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AN INVESTIGATION OF THE VALUE OF TAIWAN TO FUTURE UNITED STATES RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

BY

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US ARMY WAR COLLEGE, CARLISLE BARRACKS, PENNSYLVANIA
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the creation of a foundation for a practical approach to U.S.-China relations through the Joint Communique of 1972, 1978, and 1982; the Taiwan Relations Act of 1979 and the Six Assurances made to Taiwan by the Reagan Administration in 1982. Continued concern over USSR expansionism and the well-being of Taiwan will highlight the strategic and economic objectives of the U.S. in future relations with the PRC and Taiwan. Therefore, the foreseeable future will find the U.S. successfully employing Taiwan as an instrument of economic, diplomatic, national security and sociopsychological power in its relations with the PRC.
USAWC MILITARY STUDIES PROGRAM PAPER

AN INVESTIGATION OF THE VALUE OF TAIWAN TO FUTURE UNITED STATES RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA (U)

INDIVIDUAL ESSAY

by

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ABSTRACT

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AN INVESTIGATION OF THE VALUE OF TAIWAN TO FUTURE
UNITED STATES RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

My investigation will center around the thesis that there is much the US can accomplish in its official relations with the People's Republic of China (PRC), by maintaining unofficial relations with Taiwan. Further, that the foundation has already been laid to use Taiwan as a US instrument of power in future US-PRC relations. I acknowledge that US-PRC relations will remain somewhat fragile (by Chinese design); and that these relations are susceptible to stronger influences than the Taiwan question. However, I would argue that too much emphasis has been placed on Taiwan as a liability of the US in these matters rather than Taiwan as an asset of the US.

My investigation will focus on four major factors; and, within these factors, Taiwan will be considered only as a US instrument of power. To consider Taiwan from any other point of view would be beyond the scope of this essay. The four factors are:

1. US-PRC relations during the 1949-1978 timeframe.
2. The foundation for a practical approach to US-China relations.
3. US objectives in future relations with the PRC and Taiwan.
4. Application of US knowledge of the culture of China to a practical approach to US-PRC relations.

US-PRC relations during the 1949-1978 timeframe ran the gamut from armed conflict during the Korean War to diplomatic recognition. With respect to Taiwan (the focal point for PRC animosity and for US support) the PRC attitude ran from shelling Taiwan and threatening "liberation" to conceding that solving the Taiwan question was secondary to
normalizing relations with the US. What then were the events that began with the emotional and belligerent 1950's and 1960's and ended with talk of the "traditional friendship" between the American and Chinese people that was consummated with diplomatic recognition?¹

The US and PRC faced their first predicament when the Communists won the civil war in China (October 1949), but the US-backed Nationalists escaped from the mainland to the island of Taiwan. Mao's Communists had de facto control of the mainland and claimed de jure rights over all of China. On the other hand, Chiang's Nationalists had de facto control of only Taiwan (and certain offshore islands); but claimed de jure rights over all of China! The die was cast when Mao proclaimed the People's Republic of China from Beijing and Chiang proclaimed the Republic of China (ROC) from Taipei. The PRC then looked to Moscow for support and the ROC looked to Washington for continued support.

Initially, the US was inclined toward recognizing the PRC. The Truman Administration declared its policy of neutrality and noninterference in China's internal political conflicts; and the US Congress endeavored to keep an open mind regarding the PRC. The administration believed the ROC would soon collapse and they were willing to accept the results, i.e., PRC de jure rights over all of China.

Our indifference to the plight of the Nationalist Chinese on Taiwan was quite real; and is important to any understanding of the US commitment to Taiwan. I would argue that the US has never viewed its commitment to Taiwan in the same manner it views its commitment to Israel. That is, Taiwan has never had the significance as a home for
persecuted Chinese as has Israel for the Jews. Therefore, the generalization can be made that US interests in Taiwan have expanded and contracted not out of changes on Taiwan itself, but out of changes in US perceptions of the PRC and other interests in the Asia-Pacific region.

While the Truman Administration awaited the collapse of the ROC, several actions by the PRC were viewed by the US as impediments to early US-PRC diplomatic relations. First, the PRC expelled US officials from the mainland and confiscated US government and private property. Then the PRC signed a 30-year "Sino-Soviet Friendship Treaty" which convinced the administration that the PRC was siding with the Soviet Communists.

Although these actions were ominous, it took the Korean War (and the armed conflict between US and PRC forces) to set the stage for the East-West conflict that hindered the normalization of relations between the US and PRC for almost thirty years. The war also set in motion the reconstitution of the bonds between the US and ROC, as the US believed the PRC to be a direct threat to the security of the Asia-Pacific region; and therefore the future status of Taiwan would have to await the restoration of stability in that area.

To make matters worse, the PRC shelled and harassed the ROC-controlled islands of Matsu, Quemoy, Tachen and Yikiang; and threatened to "liberate" Taiwan. As a countermeasure the US kept the Seventh Fleet positioned in the Taiwan Strait. The US also entered into a "Mutual Defense Treaty" with the ROC and was instrumental in assuring that the ROC continued to represent the people of China in the United Nations and other international organizations.

As if the situation was not bad enough, two additional events occurred in the 1960's that compounded the impasse between the US and
PRC: the Vietnam War and the Chinese Cultural Revolution. Alignment of the PRC with North Vietnam and the US with South Vietnam added to the East-West confrontation. In addition, the internal political turmoil in China and the anti-Americanism that this generated (during the Cultural Revolution) further exacerbated US-PRC relations.

Even as the gap between the US and PRC widened, there were utterances at the highest levels in both governments toward assumption of relations at a future date. In addition, informal discussions had emanated from the Korean armistice talks; and were subsequently raised to the ambassadorial level and continued into early 1970. These were certainly hopeful signs, but nothing one could view as the flowering of detente.

On the surface, the ideological and political differences between the two governments appeared to be insurmountable. However, as the Chinese Cultural Revolution lost its steam and the end of the Vietnam War was in sight, noticeable interest in normalization began to once again emerge in Washington and in Beijing. Unfortunately, the PRC condition that the Taiwan question be settled prior to normalization was a continuing stumbling block.

As we entered the 1970's and USSR expansionism became the overriding concern of both the US and PRC, the Taiwan question began to take a back seat. The slogan "return to the mainland" had lost some credibility even among the people of Taiwan. Therefore, when Beijing gave up its insistence that the Taiwan question be settled before any steps could be taken toward improving US-PRC relations, the twenty-year deadlock was broken.
Relinquishing its position on the Taiwan question was a major policy change for the PRC; and by so doing set the stage for "ping pong diplomacy," Henry Kissinger's mysterious visit to China and the US public's interest in panda bears and acupuncture. Although all of these events played a role in the normalization process, at the pinnacle of it all was President Nixon's visit to China during "the week that changed the world" and the subsequent issuance of the Shanghai Communique.

As I have previously stated, the one overriding concern that prompted the PRC to change its policy toward the settlement of the Taiwan question was USSR expansionism. Although there was concern over USSR expansionism into countries like Czechoslovakia, Beijing's primary concern was over the vast amount of USSR expansionism throughout the Asia-Pacific region. This concern, which the US also shared, continued to be the prime motivating factor (for normalizing US-PRC relations) throughout the 1970's.

One of the initial steps taken by the US, in response to PRC relinquishing the settlement of the Taiwan question prior to normalizing relations, was not to challenge the seating of the PRC in the United Nations and other international organizations. This of course required the unseating of the ROC, as only one government could represent all the people of China in these organizations. Other positive steps, on the part of both the US and PRC, led to the Communique of 1978 establishing diplomatic relations between the two nations.

In reviewing US-PRC relations during the 1949-1978 timeframe, three facts stand out. First, both governments maintained contact with each other (even during the turbulent 1950's and 1960's) with the view to normalizing relations sometime in the future. Second, the status of
Taiwan was always central to the normalization process; and for two decades each government waited for the other to make the first gesture toward removing this impasse. Third, the US greatly influenced the role Taiwan played in this normalization process through the use of nonviolent instruments of power.

With those three facts in mind, I will now turn to an examination of what I call the five building blocks making up the foundation for a practical approach to US-China relations. I say US-China and not US-PRC, because I believe that Taiwan will also benefit from this situation. The building blocks are:

1. Joint US-PRC communique issued at Shanghai on February 27, 1972 (Shanghai Communique).
3. Taiwan Relations Act of April 10, 1979 (Taiwan Relations Act).
5. Six assurances made to Taiwan by the Reagan Administration on July 14, 1982 (Six Assurances to Taiwan).

The key building block was the Shanghai Communique,² for it was this document that set the stage for diplomatic relations in 1979 and the tone for all subsequent US-PRC relations. The first half of the communique was made up of "flag waving" and "chest beating" by both governments. They then came to the point:

There are essential differences between China and the United States in their social systems and foreign policies. However, the two sides agree 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.

I have quoted this entire paragraph, as it set the tone for all future US-PRC relations. The paragraph down played both the ideological differences between the two governments and the foreign policies resulting from these differences. It further defined the relationship of the two governments toward each other, their relationship toward other nations and the method that should be used to settle international disputes.

Although the theme of national security can be seen throughout the communique, both governments clearly had the USSR in mind when they stated that: "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."

The US then turned its attention to the Taiwan question and declared:

The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain that 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.
There are three points in the US declaration that are central to post-1972 US-China relations. First: All three parties (PRC, ROC and US) agreed that there is "one China" and "Taiwan is a part of China." Second: The US intended that there be a "peaceful settlement of the Taiwan question by the Chinese" (i.e., PRC and ROC). Third: "As the tension in the area diminishes" (i.e., as the threat to Taiwan security diminishes), the US would "reduce its forces and military installations on Taiwan" with the objective of total US military withdrawal from the island.

Finally, placed near the very end of the communique were brief statements encompassing what are certainly the most enduring relations any two countries can have. Specifically, both governments agreed to facilitate contacts and exchanges in such fields as science, technology, culture, sports and journalism; and to work toward the development of bilateral trade.

The second (and equally important) building block was the Communique of 1978, for it was with this document that the two governments "agreed to recognize each other and to establish diplomatic relations." In addition, the US declared that the PRC was "the sole legal Government of China." However, the US went on to state that "within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan."

There are three points in the communique that are central to post-1978 US-China relations. First: The establishment of diplomatic relations between the two nations and US recognition of the PRC as "the
sole legal Government of China." Second: Tied to this recognition was the establishment of "unofficial relations" between "the people of the United States" and "the people of Taiwan." Third: The reaffirmation of the "principles agreed" to "in the Shanghai Communique." This reaffirmation was critical to a peaceful settlement of the Taiwan question; and for the reduction of US presence on Taiwan, as the tension in the area diminished.

A word at this point with respect to the Carter Administration's acceptance of the three PRC preconditions to diplomatic recognition. I would argue that the administration was correct in accepting the preconditions for the following reasons. Precondition number one asked for the complete withdrawal of all US military forces and installations from Taiwan. This was agreed to in the Shanghai Communique and the number of military personnel had dropped from 10,000 in 1972 to 1,300 when Carter took office. Precondition number two asked the US to sever diplomatic relations with the ROC. This was implied in the Shanghai Communique under the one-China concept; and, therefore, should naturally occur when the US established diplomatic relations with the PRC. Precondition number three asked for the termination of the "Mutual Defense Treaty" with Taiwan. By using the "Japanese Formula" of recognition (i.e., official activities with the PRC and unofficial relations with Taiwan) the US employed a formula that had an "oriental flavor" to it, and yet laid the groundwork for future US-Taiwan relations. However, unlike the "Japanese Formula," the US maintained a defense guarantee with Taiwan.

There was Congressional concern with the Communique of 1978 in two major categories. Their first concern was for the security of Taiwan,
as the communique did not specifically declare that there would be a peaceful settlement of the Taiwan question. From an occidental point of view this omission was troublesome, but from an oriental point of view a peaceful settlement of the Taiwan question was embodied in the phrase "reaffirm the principles agreed on by the two sides in the Shanghai Communique." Face saving would not allow the Chinese to be more specific.

The second concern of the Congress was that the Carter Administration did not consult with them prior to the consummation of the communique. This act of ignoring congressional sensitivities and prerogatives led to the strong wording of the Taiwan Relations Act of 1979.

The third building block making up the foundation for a practical approach to US-China relations is the Taiwan Relations Act. The importance of this document lies in the fact that it codifies future US-Taiwan relations with respect to the economic well-being and security of the island. It is also a key document from the point of view of how the US sees future US-PRC relations vis-a-vis Taiwan.

Since most of congressional concern with the communique centered around the defense and economic well-being of Taiwan, the strong wording of the Taiwan Relations Act reflects this concern. The following quotations illustrate the point:

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 of Taiwan.

To make it 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.

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.

To provide Taiwan with arms of a defensive nature.

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 social or economic system, of the people of Taiwan.

Provisions were also made for all US-Taiwan relations to continue as they were prior to 1 January 1979. However, in place of official recognition and diplomatic relations, the American Institute in Taiwan (a nonprofit US corporation) would carry out all "programs, transactions and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan." All rights, benefits, liabilities, privileges and immunities would continue in force both in the US and Taiwan. In short, only the name of the game had changed; and this conclusion was not lost on the leadership in Beijing.

The fourth building block (the Communiqué of 1982) furthered the resolution of two very important concerns: (1) the question of future US arms sales to Taiwan; and (2) the question of a peaceful settlement of the Taiwan question. With respect to arms sales, the US declared:

The United States Government 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 to reduce gradually its sale of arms to Taiwan, leading over a period of time to a final resolution.

There are two points in the above quotation that are key to US-China relations. First: The US "will not exceed the level" of arms "supplied in recent years." Since the Reagan Administration has tied quantity to the dollar amounts adjusted for inflation, might they not also tie quality to the relative state-of-the-art of weapon effectiveness? Two: The US will "reduce gradually" the sale of arms "leading over a period of time to a final resolution." The two key words here are gradually (moving by degrees, little by little?) and resolution (not final termination, but final negotiated level?). The wording allows for a great deal of flexibility and interpretation.

With respect to the peaceful settlement of the Taiwan question, the US pointed to the Nine-Point Proposal put forward by China on 30 September 1981 as leading the way toward settling the Taiwan question. (More on the Nine-Point Proposal later in this essay.) The communique ended with the declaration that "the two governments reaffirm the principles agreed on by both sides in the Shanghai Communique and the (Communique of 1978)."

The fifth building block (the Six Assurances to Taiwan) was key to establishing US-Taiwan relations, particularly vis-à-vis the PRC. The US declared that it:

1. Has not agreed to set a date for ending arms sales to Taiwan.

2. Has not agreed to hold prior consultations with the PRC on arms sales to Taiwan.

3. Will not play any mediation role between Beijing and Taipei.
4. Has not agreed to revise the Taiwan Relations Act.
5. Has not altered its position regarding sovereignty over Taiwan.
6. Will not exert pressure on Taiwan to enter into negotiations with the PRC.

In reviewing the five documents that make up the foundation for a practical approach to US-China relations, three facts stand out. First, the desire of both the US and PRC to maintain and improve relations in spite of the Taiwan question. Second, the tacit understanding between both governments that settlement of the Taiwan question would be a long-term undertaking. Third, the US redefinition of relations with the PRC vis-a-vis Taiwan; and redefinition of US relations with Taiwan in order to maintain defensive, economic and cultural ties with a long-time ally.

With those facts in mind, I will now turn to a consideration of what I believe should be the US objectives in future relations with the PRC and Taiwan. The objectives fall into two general categories: strategic defense and economic.

As a strategic objective, the US should encourage the PRC to play a greater role in combatting expansionism in the Asia-Pacific region (whether it be expansionism by USSR, Vietnam, North Korea, etc.). Although we no longer believe that the PRC might serve (or would wish to serve) as a substitute for US military presence in the region, she is still a regional power and a critical part of the "triangle." Therefore, the US should support the fourth Chinese Modernization (Defense) by providing her with measured amounts of military hardware and technology over an extended period of time.
As an economic objective, the US should contribute to the development of the PRC under the first three Chinese Modernizations (Agriculture, Industry, and Science and Technology). This contribution should include bilateral trade (expected to be about $7 billion in 1985), technology transfers, and educational and cultural exchanges. However, we should keep in mind that the PRC is a developing nation (not a world power); and that the US can only contribute to its development, not underwrite it. Further, the US contribution should be only to the extent that it is in our interests.

With respect to Taiwan, the US strategic objective should be to continue to assure a militarily strong Taiwan. To this end, we should provide the maximum amount of military support allowable under the stated intent of the Taiwan Relations Act, i.e., "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." Example: the 1985 weapons sale to Taiwan totalled $760 billion, which included twelve C130 aircraft.

Economically, the US should continue to contribute to Taiwan's well-being within the stated guidelines of the Taiwan Relations Act, i.e., "to preserve and promote extensive, close, and friendly commercial, cultural and other relations" between the peoples of the US and Taiwan. Example: the US and Taiwan currently have a strong bilateral trade situation (US sixth-largest trade partner). In addition, the transfer of technology has been mutually beneficial, and educational and cultural exchanges have been mutually enriching.
In the interest of continuity, a strategic-economic objective of the US should be to assure a peaceful settlement of the Taiwan question by the Chinese themselves. (Realpolitik on a regional basis also dictates this objective, but that is the theme of a full essay in itself.)

With the general parameters of US objectives in mind, I will now turn to an examination of US knowledge of the culture of China; and to the application of that knowledge to a practical approach to US-PRC relations. I include this examination of the cultural makeup of the Chinese, for I believe it to be an essential ingredient in the formulation of US-PRC foreign policy.

There are three major elements in the cultural makeup of the Chinese that are essential to a practical approach to US relations with the PRC. These elements are: nationalism, patience and practicality.

Deeply ingrained in the cultural makeup of the Chinese is that element called nationalism. The cultural identity and racial distinctiveness that is associated with the Chinese today can be traced back to the Han Dynasty (206 B.C.—220 A.D.). This was a period of such military renown, empire solidification and intellectual fervor that the Chinese still consider themselves as Men of Han. Although rulers and governments have come and gone, this thread of continuity has remained. It manifests itself today in the nationalistic zeal of the Chinese, in their belief that China should be in the vanguard of Asian development, in their desire not to be allied with the superpowers of the West, in their belief that China has a great role to play in the international scheme of things and in their attitude toward the status of Taiwan.
The second element is one that we of the US should examine very closely, for (in many ways) it is the backbone of the cultural makeup of the Chinese. I refer to patience. The patience of the Chinese is the result of thousands of years of adjustments to conditions of acute overpopulation, harsh economic pressures and tyrannical governments. This left very little room for the Chinese to move about and prosper. Therefore, the need for mutual toleration and adjustments in human relationships was a necessity. The following Chinese saying capsulizes my point: "A man who cannot tolerate small ills can never accomplish great things."  

The training ground for Chinese patience is first in the family, this extends to the government (at all levels) and is finally seen in the conduct of foreign affairs. The result in foreign affairs is that the Chinese do not view issues in black and white as we do. To them there are many gray areas, with much room for give-and-take; and their long view of history somewhat obscures beginnings and ends in the Western sense of the terms. Currently the virtue of patience is seen in China's conduct of foreign affairs with the USSR and Japan (just to name two major countries). We also see it at work in the give-and-take, push-and-pull policy toward the US with respect to Taiwan.

To say that the Chinese are a patient people is not to say that they cannot be aggressive; or, at the first sign of difficulty, they will abandon their objectives. This brings me to the examination of the third element in the cultural makeup of the Chinese: practicality. Practicality dictates that the Chinese temper their aggressions when necessary and adjust their objectives as the situation demands. This
can certainly be seen in their approach to the Four Modernizations and their attitude toward the settlement of the Taiwan question. In both situations they move from aggressive behavior to compromise and back again, as the practicality of the situation demands.

We of the West must have clear objectives, milestones, and all "i's" dotted and all "t's" crossed. When a milestone is missed, or the time required to meet an objective is extended time and time again, we have a tendency to wish to "throw in the towel." The Chinese look at the situation from a practical point of view; and they adjust accordingly leaving some "i's" undotted and some "t's" uncrossed. They believe that "he who grasps more than he can hold, would be better without any."15

What then is the application of the US knowledge of the culture of China to a practical approach to US-PRC relations? Of what value is the foundation (my five building blocks) to this approach? And finally, of what value is Taiwan to future US relations with the PRC?

In general the application of our knowledge of Chinese culture would be to play the political game by Chinese rules and beat them at their own game. I would argue that the US has been doing this since 1970. However, there are three axioms in US-PRC relations vis-a-vis Taiwan: (1) all parties agree that Taiwan is a part of China; (2) PRC will not allow Taiwan to revert to its previous status as the ROC; and (3) PRC knows that the US will not allow Taiwan to become just another province of China.

The Chinese saying "What cannot be overcome must be endured" has some relevance here. However, given enough time and patience anything can be overcome and nothing must be endured forever. For twenty years
(1950's and 1960's) the PRC threatened, propagandized and shelled Taiwan in an attempt to "liberate" the island. Chinese nationalistic pride was hurt: Mao's antagonist Chiang had escaped the mainland in 1949 and was mocking him from Taiwan. During this same twenty-year period, the US underwrote ROC development to the extent that the ROC became a model of economic and military advancement under the banner of democracy. Therefore, from the outset, both the US and PRC had an interest in the future status of Taiwan.

During the 1970's the practical side of both the US and PRC took command of the situation. Indirectly aided by the deaths of Mao and Chiang, they moved to a more civilized approach to settling the Taiwan question in the Shanghai Communique. That is: Taiwan is a part of China and the Chinese will peacefully settle the Taiwan question sometime in the future.

A major turning point occurred when the Communique of 1978 announced diplomatic relations between the US and PRC and brought them closer together economically and culturally. Almost concurrently with the Communique of 1978 came the Taiwan Relations Act which redefined the status of Taiwan. The signal to the PRC was that the Chinese could settle the Taiwan question, but the US did not wish Taiwan to become just another province of China.

Although the PRC leaders were less than pleased with this situation, they saw that this would (from a nationalistic and practical point of view) at least open the way for Taiwan to return to the fold. They eventually responded through the Nine-Point Proposal to the people of Taiwan on 30 September 1981. Portions of proposals 3-5 are germane to this essay:16
(3) After the country is reunified, Taiwan can enjoy a high degree of autonomy as a special administrative region and can retain its armed forces.

(4) Taiwan's current socioeconomic system will remain unchanged; so will its way of life and its economic and cultural relations with foreign countries.

(5) People in authority and representative personages of various circles in Taiwan may take up posts of leadership in national political bodies and participate in running the state.

Although the nine proposals were directed at the people of Taiwan, I would argue that they were also a signal to the US of PRC's acceptance of the signal sent to the PRC by the Taiwan Relations Act. To solidify the understanding, President Reagan fully endorsed the nine proposals in the Communique of 1982. He also reaffirmed the US position toward Taiwan in the Six Assurances to Taiwan.

Events seemed to be slowly moving Taiwan in the direction of the general framework of a Special Economic Zone. Although its status would certainly be much more than that of a Special Economic Zone per se, as noted in proposals 3-5 of the Nine-Point Proposal. The importance for the PRC would be that it would be face-saving for them, just as the idea of "market socialism" soothes their cultural and nationalistic pride.

The value to the US of this interaction (with its gradations of subtleties) is that we effectively employ Taiwan as an instrument of power against the PRC, and have been doing so since the early 1970's. Specifically, there are four general categories where Taiwan has been (and should continue to be) an effective instrument of power.

First, as an economic instrument of power: By continuing to contribute to the economic well-being of Taiwan, the US signals the PRC
that Taiwan more than merits the status of Special Administrative Region (or Special Economic Zone), profitable to both the US and PRC. This would continue the flow of US-Taiwan trade (worth billions of dollars annually) and would cause the PRC to wish to tap into (not disrupt) the trade.

Second, as a diplomatic instrument of power: By employing Taiwan as a pivotal factor to PRC pressure on delicate issues such as PRC "wish lists" for US defense technologies, increased textile exports and rapprochement with the USSR; the US retains a favorable balance of power between itself and the PRC.

Third, as a national security instrument of power: By continuing to assure a militarily strong Taiwan, the US not only provides for its own security interests, but also signals the PRC that a militarily strong Taiwan is in its best interests. I would argue that the PRC is already leaning in that direction. Note the statement in the Nine-Point Proposal, i.e., "(Taiwan) can retain its armed forces."

Fourth, as a sociopsychological instrument of power: By officially recognizing an antagonist (PRC) and unofficially looking after a longtime ally (Taiwan), the US demonstrates (to the people of China and to all people of the Asia-Pacific region) that we can play the political game "oriental style."

In conclusion, I must state that although Taiwan is only one factor in the multilayered life that thrives in the Asia-Pacific region, it is one of the key factors. Further, its value as an instrument of power in future US relations with the PRC is unending. I have suggested just four general categories: there are certainly many more. Will any of them be successful? Obviously, only the passing of time and events will
tell. However, we must go forward in our relations with the PRC, taking comfort in the fact that

The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith. 17
ENDNOTES


2. Complete text is found in Downen, pp. 107-111.


7. Complete text is found in Downen, *The Tattered China Card*, pp. 120-122.


17. From extracts of a speech dictated by President Franklin D. Roosevelt on 11 April 1945. Intended for delivery on Jefferson Day 1945, had the President lived. Extracts are found in James N. Burns, *Roosevelt: The Soldier of Freedom*, pp. 596-597.
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