is the definition of threats and existential threats by the actors or referent objects that shows what threat is and how to resolve it. In this research, the Taiwan issue is a potential threat for China-U.S. relation. In the following, I will analyze this issue concretely.

5.1 Military Security

Military threats are the core of the security concerns. “So long as the international politics is anarchically structured, the military sector will remain of vital interest and importance.”96 Military capability of states threatens the other states. Especially if the relationship is enmity pattern, the capabilities would cause further threat.

In the establishment and maintenance of military securitization, geography, history and politics play an important role. “Geography shapes perceptions and operation of military threats and vulnerabilities in two ways: through distance and terrain.”97 Distance implies that military threats are more difficult to be controlled and prevented in short distance while terrain can reduce or increase the vulnerabilities according to the landscape and climate conditions. And history determined the military threat that past experience shapes the present perceptions. Political factors such as degree of recognition of each other and ideological divergences also cause military threats.

After the World War II, and especially the Korea War and Vietnam War, it was a strategic American objective to prevent Taiwan’s reunification with China Mainland. In the 1950s and 1960s, the U.S. strongly supported the Republic of China in Taiwan, and the U.S. forces used Taiwan as its chess against China-Soviet communism in Asia. At that time, the U.S.’s strategy was that Taiwan was regarded as one of important point in the chain to against Communist group. According to the then U.S. Secretary of State, John Foster Dulles, the collapse of Chiang Kai-shek’s Government on Taiwan would so endangered America’s offshore defenses that ‘it would only be a matter of time before [the U.S.] was forced back to Hawaii or the West Coast’.98

From the U.S. perspective, it would be strategic dangerous to the U.S. interests for reunification of Taiwan, but for China Mainland, it would gain an important strategic interest from which to threaten international shipping in the Western Pacific, especially among Japan and Southeast Asia and the Middle East.

Taiwan’s strategic position is very important. If Taiwan broke out war, all the nations would be affected in the Asia-Pacific region and even more. Because many states in the world depend on Asian sea-lanes to avoid China Mainland regional hegemony, Taiwan Strait has very important strategic interests in the future global development.


97 Ibid. p.59

But in late 1960s and early 1970s, with the development of the Soviet Union, the U.S. lost the military and nuclear advantage, therefore, the U.S. felt the strategic threat from the Soviet Union. This situation forced the U.S. to adjust its global strategy.

Meanwhile, the Chinese Government also worried about its own security very much. Until the late 1960s, China Mainland and the Soviet Union were full of enmity, and border clashes broke out in 1969 with hundreds of soldiers killed. And under this kind of tension, the Soviet Union deployed nuclear weapons on the border. Further, the Soviet Union sought the way to contain China Mainland, which is to support India. 99 That China-Soviet Union alliance collapsed in the late 1960s, so this offered a perfect opportunity for the U.S. to adjust the strategy in the far-east region.

So, under this kind of international situation, the U.S. officials regarded China Mainland Government more as a strategic asset against the U.S.S.R more than an enemy to be confronted in the Taiwan Strait. China had a small nuclear arsenal and was developing intercontinental ballistic missiles. 100 The U.S. viewed that there would be very important strategic interest for opening to China Mainland.

At first, Nixon’s visit to China is an apparent change in China-U.S. relations. And Nixon’s new diplomatic policy to China Mainland was presented in his annual foreign policy report to Congress, he wrote, “it is certainly in our interest, and in the interest of peace and stability in Asia and around the world, that we take what steps we can toward improved practical relations with Peking.” 101 Apparently, the United States took large steps toward the People’s Republic of China.

Therefore, the issue of Shanghai Communiqué was a result that China and the U.S. began to regard the Soviet Union as the greater threat to their national security, and they found themselves with a common interest.

This showed that the United States needed to cooperate with China Mainland to counterbalance the Soviet Union, and both Richard Nixon and Henry Kissinger believe that a friendly cooperation relation with China would be helpful to solve the Vietnam problem, because rapprochement of China-U.S. relations might prompt China Mainland to pursue and encourage North Vietnam to stop the war and sit down to negotiate friendly. And better China-U.S. relations forced the relationship of the Soviet Union and the U.S. to improve and approach détente.

In the case of Nixon’s visit to China, it is easy to find that the motive of the U.S.’s cooperation with China Mainland was to prevent conflicts and security from the Soviet Union. From the consideration of neo-realism aspect, security is nation’s main goal, in an anarchic world, the U.S. was to safeguard national security through forming defensive alliance with China Mainland, and China Mainland also needed to protect its sovereignty, although neorealism thinks cooperation is difficult to maintain, neoliberal institutionalism believes when states have mutual interests, it is easy to cooperate. During the Cold War, the U.S. and China Mainland have a common strategic interest, which was to counterbalance the Soviet Union. Therefore

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100 Ibid.

they formed alliance. In short, the rapprochement with China Mainland is to make the U.S. to become crucial actor and take advantages in this triangle relation (U.S.-U.S.S.R.-China).

In military security, the traditional object is to protect the territorial integrity of the state. Therefore, it thought that the ability of a state is to maintain its sovereignty against internal and external military threats. The military security agenda includes the use of military power to defend national integrity. The fundamental objective of protecting the national integrity through military security is to ensure the safety of the state from all internal and external threats and maintain the nation’s unity and unitary peaceful atmosphere.

Military security concerns the maintenance of civil peace, territorial integrity, and the protection of the government’s machinery in the face of challenge from within. On the other hand, military security concerns “the offensive and defensive capabilities of the states as well as the state’s perception of other states’ military capacity.”\(^{102}\) Both aim to defend the people and the state against attack, danger, or injury; and to convince a potential enemy that an attack will not be worth it because of amount of damage that will be inflicted during or in retaliation for the attack.

Owing to Lee Teng-hui’s visit, the United States and China Mainland had come to a crisis again since the early 1960s. It showed that the missile exercises of China Mainland on the Taiwan Strait increased threaten to Taiwan. From a neorealist view, the military concerns are in the high politics and presence of arms in one state is enough for the other to feel threatened and suspicious.

During the Cold War, the U.S. aligned with China, put Taiwan aside; with the collapse of the Soviet Union, the structure of the global system changed, the parts had to adjust themselves in order to preserve their own interests, therefore the U.S. aligns with Taiwan, in order to contain China Mainland development.

Therefore, Lee’s visit was a critical turning point in post-Cold War China-U.S. relations and in the development of the post Cold War East Asian regional order. This confrontation influenced the bilateral relationships among all three of the actors in U.S.-China-Taiwan relations.

So, for Lee’s visit, China Mainland Government thought that the U.S.’s decision to issue the visa was not only an isolated incident, but the trend to encourage Taiwan to declare independence after the Cold War. Thus, China Mainland faced with this kind of trend, it used coercive policy to force the U.S. and Taiwan to change their respective policies. The People’s Daily observed that if the trend continued, “Lee Teng-hui will have less to fear in colluding with ‘Taiwan independence forces.’ “\(^{103}\)

And during the Taiwan Straits Crisis, the U.S. Government took the so-called “strategic commitment”, it is according to the Taiwan Relations Act (TRA), “to consider any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States,” and “to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic


system, of the people on Taiwan.” When Taiwan’s security is threatened, the U.S. President, under the TRA, “is directed to inform the Congress promptly of any threat to the security of the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefore. The President and the Congress shall determine, in accordance with constitutional process, appropriate action by the United States in response to any such danger.”

So, the U.S. deployed two carriers to defense Taiwan to realize its “strategic commitment” according to the TRA. Like this, it not only maintained the confidence of its allies, but also protected Taiwan’s safety.

It was obvious that China Mainland’s military exercise pointed at a target: Lee Teng-hui and public support on Taiwan for Lee’s pro-independence activities. And China Mainland also aimed to coerce Taiwan into abandoning its effort to redefine the “one-China” principle and Taiwan’s status in international politics. The use of force was a crucial element in China’s coercive diplomacy. Just like experts reported, the Taiwan Strait is “a potential tinderbox” and “the most dangerous hot spot in East Asia.”

When Lee returned to Taiwan from Cornell, a Xinhua News Agency commentary observed that Lee and pro-independence supporters “are now very swollen with arrogance,” and “Lee had used his visit to gain the U.S. support for independence.”

From the above, it is to find that the U.S. tried to use Taiwan to contain China Mainland, but it was not like to push Taiwan into the conflict or even war. On the other hand, the U.S. did not hope that China Mainland reunifies Taiwan. If it happens, the U.S. would loss the unsinkable aircraft carrier in the Far East region. Therefore, the U.S. implements a policy of midst route, which tries to prevent both reunification and independence.

For this case of Lee’s visit, according to geopolitical and balance-of-power consideration, China Mainland advocates multipolarization against the U.S.’s hegemonic designs and ambitions in order to safeguard its national security and enhance its international prestige, meanwhile, the U.S. also contain China in order to maintain its interest in Asia-Pacific region.

5.2 Economic Security

Economic security means self-reliance of a state to feed its population and industry, and to depend on the ability of states to have access to external markets, credits and resources. The

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104 See the appendix IV, Taiwan Relations Act of 1979.
105 For a discussion of the domestic politics of Taiwan’s mainland policy, see Steven M. Goldstein, “The Cross-Strait Talks of 1993—The Rest of the Story: Domestic Politics and Taiwan’s Mainland Policy,” in Zhao, Across the Taiwan Strait.
106 This is the assessment made by a bipartisan panel of national security experts in the U.S., in a report: Taking Charge: A Bipartisan Report to the President Elect on Foreign and National Security, released by the Rand Corporation on November 13, 2000.
economic threat is highly linked to the political and military threat. The economic welfare of a country poses military threat to others since the financial sources could be used to strengthen the military capabilities.

“Economic threats do resemble an attack on the state, in the sense that conscious external actions by others results in material loss, strain on various institutions of the state, and even substantial damage to the health and longevity of the population.”

Before Nixon’s visit to China, the U.S. imposed an embargo on trade for China, and forbid American people to travel to China Mainland. Meanwhile, China Mainland also made a decision on freezing American deposits. And in October 1951, the United States Congress prescribed not to import strategic material (for example, oil, military material and machinery product) to China Mainland. But China Mainland market was so big that it attracted the U.S.’s allies owing to the economic interests. So the U.S. government had to broaden trade policy to China Mainland in the late of 1950s.

Owing to the Vietnam War and the Korea War, the U.S. met many problems in economy. The U.S. paid much finance on the war after the World War II. In 1970, the financial deficit reached 38.9 billion USD. The Western Europe and Japan achieved great development in economy in the 1960s and 1970s. Therefore the U.S. needed to face very strong competitors, Europe and Japan, and with economic competition sharpening between the industrial nations, China Mainland was also an alluring prospect for the American exporters and multinationals. So in 1971, the U.S. President Nixon pointed out in his famous speech at Kansas, “the Chinese were one of the most capable nations of the world, and the 800 million Chinese would inevitably become an extraordinary economic power.” At the same time, China Mainland also considered that this could bring much more interest for itself.

Therefore, compared to China Mainland, the Taiwan’s value was declined. The U.S. could enjoy more benefits from cooperation with China Mainland than Taiwan. Based on the military and economic security consideration, the U.S. depressed the relations with Taiwan while raising the relations with China Mainland after Nixon’s visit to the P.R.C. Further, China and U.S. recognized each other and to established diplomatic relations in 1979.

Following the economic globalization, all of China Mainland, the U.S. and Taiwan have involved deeply into the global economic cooperation. And with the economic rapid development in the past twenty-five years, China Mainland becomes stronger and stronger in every field. It soon became the fastest growing country in the world, with real Gross National Product (GNP) expanding at over 9 percent annually from 1978 through 1993. And China is the strongest military country in the East and Southeast Asian. So China Mainland was


112 Nixon’s speech at Kansas City on July 6, 1971.


regarded as the only country that could challenge the U.S. dominant position in the Asia-Pacific region.

After China Mainland become to open to the world, the United States has become an increasingly important partner, since 1992 taking one-third of China’s exports and transferring advanced technological skills. Many American companies became the second or third largest suppliers of capital. At present, China Mainland is the ninth largest trading nation in the world. China Mainland is the fourth trade partner of the U.S., and the U.S. is the second trade partner of China. Until September 2002, the U.S. had invested 38.84 billion USD in China Mainland. At the same time, China Mainland holds 122.5 billion USD bonds of the U.S. Thus the P.R.C. had an important economic interest in dealing with the relations with the United States.

The cooperation between China Mainland and Taiwan started only in early 1980s. But since 1987, mainland-Taiwan trade and economic relations have rapidly improved. Taiwan invested 3.859 billion USD in China Mainland in 2002, which accounted to 53.38% of total oversea investment of Taiwan. Comparison to the cold political relations, the economic relations between China Mainland and Taiwan made a great progress in the past 20 years. The cooperation is more and more closely in economic area. Both China Mainland and Taiwan enjoy the common economic benefits from cooperation.

The U.S. economic interests in Taiwan also grew substantially during the 1980s and 1990s, although less rapidly than U.S.-China trade. In 1995 two-way trade was US$48.3 billion compared to U.S.-China trade of US$57.3 billion. However, Taiwan was a more important buyer of the U.S. goods. It is also the seventh largest market for U.S. exports. The U.S. absorbs 25% of all Taiwan exports and the annual bilateral trade exceeds $50 billion. This economic partnership continues to grow. The U.S. regarded Taiwan as an alliance in the Far-East region. The arms and military of Taiwan are mainly from the U.S.

At present, the U.S. is an important investor and trading partner for Taiwan. U.S. markets receive about 25% of Taiwan’s exports, while the U.S. supplies a much smaller percentage of Taiwan’s imports, leading to a $14.9 billion U.S. trade deficit with Taiwan in 1998. Taiwan continues to enjoy Export-Import Bank financing, Overseas Private Investment Corporation (OPIC) guarantees, most-favored-nation status, and ready access to U.S. markets. Meanwhile, many U.S. leaders want to encourage Taiwanese enterprises to invest in the United States. In the 21 years between 1979 and 2000, however, U.S. arms dealers received US$41 billion from arms sales to Taiwan. The U.S. could also pay a heavy political price.

According to the neoliberal institutionalism, the actors in international relations concern about ‘absolute gains’ more than others. Although three parties have great divergence, all they can enjoy the common benefits from cooperation. The phenomenon could be called ‘all win’
principle. Based on the theory, none of China, the U.S. and Taiwan hopes the war and military conflict happen in Taiwan region. But, if the war or military conflict happens, it will be ‘absolute losses’, not ‘absolute gains’.

5.3 Political Security

Political Security is about the organization stability of social orders, especially threats to state sovereignty. It is the widest, and all security is political.120 “All threats and defenses are constituted and defined politically.”121 Political security is “about threats to the legitimacy or recognition either of political units or of the essential patterns (structures, processes or institutions) among them.”122

Nixon’s visit to China and announcement of “Shanghai Communiqué” mark a turning point and is of important historical significance. At that time, China-U.S. considered the strategic need, so they ignore temporarily domestic affairs, particularly the Taiwan issue. And Nixon and Kissinger were not concerned of China’s domestic affairs and the ideological difference between the two nations. Just like what Nixon stated in the meeting with Mao Zedong in 1972, “Now we are sitting together and chatting with each other, because we have understood the world’s new situation. We both understand that the thoughts for domestic affairs are not important. The major concern is our policies for each other and for the world.”123 But on the Taiwan issue, Zhou Enlai stated, “The Taiwan issue is crucial of China-U.S. relations tension”.124

And, the U.S. stated explicitly in the “Shanghai Communiqué”, “The United States acknowledges that all Chinese on either sides of the Taiwan Strait maintain there is but China and that Taiwan is a part of China, the United States Government does not challenge that position.”125 Therefore, China Mainland Government assumed that Chiang Kai-shek would surrender to Beijing sooner or later, once it lost America’s support, the Taiwan issue would be solved immediately. Under that international situation, in order to maintain allies with the United States as well as the China Mainland favourers’ political stance, China Mainland did not press too much.

But the U.S. still issued the Taiwan Relations Act (TRA) in 1979, regardless of China Mainland Government’s opposition. This reflected Taiwan’s strategic position’s importance to the U.S., and the U.S. also tried to make benefit from the conflict between China Mainland and Taiwan.

From the case of Nixon’s visit to China, it is clear to find that it is very important to maintain national’s security, and states are interested in increasing their power and influence, cooperate with other states or actors in the system to increase their capabilities. During the Cold War, the U.S. gave up Taiwan’s interest in order to gain more power and benefit from China Mainland. This indicates that security and interest are the same important for the U.S., Taiwan is only a chessman in the relations of China-U.S.-Taiwan.

121 Ibid, p.141.
122 Ibid, p.144.
125 See the appendix I, “Shanghai Communiqué”.
In the late 1980s, great change took place in global political structure. The Cold War ended following the disintegration of the Soviet Union. The U.S. lost the super competitor, the conflict of bipolar disappeared, the original bipolar confrontation was being replaced by the coexistence of one superpower and several major powers. Therefore, under this background, the U.S. rethought the relations with China. Concurrently, the United States deepened a broad array of economic, military, social, and other contacts with Taiwan’s rapidly developing economy and society.

So, in the new strategy, the U.S. tried to make a ‘New World Order’ and consolidate the leader’s position of the U.S. In fact, the ‘New World Order’ is to build a unipolar world, which led by the U.S, but China Mainland tried to find a multi-polar world order. So, based on this kind of strategic thinking, the U.S. regarded China Mainland as a competitor who has the potential ability to challenge its ‘New World Order’.

Thus, after the Cold War, the U.S.’s main policy to China Mainland was characterized by ‘containment’ and ‘cooperation’. Although the U.S. worried that China Mainland would become a super country in the future, but it cannot end cooperation with China, because both sides could find many areas of common interests, like economy, education, and antiterrorism.

Under the strategy of containment, the U.S. still has many cards to play, including Taiwan question, Tibet question, human rights, economic cooperation, global cooperation, and anti-communism. Among of them, Taiwan card is the most and direct and effective. Many researchers regard Taiwan as the most sensitive question in China-U.S. relations.

Lee Teng-hui’s visit to the U.S. was an obvious signal that the U.S. tried to raise U.S.-Taiwan relations and adjust the U.S. policy on Taiwan, which led China Mainland felt the danger of independence of Taiwan. Because Lee Teng-hui is one of Taiwan separatists, it was obviously for his visit to U.S. to encourage the independence movement in Taiwan. Meanwhile, on the question of Taiwan independence, Taiwan also needs the U.S. to support. Therefore Lee’s visit to U.S. is very clear to show that U.S. started to utilize Taiwan to contain China.

Moreover, Lee’s visit also had implications for other countries’ Taiwan policies. He had already carried out “golf diplomacy” to gain greater legitimacy for himself and for Taiwan independence. His aim was to use his visit to the United States to “boost Taiwan’s status with the help of foreigners and to achieve a ‘domino effect’ leading to the international community’s recognition of Taiwan’s ‘political status.’ ”


6. CONCLUDING CHAPTER

This Chapter will present the main findings and conclusion of this study. Based on the research propose, this chapter makes a conclusion about the trend of Taiwan question in China-U.S. relations.

This research has examined the impact of the Taiwan issue on China-U.S. relations through the case of Nixon’s visit to China and Lee Teng-hui’s visit to the U.S. which based on the neorealist and neoliberal institutionalism perspectives. By analyzing the two cases, the Taiwan issue plays an important role in the relationships between China and the U.S.

In the case of Nixon’s visit to China, the structure of the global triangle underwent a great change in the late 1960s when the feud between China and the Soviet Union turned into war. The development offered a good opportunity for the rapprochement of China-U.S. relations. This rapprochement reflected that American Government can make a concession to China Mainland on the Taiwan issue, and both sides come to an agreement. The U.S. acknowledged the People’s Republic of China is only legitimate government; Taiwan is a part of China. In this case, Taiwan issue was put aside and China-U.S. realized normalization. From the neoliberal institutionalism point of view, China, the U.S. should strengthen cooperation further in every field. And Nixon’s visit to China showed that it is possible to cooperate for China and the U.S., although the Taiwan issue existed at that time.

In the case of Lee Teng-hui’s visit to the U.S., owing to the change of the global structure, the U.S. would not be willing to compromise on the Taiwan issue. So in 1995, the U.S. Government approved Lee’s visit to the U.S., because President Lee Teng-hui is one of separatists, and since Lee came to power, he has sought the chance to cause China-U.S. friction. He was also determined to use Taiwan’s relationship with the United States to further his goals. His visit to the U.S. approved American Government support Taiwan independence, it is difficult for China to accept this fact. So in this case, China-U.S. relations could not make an agreement on Taiwan issue, both of sides could not settle this question very well, at last caused Taiwan Strait Crisis.

These two cases fully approved the Taiwan issue is very important between China-U.S. relations, and, if it will not be settled very well, it will cause a conflict or even a war. Lee Teng-hui’s visit to the U.S. resulted in the Taiwan Strait Crisis, this conflict in the Taiwan Strait would be a tragedy, not just for the people of Taiwan-and of the P.R.C.-but for the people of the United States, Japan and indeed most of the world. For the American, such a conflict or war would have enormously damaging implications for the U.S. political, economic and security interests.

Therefore, whether the Taiwan issue can handle correctly is related to the development of China-U.S. relations. China and the United States have to pay great attention to the Taiwan issue, deal with it prudently.

‘Balance-of-power’ is one of foundational principle in the theory of neo-realism and neoliberalism. This theory can be applied to explain the Taiwan question in China-U.S. relations. Based on the analysis in Chapter 5, Taiwan question is in a balance status. Although the Taiwanese separatists tried to change the current status toward to independence, they were too weak power to change the today’s balance status. For the Taiwan question, China and the U.S. are the definitive power and pillar.
From the case of Lee’s visit, it is easy to find that the U.S. would not like to give up its concerns and interest in Taiwan, from the neorealist point of view, the U.S. is to extend its interest and power by supporting Taiwan, and the United States is committed to the defence of Taiwan, but confronted with China Mainland, it is not helpful to the U.S., so, to avoid the policy of the question of China-Taiwan drift, the U.S. administrations will have to make policy in the U.S. interest, not in Taiwan’s interest.

So, on the Taiwan issue, if both the United States and China Mainland could abide by the three joint communiqués and relevant promises, particularly the principles of mutually respecting sovereignty and territorial integrity, the China-U.S. relationship will strive forward in the new century toward the goal of establishing a constructive strategic partnership.

Anyway, both China and the United States have the common task of maintaining peace and stability in the area of the Taiwan Straits. Thus, the two governments should continue to pay sufficient attention on the Taiwan issue. While settling the Taiwan issue, for Chinese Government, the more effective way is to seek cooperation from the U.S. to help contain Taiwan independence. As long as the U.S. does not support “one China, one Taiwan”, China needs not worry whether separatists’ political objective is independence because that objective cannot be realized without the U.S. support.

And for the U.S. Government, it should encourage Taiwan to sit down and negotiate with China on a reasonable arrangement for unification. Meanwhile, on the issue of arms sales to Taiwan, the U.S. should adopt a more sensible and responsible approach.

The two governments should continue their high-level visits and meetings to deepen their mutual understanding of the Taiwan issue. The two sides should explore ways of furthering Cross-Strait economic relations and promoting Chinese Mainland-Taiwan-U.S. triangular economic relations.

Therefore, in the long run, if there is any issue that can ignite China-U.S. conflict, it is the Taiwan issue. From the case of Lee, it looks certain that China Mainland will use the force to prevent Taiwan independence. Until then, the U.S. must make a decision about the war. To be sure, the U.S. military involvement will not put an end to the problem, but is likely to create even larger problems across the Taiwan Strait. So, for China, Taiwan and the U.S., the best way and interest is a peaceful unification across the Taiwan Strait.

Base on the analysis of the two cases, I think today's status can last for a certain time until the balance is destroyed. Under the status, even if China and the U.S., both of them cannot get enough power to destroy the balance. If each part wants to change status, it has to calculate the gains and loss from the action.

For the future of Taiwan, from the strategic perspective, I think reunification is the certain trend, although it is difficult to say the approach of reunification is peaceful or force. Some separatism movement are active in the island in the recent years, and the separatists have obtained a certain support from voters. But from the strategic level perspective, the Taiwan question is going toward reunification. The first reason is that the China Mainland has become stronger and stronger in the last two decades. If China Mainland is enough strong to destroy the current balance in Taiwan Strait and obtain advantage to the U.S. in the future, the U.S. will be forced to leave this question.

The second reason is that Taiwanese economy depends on China Mainland more and more. The close economic tie declines the possibility of Taiwan’s independence. Many Taiwan
companies have investment in China Mainland, Taiwan’s independence will suffer a great deal of losses for them.

The economic stakes behind Beijing’s apparent restraint, the Journal argued, include US $20 billion worth of cross-strait trade, (up from a mere US $77 million in 1979, registering an average annual growth rate of over 40 per cent), over 5,000 Taiwan-funded companies with a total investment of over US $10 billion (the actual figure is probably considerably higher) in the Mainland’s Fujian province, and 9,300 Taiwanese companies with a total investment of US $11.2 billion in the Guangdong province. (According to other estimates, total Taiwanese investments in the mainland amount to US $30 billion). 129

Therefore China, the U.S. and Taiwan are interdependent, once the war breaks out, three sides will lose much in economy. Although the U.S. supports Taiwan and allowed Lee Teng-hui’s visit to the U.S., in fact, the U.S. is not willing to war between China and Taiwan, because it will not lose China Mainland big market. And the U.S. needs Beijing’s support in dealing with a range of other issues, such as the proliferation of weapons of mass destruction, Korean peninsula and South Asia. So, cross-strait stability is a key of the U.S. global strategy.

The third reason is that Taiwan’s military power is going down. Because of the depressed economy, Taiwan is in shortage of finance to support military development. On the other hand, following economic rapid growth, China Mainland can pay more money on the military development. Although the U.S. offers military help to Taiwan, it is based on Taiwan’s finance. There is no free lunch, and it is impossible that the U.S. provide free weapons to Taiwan.

The fourth reason is to exchange between China Mainland and Taiwan. Both sides have lived in isolation for almost 40 years, and there are much misunderstanding between China Mainland and Taiwan. Following more exchange, both sides will know well each other. Especially, the Taiwanese will see the great changes in China Mainland, and see the real China. The exchange and understanding could promote the reunification.

From the negative perspective, the U.S. must insist its global strategy to maintain it global benefit, including the benefit in Taiwan. This is the biggest challenge for reunification of Taiwan. But, as a matter of fact, if the U.S. wants to involve the future war in Taiwan, it has to calculate carefully the gain and loss.

In the new century, both China and the United States have the common task of maintaining peace and stability in the area of the Taiwan Straits. The two governments should continue to pay sufficient attention to the Taiwan issue. The Chinese government will have to deal with huge domestic problems. Nevertheless, it will surely think, both strategically and tactically, about the Taiwan issue. The American government should do all it can to prevent any new troubles arising from the Taiwan issue.

Finally, nobody likes war; that means bloodiness and tragedy. Hopefully, the Taiwan question could be settled by peaceful approach. And Chinese government and the United States government should continue their high-level visits and meetings to deepen their mutual understanding of the Taiwan issue. The two sides should explore ways of furthering Cross-Strait relations and promoting Chinese Mainland-Taiwan-U.S. triangular relations.

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Abbreviations

CCP The Chinese Communist Party
DPP The Democratic Progressive Party
IR International Relations
NAT The North Atlantic Treaty
PLA The People's Liberation Army
PRC The People's Republic of China
ROC The Republic of China
TRA Taiwan Relations Act
U.S. The United States
USLO The United States Liaison Office
USSR Union of Soviet Socialist Republics
APEC Asia-Pacific Economic Cooperation
GNP Gross National Product
OPIC Overseas Private Investment Cooperation
IGO Intergovernmental Organizations
MDT Mutual Defence Treaty
Appendix

Appendix I:

**Joint Communiqué between the People's Republic of China and the United States of America**

Shanghai, February 28, 1972

President Richard Nixon of the United States of America visited the People's Republic of China at the invitation of Premier Chou En-lai of the People's Republic of China from February 21 to February 28, 1972. Accompanying the President were Mrs. Nixon, U.S. Secretary of State William Rogers, Assistant to the President Dr. Henry Kissinger, and other American officials.

President Nixon met with Chairman Mao Tsetung of the Communist Party of China on February 21. The two leaders had a serious and frank exchange of views on Sino-U.S. relations and world affairs.

During the visit, extensive, earnest and frank discussions were held between President Nixon and Premier Chou En-lai on the normalization of relations between the United States of America and the People's Republic of China, as well as on other matters of interest to both sides. In addition, Secretary of State William Rogers and Foreign Minister Chi Peng-fei held talks in the same spirit.

President Nixon and his party visited Peking and viewed cultural, industrial and agricultural sites, and they also toured Hangchow and Shanghai where, continuing discussions with Chinese leaders, they viewed similar places of interest.

The leaders of the People’s Republic of China and the United States of America found it beneficial to have this opportunity, after so many years without contact, to present candidly to one another their views on a variety of issues. They reviewed the international situation in which important changes and great upheavals are taking place and expounded their respective positions and attitudes.

The Chinese side stated: Wherever there is oppression there is resistance. Countries want independence, nations want liberation and the people want revolution-this has become the irresistible trend of history. All nations, big or small, should be equal; big nations should not bully the small and strong nations should not bully the weak. China will never be a superpower and it opposes hegemony and power politics of any kind. The Chinese side stated that it firmly supports the struggles of all the oppressed people and nations for freedom and liberation and that the people of all countries have the right to choose their social systems according to their own wishes and the right to safeguard the independence, sovereignty and territorial integrity of their own countries and oppose foreign aggression, interference, control and subversion. All foreign troops should be withdrawn to their own countries. The Chinese side expressed its firm support to the peoples of Viet Nam, Laos and Cambodia in their efforts for the attainment of their goal and its firm support to the seven-

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point proposal of the Provisional Revolutionary Government of the Republic of South Vietnam and the elaboration of February this year on the two key problems in the proposal, and to the Joint Declaration of the Summit Conference of the Indochinese Peoples. It firmly supports the eight-point program for the peaceful unification of Korea put forward by the Government of the Democratic People's Republic of Korea on April 12, 1971, and the stand for the abolition of the "U.N. Commission for the Unification and Rehabilitation of Korea". It firmly opposes the revival and outward expansion of Japanese militarism and firmly supports the Japanese people's desire to build an independent, democratic, peaceful and neutral Japan. It firmly maintains that India and Pakistan should, in accordance with the United Nations resolutions on the India-Pakistan question, immediately withdraw all their forces to their respective territories and to their own sides of the ceasefire line in Jammu and Kashmir and firmly supports the Pakistan Government and people in their struggle to preserve their independence and sovereignty and the people of Jammu and Kashmir in their struggle for the right of self-determination.

The U.S. side stated: Peace in Asia and peace in the world requires efforts both to reduce immediate tensions and to eliminate the basic causes of conflict. The United States will work for a just and secure peace; just, because it fulfills the aspirations of peoples and nations for freedom and progress; secure, because it removes the danger of foreign aggression. The United States supports individual freedom and social progress for all the peoples of the world, free of outside pressure or intervention. The United States believes that the effort to reduce tensions is served by improving communication between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation or misunderstanding. Countries should treat each other with mutual respect and be willing to compete peacefully, letting performance be the ultimate judge. No country should claim infallibility and each country should be prepared to re-examine its own attitudes for the common good. The United States stressed that the peoples of Indochina should be allowed to determine their destiny without outside intervention; its constant primary objective has been a negotiated solution; the eight-point proposal put forward by the Republic of Vietnam and the United States on January 27, 1972 represents a basis for the attainment of that objective; in the absence of a negotiated settlement, the United States envisages the ultimate withdrawal of all U.S. forces from the region consistent with the aim of self-determination for each country of Indochina. The United States will maintain its close ties with and support for the Republic of Korea; the United States will support efforts of the Republic of Korea to seek a relaxation of tension and increased communication in the Korean peninsula. The United States places the highest value on its friendly relations with Japan; it will continue to develop the existing close bonds. Consistent with the United Nations Security Council Resolution of December 21, 1971, the United States favours the continuation of the ceasefire between India and Pakistan and the withdrawal of all military forces to within their own territories and to their own sides of the ceasefire line in Jammu and Kashmir; the United States supports the right of the peoples of South Asia to shape their own future in peace, free of military threat, and without having the area become the subject of great power rivalry.

There are essential differences between China and the United States in their social systems and foreign policies. However, the two sides agreed that countries, regardless of their social systems, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence. International disputes should be settled on this basis, without resorting to the use or threat of force. The United States and the People's Republic of China are prepared to apply these principles to their mutual relations.
With these principles of international relations in mind the two sides stated that:

--progress toward the normalization of relations between China and the United States is in the interests of all countries;

--both wish to reduce the danger of international military conflict;

--neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony; and

--neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

Both sides are of the view that it would be against the interests of the peoples of the world for any major country to collude with another against other countries, or for major countries to divide up the world into spheres of interest.

The two sides reviewed the long-standing serious disputes between China and the United States. The Chinese side reaffirmed its position: The Taiwan question is the crucial question obstructing the normalization of relations between China and the United States; the Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The Chinese Government firmly opposes any activities which aim at the creation of "one China, one Taiwan" "one China two governments", "two Chinas", an "independent Taiwan" or advocate that "the status of Taiwan remains to be determined".

The U.S. side declared: The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.

The two sides agreed that it is desirable to broaden the understanding between the two peoples. To this end, they discussed specific areas in such fields as science, technology, culture, sports and journalism, in which people-to-people contacts and exchanges would be mutually beneficial. Each side undertakes to facilitate the further development of such contacts and exchanges.

Both sides view bilateral trade as another area from which mutual benefit can be derived, and agreed that economic relations based on equality and mutual benefit are in the interest of the peoples of the two countries. They agree to facilitate the progressive development of trade between their two countries.

The two sides agreed that they will stay in contact through various channels, including the sending of a senior U.S. representative to Peking from time to time for concrete consultations to further the normalization of relations between the two countries and continue to exchange views on issues of common interest.
The two sides expressed the hope that the gains achieved during this visit would open up new prospects for the relations between the two countries. They believe that the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world.

President Nixon, Mrs. Nixon and the American party expressed their appreciation for the gracious hospitality shown them by the Government and people of the People's Republic of China.
Appendix II

Joint Communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and the United States of America

1 January 1979

The People's Republic of China and the United States of America have agreed to recognize each other and to establish diplomatic relations as of January 1, 1979.

The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.

The People's Republic of China and the United States of America reaffirm the principles agreed on by the two sides in the Shanghai Communiqué and emphasize once again that:

--Both wish to reduce the danger of international military conflict.

--Neither should seek hegemony in the Asia-Pacific region or in any other region of the world and each is opposed to efforts by any other country or group of countries to establish such hegemony.

--Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

--The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.

--Both believe that normalization of Sino-American relations is not only in the interest of the Chinese and American peoples but also contributes to the cause of peace in Asia and the world.


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Appendix III

Joint Communiqué between the People's Republic of China and the United States of America

August 17, 1982

(1) In the Joint Communiqué on the Establishment of Diplomatic Relations on January 1, 1979, issued by the Government of the United States of America and the Government of the People's Republic of China, the United States of America recognized the Government of the People's Republic of China as the sole legal Government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. On this basis, relations between the United States and China were normalized.

(2) The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again following normalization. Recognizing that this issue would seriously hamper the development of United States-China relations, they have held further discussions on it, during and since the meetings between President Ronald Reagan and Premier Zhao Ziyang and between Secretary of State Alexander M. Haig, Jr. and Vice Premier and Foreign Minister Huang Hua in October 1981.

(3) Respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs constitute the fundamental principles guiding United States-China relations. These principles were confirmed in the Shanghai Communiqué of February 28, 1972 and reaffirmed in the Joint Communiqué on the Establishment of Diplomatic Relations which came into effect on January 1, 1979. Both sides emphatically state that these principles continue to govern all aspects of their relations.

(4) The Chinese Government reiterates that the question of Taiwan is China's internal affair. The message to Compatriots in Taiwan issued by China on January 1, 1979 promulgated a fundamental policy of striving for peaceful reunification of the motherland. The Nine-Point Proposal put forward by China on September 30, 1981 represented a further major effort under this fundamental policy to strive for a peaceful solution to the Taiwan question.

(5) The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "two Chinas" or "one China, one Taiwan." The United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question as indicated in China's Message to Compatriots in Taiwan issued on January 1, 1979 and the Nine-Point Proposal put forward by China on September 30, 1981. The new situation which has emerged with regard to the Taiwan question also provides favourable conditions for the settlement of United States-China differences over United States arms sales to Taiwan.

(6) Having in mind the foregoing statements of both sides, the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue.

(7) In order to bring about, over a period of time, a final settlement of the question of United States arms sales to Taiwan, which is an issue rooted in history, the two Governments will make every effort to adopt measures and create conditions conducive to the thorough settlement of this issue.

(8) The development of United states-China relations is not only in the interests of the two peoples but also conducive to peace and stability in the world. The two sides are determined, on the principle of equality and mutual benefit, to strengthen their ties in the economic, cultural, educational, scientific, technological and other fields and make strong, joint efforts for the continued development of relations between the Governments and peoples of the United States and China.

(9) In order to bring about the healthy development of United States-China relations, maintain world peace and oppose aggression and expansion, the two Governments reaffirm the principles agreed on by the two sides in the Shanghai Communiqué and the Joint Communiqué on the Establishment of Diplomatic Relations. The two sides will maintain contact and hold appropriate consultations on bilateral and international issues of common interest.
Appendix IV

Taiwan Relations Act of 1979

April 10, 1979

Public Law 96-8 96th Congress,

An Act

To help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Taiwan Relations Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The President- having terminated governmental relations between the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, the Congress finds that the enactment of this Act is necessary--

(1) to help maintain peace, security, and stability in the Western Pacific; and (2) to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan. (b) It is the policy of the United States-- (1) to preserve and promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan, as well as the people on the China mainland and all other peoples of the Western Pacific area;

(2) to declare that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of international concern;

(3) to make clear that the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means;

(4) to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States;

(5) to provide Taiwan with arms of a defensive character; and

(6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan. (c) Nothing contained in this Act shall contravene the interest of the United States in human rights, especially with respect to the human rights of all the approximately eighteen million inhabitants of Taiwan. The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States. IMPLEMENTATION OF UNITED STATES POLICY WITH REGARD TO TAIWAN

SEC. 3. (a) In furtherance of the policy set forth in section 2 of this Act, the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

(b) The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress.

(c) The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger.

APPLICATION OF LAWS; INTERNATIONAL AGREEMENTS

SEC. 4. (a) The absence of diplomatic relations or recognition shall not affect the application of the laws of the United States with respect to Taiwan, and the laws of the United States shall apply with respect to Taiwan in the manner that the laws of the United States applied with respect to Taiwan prior to January 1, 1979.

(b) The application of subsection (a) of this section shall include, but shall not be limited to, the following: (1) Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments, or similar entities, such terms shall include and such laws shall apply with such respect to Taiwan.

(2) Whenever authorized by or pursuant to the laws of the United States to conduct or carry out programs, transactions, or other relations with respect to foreign countries, nations, states, governments, or similar entities, the President or any agency of the United States Government is authorized to conduct and carry out, in accordance with section 6 of this Act, such programs, transactions, and other relations with respect to Taiwan (including, but not limited to, the performance of services for the United States through contracts with commercial entities on Taiwan), in accordance with the applicable laws of the United States.

(3)(A) The absence of diplomatic relations and recognition with respect to Taiwan shall not abrogate, infringe, modify, deny, or otherwise affect in any way any rights or obligations (including but not limited to those involving contracts, debts, or property interests of any
kind) under the laws of the United States heretofore or hereafter acquired by or with respect to Taiwan.

(B) For all purposes under the laws of the United States, including actions in any court in the United States, recognition of the People's Republic of China shall not affect in any way the ownership of or other rights or interests in properties, tangible and intangible, and other things of value, owned or held on or prior to December 31, 1978, or thereafter acquired or earned by the governing authorities on Taiwan.

(4) Whenever the application of the laws of the United States depends upon the law that is or was applicable on Taiwan or compliance therewith, the law applied by the people on Taiwan shall be considered the applicable law for that purpose.

(5) Nothing in this Act, nor the facts of the President's action in extending diplomatic recognition to the People's Republic of China, the absence of diplomatic relations between the people on Taiwan and the United States, or the lack of recognition by the United States, and attendant circumstances thereto, shall be construed in any administrative or judicial proceeding as a basis for any United States Government agency, commission, or department to make a finding of fact or determination of law, under the Atomic Energy Act of 1954 and the Nuclear Non-Proliferation Act of 1978, to deny an export license application or to revoke an existing export license for nuclear exports to Taiwan.

(6) For purposes of the Immigration and Nationality Act, Taiwan may be treated in the manner specified in the first sentence of section 202(b) of that Act.

(7) The capacity of Taiwan to sue and be sued in courts in the United States, in accordance with the laws of the United States, shall not be abrogated, infringed, modified, denied, or otherwise affected in any way by the absence of diplomatic relations or recognition.

(8) No requirement, whether expressed or implied, under the laws of the United States with respect to maintenance of diplomatic relations or recognition shall be applicable with respect to Taiwan.

c) For all purposes, including actions in any court in the United States, the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law.

d) Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 5. (a) During the three-year period beginning on the date of enactment of this Act, the $1,000 per capita income restriction in insurance, clause (2) of the second undesignated paragraph of section 231 of the reinsurance, Foreign Assistance Act of 1961 shall not restrict the activities of the Overseas Private Investment Corporation in determining whether to
provide any insurance, reinsurance, loans, or guaranties with respect to investment projects on Taiwan.

(b) Except as provided in subsection (a) of this section, in issuing insurance, reinsurance, loans, or guaranties with respect to investment projects on Taiwan, the Overseas Private Insurance Corporation shall apply the same criteria as those applicable in other parts of the world.

THE AMERICAN INSTITUTE OF TAIWAN

SEC. 6. (a) Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through:

(1) The American Institute in Taiwan, a nonprofit corporation incorporated under the laws of the District of Columbia, or

(2) such comparable successor nongovernmental entity as the President may designate, (hereafter in this Act referred to as the "Institute").

(b) Whenever the President or any agency of the United States Government is authorized or required by or pursuant to the laws of the United States to enter into, perform, enforce, or have in force an agreement or transaction relative to Taiwan, such agreement or transaction shall be entered into, performed, and enforced, in the manner and to the extent directed by the President, by or through the Institute.

(c) To the extent that any law, rule, regulation, or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Institute is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Institute pursuant to this Act; such law, rule, regulation, or ordinance shall be deemed to be preempted by this Act.

SERVICES BY THE INSTITUTE TO UNITED STATES CITIZENS ON TAIWAN

SEC. 7. (a) The Institute may authorize any of its employees on Taiwan-- (1) to administer to or take from any person an oath, affirmation, affidavit, or deposition, and to perform any notarial act which any notary public is required or authorized by law to perform within the United States;

(2) To act as provisional conservator of the personal estates of deceased United States citizens; and

(3) to assist and protect the interests of United States persons by performing other acts such as are authorized to be performed outside the United States for consular purposes by such laws of the United States as the President may specify.

(b) Acts performed by authorized employees of the Institute under this section shall be valid, and of like force and effect within the United States, as if performed by any other person authorized under the laws of the United States to perform such acts.
TAX EXEMPT STATUS OF THE INSTITUTE

SEC. 8. (a) The Institute, its property, and its income are exempt from all taxation now or hereafter imposed by the United States (except to the extent that section 11(a)(3) of this Act requires the imposition of taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to the Federal Insurance Contributions Act) or by State or local taxing authority of the United States.

(b) For purposes of the Internal Revenue Code of 1954, the Institute shall be treated as an organization described in sections 170(b)(1)(A), 170(c), 2055(a), 2106(a)(2)(A), 2522(a), and 2522(b).

FURNISHING PROPERTY AND SERVICES TO AND OBTAINING SERVICES FROM THE INSTITUTE

SEC. 9. (a) Any agency of the United States Government is authorized to sell, loan, or lease property (including interests therein) to, and to perform administrative and technical support functions and services for the operations of, the Institute upon such terms and conditions as the President may direct. Reimbursements to agencies under this subsection shall be credited to the current applicable appropriation of the agency concerned. (b) Any agency of the United States Government is authorized to acquire and accept services from the Institute upon such terms and conditions as the President may direct. Whenever the President determines it to be in furtherance of the purposes of this Act, the procurement of services by such agencies from the Institute may be effected without regard to such laws of the United States normally applicable to the acquisition of services by such agencies as the President may specify by Executive order.

(c) Any agency of the United States Government making funds available to the Institute in accordance with this Act shall make arrangements with the Institute for the Comptroller General of the United States to have access to the books and records of the Institute and the opportunity to audit the operations of the Institute.

TAIWAN INSTRUMENTALITY

SEC. 10. (a) Whenever the President or any agency of the United States Government is authorized or required by or pursuant to the laws of the United States to render or provide to or to receive or accept from Taiwan, any performance, communication, assurance, undertaking, or other action, such action shall, in the manner and to the extent directed by the President, be rendered or Provided to, or received or accepted from, an instrumentality established by Taiwan which the President determines has the necessary authority under the laws applied by the people on Taiwan to provide assurances and take other actions on behalf of Taiwan in accordance with this Act.

(b) The President is requested to extend to the instrumentality established by Taiwan the same number of offices and complement of personnel as were previously operated in the United States by the governing authorities on Taiwan recognized as the Republic of China prior to January 1, 1979.

(c) Upon the granting by Taiwan of comparable privileges and immunities with respect to the Institute and its appropriate personnel, the President is authorized to extend with respect to the Taiwan instrumentality and its appropriate; personnel, such privileges and immunities
(subject to appropriate conditions and obligations) as may be necessary for the effective performance of their functions.

SEPARATION OF GOVERNMENT PERSONNEL FOR EMPLOYMENT WITH THE INSTITUTE

SEC. 11. (a)(1) Under such terms and conditions as the President may direct, any agency of the United States Government may separate from Government service for a specified period any officer or employee of that agency who accepts employment with the Institute.

(2) An officer or employee separated by an agency under paragraph (1) of this subsection for employment with the Institute shall be entitled upon termination of such employment to reemployment or reinstatement with such agency (or a successor agency) in an appropriate position with the attendant rights, privileges, and benefits with the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may prescribe.

(3) An officer or employee entitled to reemployment or reinstatement rights under paragraph (2) of this subsection shall, while continuously employed by the Institute with no break in continuity of service, continue to participate in any benefit program in which such officer or employee was participating prior to employment by the Institute, including programs for compensation for job-related death, injury, or illness; programs for health and life insurance; programs for annual, sick, and other statutory leave; and programs for retirement under any system established by the laws of the United States; except that employment with the Institute shall be the basis for participation in such programs only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the program’s or system’s fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in or retirement from Government service for purposes of any employee or survivor benefits acquired by reason of service with an agency of the United States Government.

(4) Any officer or employee of an agency of the United States Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this section for the period of such service.

(b) Any agency of the United States Government employing alien personnel on Taiwan may transfer such personnel, with accrued allowances, benefits, and rights, to the Institute without a break in service for purposes of retirement and other benefits, including continued participation in any system established by the laws of the United States for the retirement of employees in which the alien was participating prior to the transfer to the Institute, except that employment with the Institute shall be creditable for retirement purposes only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the system’s fund or depository.

(c) Employees of the Institute shall not be employees of the United States and, in representing the Institute, shall be exempt from section 207 of title 18, United States Code.
(d)(1) For purposes of sections 911 and 913 of the Internal Revenue Code of 1954, amounts paid by the Institute to its employees shall not be treated as earned income. Amounts received by employees of the Institute shall not be included in gross income, and shall be exempt from taxation, to the extent that they are equivalent to amounts received by civilian officers and employees of the Government of the United States as allowances and benefits which are exempt from taxation under section 912 of such Code.

(2) Except to the extent required by subsection (a)(3) of this section, service performed in the employ of the Institute shall not constitute employment for purposes of chapter 21 of such Code and title II of the Social Security Act.

REPORTING REQUIREMENT

SEC. 12. (a) The Secretary of State shall transmit to the Congress the text of any agreement to which the Institute is a party. However, any such agreement the immediate public disclosure of which would, in the opinion of the President, be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy to be removed only upon due notice from the President.

(b) For purposes of subsection (a), the term "agreement" includes- (1) any agreement entered into between the Institute and the governing authorities on Taiwan or the instrumentality established by Taiwan; and

(2) any agreement entered into between the Institute and an agency of the United States Government.

(c) Agreements and transactions made or to be made by or through the Institute shall be subject to the same congressional notification, review, and approval requirements and procedures as if such agreements and transactions were made by or through the agency of the United States Government on behalf of which the Institute is acting.

(d) During the two-year period beginning on the effective date of this Act, the Secretary of State shall transmit to the Speaker of the House and Senate House of Representatives and the Committee on Foreign Relations of Foreign Relations the Senate, every six months, a report describing and reviewing economic relations between the United States and Taiwan, noting any interference with normal commercial relations.

RULES AND REGULATIONS

SEC. 13. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act. During the three-year period beginning on the effective date speaker of this Act, such rules and regulations shall be transmitted promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate. Such action shall, however, relieve the Institute of the responsibilities placed upon it by this Act.

SEC. 14. (a) The Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and other appropriate committees of the Congress shall monitor-
(1) the implementation of the provisions of this Act;

(2) the operation and procedures of the Institute;

(3) the legal and technical aspects of the continuing relationship between the United States and Taiwan; and

(4) the implementation of the policies of the United States concerning security and cooperation in East Asia.

(b) Such committees shall report, as appropriate, to their respective Houses on the results of their monitoring.

DEFINITIONS

SEC. 15. For purposes of this Act-

(1) the term "laws of the United States" includes any statute, rule, regulation, ordinance, order, or judicial rule of decision of the United States or any political subdivision thereof; and

(2) the term "Taiwan" includes, as the context may require, the islands of Taiwan and the Pescadores, the people on those islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and any successor governing authorities (including political subdivisions, agencies, and instrumentalities thereof).

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. In addition to funds otherwise available to carry out the provisions of this Act, there are authorized to be appropriated to the Secretary of State for the fiscal year 1980 such funds as may be necessary to carry out such provisions. Such funds are authorized to remain available until expended.

SEVERABILITY OF PROVISIONS

SEC. 17. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 18. This Act shall be effective as of January 1, 1979. Approved April 10, 1979.