

**U.S. POLICY TOWARDS TAIWAN DURING THE
CLINTON ADMINISTRATION, 1993-2000**

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KARTHIKEYAN.A.V.



Centre for American and West European Studies
School of International Studies
Jawaharlal Nehru University
New Delhi-110067
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DATE: 29 JULY, 2005

CERTIFICATE

Certified that dissertation entitled, “U.S. POLICY TOWARDS TAIWAN DURING THE CLINTON ADMINISTRATION, 1993-2000”, submitted by me in partial fulfillment of the requirements for the award of the Degree of **MASTER OF PHILOSOPHY**, has not been previously submitted for any other degree of this or any other university and is my own work.

A handwritten signature in black ink, appearing to read 'Karthikeyan A. V.', is positioned above the printed name.

Karthikeyan. A. V

We recommend that this dissertation be placed before the examiners for evaluation.

A large, stylized handwritten signature in black ink, appearing to read 'Christopher S. Raj', is written over the printed name.

Prof. Christopher S. Raj
(Chairperson)

A handwritten signature in black ink, appearing to read 'Chintamani Mahapatra', is written above the printed name.

Dr. Chintamani Mahapatra
(Supervisor)

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PREFACE

Sino-U.S. relations are the most challenging of all the great power relationships in the Asia-Pacific region and the issue of the status of the Republic of China (Taiwan) has been the major irritant between the two countries. The People's Republic of China (PRC) regards Taiwan as a renegade province, whereas Taiwan is adamant that its future must be determined not by the PRC or any other power, but by its own people. Ever since the establishment of the Government of Taiwan in 1949, by the defeated nationalist forces in the Chinese civil war, the United States has committed itself to defend Taiwan until a final solution is reached. The assertion of its right to self determination by Taiwan raises the prospect of a confrontation with the PRC, and it is primarily due to U.S. involvement that a major war over Taiwan has been avoided so far.

The United States and the PRC have established a workable framework in which they manage their relationship and any crisis that might arise over the Taiwan issue. Essentially, China and the United States are sticking to certain rules that make conflict over Taiwan avoidable and unlikely. The rules are that the United States will intervene only if China uses force against Taiwan, but China will use force only if Taiwan declares independence or continually refuses to negotiate. It is primarily due to the involvement of the U.S. that the PRC has avoided the use of force to annex Taiwan. The United States considers Taiwan of having high strategic importance due to its location just off the shores of communist China. However, the U.S. could not ignore the rapid transformation of communist China into an emerging great power. On the other hand Taiwan transformed itself into a democracy during the 1990's.

In this context, a study of U.S. policy towards Taiwan assumes importance. An analysis of the dynamics of policy making in the U.S. will help us better understand why the U.S. chose to make choices at various instances, which were considered as aberrations from traditional policy. The United States seeks to balance the conflicting objectives of having amicable relations with the P.R.C. while ensuring that Taiwan is protected from any forceful occupation by the PRC. This study, *U.S-Taiwan relations during the Clinton administration (1993-2000)*, aims to analyse the policy making process with regard to Taiwan, during the Clinton administration's tenure. The Clinton administration's tenure coincided with democratization of Taiwan and Clinton himself had a positive attitude towards Taiwan, reflected in his frequent visits to the island as Governor of Arkansas. President Clinton's tenure also witnessed the first ever visit by a Taiwanese president to the United States. Clinton's tenure as President was also important for the overt military support the U.S. displayed in the 1995-96 Taiwan Strait crisis to prevent forceful occupation of Taiwan.

The introductory chapter traces the evolution of U.S. policy towards Taiwan between the years 1949 and 1979. The chapter attempts to make an analysis of the circumstances that resulted in the recognition of the Government of the Republic of China as the legitimate government of China after the end of the Chinese civil war in 1949. An attempt is made to analyse the approaches of various presidents towards Taiwan between the years 1949 and 1979.

Chapter Two deals with the Congressional support to Taiwan in the light of the administration's decision to establish diplomatic relations with the PRC. The chapter looks into the background and implications of enacting the Taiwan Relations Act by the

U.S. Congress, which committed the U.S. to continue to provide “arms of a defensive character” to Taiwan, in spite of U.S.-PRC rapprochement.

Chapter Three deals with the factors that determined Clinton’s approach to Taiwan. Clinton was a harsh critique of the PRC and in favour of adopting a pro-Taiwan policy when he assumed office as president. However, a combination of factors forced him to adopt an “engagement policy” towards the PRC. The chapter analyses the factors that were crucial in Clinton’s decision to allow Taiwanese president Lee-Teng Hui to visit the U.S. The role of the Congress in influencing the Clinton administration to permit Lee’s visit is also dealt with in detail.

Chapter Four is an account of Washington’s response to the PRC’s staunch military overtures in response to Lee’s visit to the U.S. The chapter deals with the U.S. efforts to reassure the PRC about its Taiwan policy. An attempt is also made to analyse Clinton’s decision to send two aircraft carriers to deter the PRC from using force against Taiwan.

The concluding chapter presents the overall summary of the study and attempts to make some broad observations by way of the insights derived from the present study. An attempt is made to summarise and evaluate Clinton’s approach towards Taiwan.

CHAPTER-I

EVOLUTION OF US POLICY TOWARDS TAIWAN, 1949-1979

Introduction

The foreign policy decisions of the United States in the Cold War era have often been made on the basis of domestic considerations and, once made, have tended to become hard “commitments” that drag on well past their natural term.¹ The years immediately following the Second World War reflected this prominent feature of US foreign policy. Between 1945 and 1949, the United States went through various phases in considering its policy toward Taiwan, phases affected by factors including the “rapacious and oppressive” administration of the island by the Nationalists after 1945, a desire not to become enmeshed in military action over the island given other, higher priorities in the world but only limited American military resources, and a hope to avoid diluting the effects of what seemed to be an inevitable Sino-Soviet clash over Moscow’s predatory policies in China’s Northeast by creating an irredentist dispute with Beijing.² The communist upsurge in China became one of the most important issues in American foreign policy after the Second World War.

The US was hopeful that the conflict between the Chinese Nationalists and the Communists would come to a peaceful end. On the contrary, the fight between the nationalists and the communists intensified after the War. All American attempts at mediation failed and at this point it was imperative for the US to outline its policy

¹ Edmund.O. Clubb, “America’s China Policy,” in Marlow Reddeman, ed. *U.S Foreign Policy* (New York: H.W. Wilson Co, 1983), p. 176.

² “A Possible Course of Action with Respect to Formosa and the Pescadores,” in *US Policy Toward Formosa* (Department of State, Foreign Relations of the United States, 1949) Volume IX , p. 362

towards China. The dilemma was between continuing the longtime policy of supporting the Nationalists or to play the role of a neutral third party due to the possibility of the successful formation of a revolutionary government by the Communists. But this dilemma was short lived and by 1947, the American policy towards China began to take a pronounced tilt towards the nationalists.

By the end of 1948, the mounting Cold War in Europe, the impending defeat of the Kuomintang (KMT) by the Chinese Communist Party (CCP) and the rise of 'China Bloc'- the predecessor of McCarthyism in the United States led the National Security Council to undertake a secret major "Policy Study on Taiwan," designated as NSC-37.³ According to this study, the domination of the Taiwan Straits by the communists would be "seriously unfavorable" to the United States. The primary reason cited by the study was that the CCP was most likely to deny the United States access to such strategically valuable areas of mainland China as air base sites, harbours, and coastal railroad terminals in the event of war with Soviet Union. Such a situation would enhance, from a strategic viewpoint, the potential value of Formosa as a wartime base capable of use for staging of troops, strategic air operations and control of adjacent shipping routes. The study recommended that Taiwan be denied to the CCP by "the application of such diplomatic and economic steps as may be appropriate to ensure a Formosan administration friendly to the United States."⁴ It was this recommendation, based on the need for a military base that formed a cornerstone of US policy towards Taiwan for at

³ *Foreign Relations of the United States, 1949* (Washington.D.C : U.S. Government Printing Office, 1961), Vol.9, p. 261

⁴Gene.T.Hsiao, Michael Witunski , ed. "The Legal Status of Taiwan in the Normalisation of Sino-American Relations" in *Sino-American normalization and its Policy implications* (New York : Praeger Publications, 1983)p .30

least the next two decades⁵. But this decision also created serious problems for the US decision makers. The KMT government in Taiwan was plagued by corruption and internal factionalism and incompetence. The United States may have had to deal with the eventuality of a military invasion of Taiwan and subsequent chain of actions to be taken.

U.S. and China

The United States seemed to lack an assertive strategy towards China due to its preoccupation with the Soviet threat to Western Europe. This uncertainty was evident even as late as 1949 when the communist victory over the nationalists was almost complete. The nationalists led by Chiang Kai-Shek withdrew to Formosa and established the Government of Republic of China, which they claimed represented the whole of China. For a brief interlude, the situation remained transitory. The United States, seemingly uncertain as to the next course of action, stood aloof from China. The assistance to the Nationalist government ceased, but at the same time, the Communists were not recognized.⁶

Since the beginning of the twentieth century, the US policy towards China was based on the principles of Open Door, which includes two basic premises. The first being the principle of equality of opportunity for all nations trading with China and the other is to protect the territorial and administrative integrity of China. Though the United States recognized the importance of the political independence of the Chinese people in principle, there was no will to back the Chinese through effective action whenever China's independence was threatened. American principal objective in China was to get its share of privilege and opportunity. The US policy towards China in the initial years of

⁵ *ibid*, p. 31

⁶ John Tierney, Jr, *Free China in US history: A brief Synopsis* in John Tierney ed. *The China Decision and its Consequences* (New York: Arlington House Publishers, 1979) pp.127-128

the twentieth century was based upon high moral and ethical principles, but never backed by effective action to ensure China's independence, which Tang Tsou calls a 'foreign policy without force.'⁷ The traditional US policy towards China till 1941 had two aspects which were fundamentally contradictory: persistent espousal of Open Door principles and refusal to go to war in defense of these principles in China.

A major change in US policy towards China occurred during World War II. To counter the expansion of Japan, the US adopted a policy of enhancing the role of China to that of a great power. China faced the twin problems of Japanese invasion as well as the Communist upsurge which weakened the Nationalist government. American policy during World War II proceeded at three levels-First, on the international stage, the US tried to make China a world power by assuring the return of her lost territories at the Cairo Conference of 1943.⁸ Secondly, the US support to China included realistic military support to modernize the nationalist army and air force. Finally, the US tried to bridge the KMT-CCP breach.

When the Second World War came to an end, the US could have either pulled out of China completely or made an all out intervention to assist the Nationalist government to put an end to the communist menace. But the US chose a defensive path and decided to assist the Nationalists to assert their authority as much as possible, but at the same time endeavored to avoid a civil war by working for a compromise between the two sides. However, all attempts at mediation as well as military aid to the nationalist government failed with the victory of the communists in 1949. After the fall of the

⁷ Tsou Tang, *America's Failure In China, 1949-50* (Chicago: Chicago University Press 1963)p. 7

⁸ Lyman.P.Slyke, *The China White Paper*, August 1949 (Stanford. California. 1967) vol.I, p. 519

Nationalist government and its subsequent establishment in the island of Formosa, the US policy underwent a drastic review.

Domestic Factors and U.S. China Policy

Differences arose among the Republicans and Democrats in the US regarding the handling of China. Several Republican legislators and the American media held the Truman Administration's inept handling of the situation responsible for the victory of the communists. The China White Paper published in 1949 indirectly admitted to America's failure in China. As Dean Acheson wrote:

“The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could have changed that result; nothing that was left undone by this country has contributed to it. It was the product of internal Chinese forces which this country tried to influence but could not...”⁹

The US department of State convened a Conference on Far Eastern issues attended by experts and officials between 6th and 8th October, 1949. A majority of the participants felt that there was no longer any need to protect the Chinese government as it was ‘finished’. The consensus of American officials was that no counter-offensive against China was feasible in view of the more urgent need to concentrate American resources on the defense of freedom in Europe.¹⁰ At this point, the political future of Taiwan was not very high on the American priority list. But by late 1949, an increasing number of high profile people in the US, such as Secretary of State Louis Johnson and

⁹ Van Slyke, n. 8, p. 16

¹⁰ Ting-Yee Kuo., “*History of Taiwan*”, in Hungdah Chiu, ed. *China and the question of Taiwan: Documents and Analysis* (Washington, 1950)p. 23

Gen. Douglas MacArthur advocated the protection of Taiwan against probable Communist invasion.¹¹

The debate over Taiwan was temporarily withdrawn when President Truman made a press statement in which he announced that the United States had accepted the exercise of Chinese sovereignty over Taiwan. He also stated that “the US Government will not provide any military aid or advice to the Chinese forces on Formosa.”¹² This statement of policy was further reaffirmed by a statement by the then Secretary of State, Dean Acheson, who ruled out any kind of a military invasion in Formosa. This view was taken by the Truman administration on the ground that the allied powers, including the United States had treated Formosa as part of China during the Second World War. The Department of State rejected the possibility of holding a plebiscite on Taiwan under the auspices of the United Nations or any other agency. The United States viewed any involvement in Formosa as an involvement in the Chinese civil war. During the first few months of the new regime, American policy remained in a period of ‘flux’, waiting, in Dean Acheson’s words, for the ‘dust to settle.’

Confrontation in the 1950’s: Truman’s policy and the Korean War

The early 1950’s witnessed some direct actions by the United States in the form of preventing the People’s Republic of China (PRC) from obtaining a seat in the U.N. as well taking measures that would result in the collapse of the new communist regime in China. The great aberration in US foreign policy began in 1950, as the people and their leaders were blinded by fear of Communism and forgot the sound geo-political,

¹¹ Tsou, n. 7, p. 528

¹² President Truman’s statement on the US policy towards Formosa, 5th January 1950, Department of State *Bulletin* (Washington.D.C) 16th January 1950, p. 79

economic and ethical basis of their historic desire for China's well being.¹³ The North Korean invasion of South Korea in 1950 proved to be a watershed in the evolution of US policy towards Taiwan. It was the Korean War, more than any other single event, which determined the future course of American relations both with Taiwan and the mainland. On 27th June, 1950, President Truman described the North Korean attack on South Korea as an attack by 'communism' and ordered the Seventh Fleet to prevent any communist attack on Taiwan. The movement of the Seventh Fleet placed Taiwan firmly under the American protective wing. Truman declared "the determination of the future status of Formosa must await the restoration of the security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."¹⁴ This statement later became a very important factor in shaping the US policy towards Taiwan in the years to come. The announcement that Taiwan's status is undetermined signified a dramatic turnaround in American policy. Overnight, "what had been Chinese territory became territory that was still subject to Allied powers, what had been the binding commitment of the Cairo Declaration became merely a 'statement of intention', what had been a civil war became an international conflict."¹⁵

The outbreak of the war in Korea in 1950 witnessed the escalation of hostilities which not only brought about an immediate Sino-American confrontation but eventually led to the war in Vietnam. The Korean War increased American distaste for communist China and also strengthened American sentiments for the Nationalist government on Taiwan and the historic and political values it represented. On June 27, 1950, President

¹³ Warren .I. Cohen, *America's Response to China: An Interpretative History of Sino-American Relations*, (New York: John Wiley & Sons Inc, 1971).p. 215

¹⁴ President Truman's statement ordering US air and Sea forces into supporting action, 27 June 1950, Department of State *Bulletin*, 3rd July, 1950, p. 5

¹⁵ Jerome Alan Cohen, *Recognizing China*, *Foreign Affairs* , vol.50, no.1, October 1971,p. 36

Truman declared that “the attack upon Korea makes it plain beyond all doubt that communism had passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war”¹⁶. Dean Rusk, the then Assistant Secretary of State for Far Eastern Affairs stated that the communist regime was “not the Government of China” because it was not “Chinese.”¹⁷ He stated: “We recognize the National Government of the Republic of China even though territory under its control is severely restricted. We believe it more authentically represents the views of the great body of the people of China”.¹⁸ The American ground, sea and air forces rushed into Korea after Truman’s announcement. The most significant and ultimately disastrous aspect of the American response to the North Korean attack was the decision to draw a military barrier around communist China and become re-involved in the civil war. By intervening in Korea, the United States had apparently resumed its defense of Chiang, making an immediate invasion of Taiwan impossible.

The American decision to reverse its China policy was significantly influenced by the criticism from Congress. A national consensus had emerged in the United States regarding the need to take more affirmative actions in order to prevent the communist onslaught. Congress reflected this national mood and criticized the administration’s handling of the situation in China. The strong anti-communist positions advocated by General MacArthur also added to the changes in America’s attitude towards the communists. The Congress’ criticism of the administration reached its peak when the

¹⁶ Michael Schaller, *The United States and China in the twentieth century* (New York: Oxford University Press, 1979) Pg. 133.

¹⁷ Rusk’s address on *Chinese-American Friendship* made before the ‘China Institute for New York’ on 18th May 1951, in *Department of State Bulletin*, 28th May, 1951. p. 847

¹⁸ *ibid*, p. 847.

dismissal of General MacArthur led to an outpouring of sentiment and support not only for MacArthur, but also for the Nationalist government he supported.

The decade that followed Truman's decision to re-involve the United States in Chinese civil war witnessed the further development and hardening of anti-Chinese attitudes and policy. The anti-Chinese attitude attained its peak when general Mac Arthur suggested direct military action against mainland china and insisted that Nationalist troops be utilized in the Korean battlefield. While President Truman rejected this recommendation, the Joint Chiefs reached a tentative agreement according to which Chiang Kai-Sheik's troops would be used against the mainland if the UN forces were driven out of Korea.¹⁹ Truman and Secretary of State Dean Acheson disagreed with General Mac Arthur because what he advocated amounted to an immediate all out war against communism beginning with China. Truman was aware of the fact that the balance of power in the world remained in Europe and the U.S could not afford to engage in peripheral wars given the limitations of its military sources.

The Korean War lingered on till March 1953 when an armistice virtually re-established the pre-war borders. But by then, the United States had already committed itself a vast new undertaking in Asia- the permanent military and political containment of communist China²⁰. The compromise which ended the Korean War in 1953 was the policy of expedience, and did not signal the acceptance of Peking regime. Both before and after the Korean armistice, Washington maneuvered to contain China²¹. John foster Dulles, then serving as special adviser to Truman administration convinced Japan to sign

¹⁹ US Congress, 82, 1st Session, Senate, Committee on Armed Services, Hearings, "Military Situation in Far East" (Washington.D.C: US Government Printing Office) p. 903.

²⁰ *ibid*, p. 137.

²¹ *ibid*, p. 139.

a treaty and recognize the Chiang Kai Shek's regime in Taiwan as a legitimate Chinese Government.

Eisenhower's Policy and Crisis in the Taiwan Straits:

The 1952 Presidential campaign witnessed a rigorous debate on the issue of American 'handling' of the situation in China. The campaign was a clear warning to American politicians-anyone tainted with the 'loss' of a country to communism faced near certain electoral defeat. Dwight.D. Eisenhower and his Vice-Presidential running mate Richard Nixon rode a tide of victory into the White House after having promised to fight the 'international communist conspiracy' more vigorously. By the time Eisenhower took over as President, the nation was already committed to a pro-nationalist policy.

The Eisenhower administration's rigid political stance on China was encouraged by the activities of the China Lobby in the United States. The China lobby was a group of influential persons who were dedicated to the promotion of the interests of Taiwan by trying to influence US policy making. It soon emerged as an informal watchdog over American foreign Policy. The largest and the most influential of these groups was the "Committee of One Million", established in 1953. Apart from the lobbyists, a 'broad range of American political, military, economic, religious, and intellectual leaders was convinced that the PRC represented a real danger to the security of the United States.'²² The Eisenhower administration placed the final bricks in the wall around China began by the Truman administration.²³ Besides making verbal threats, the Eisenhower

²² Cohen, n. 13, p. 138.

²³ *ibid*, p. 139.

administration also channeled huge amounts of military aid to Taiwan which helped in the modernisation of its armed forces.

After the end of fighting in Korea, the Eisenhower administration continued to oppose any relaxation of tensions with China. The US and Taiwan signed a Mutual Defence Treaty in December 1954 which pledged American support for Taiwan against any threat from China. The Eisenhower administration also maintained a strategic trade embargo on China anticipating an economic collapse in the Communist Mainland. The US government even refused to permit those Chinese students who wished to return to Communist China.

The Taiwan Straits Crisis

The People's Republic of China was constantly confronted with a hostile United States doing all it could to erode its legitimacy and ultimately result in its collapse. But the Chinese worked ceaselessly to assert their right over Taiwanese territory. In the face of a growing American resentment against the PRC and increased support to Taiwan, a major confrontation between the US and the PRC erupted in the Taiwan Straits in September 1954. The Chinese communists were firm in annexing the territory of Taiwan, even if that includes use of force against the renegade province. An article in *People's China* stated:

“The crimes and misdeeds of Chiang Kai-Shek since he took refuge on Taiwan show beyond doubt that he is not only a quisling and public enemy of the Chinese people, but also an inciter of trouble in Asia. To further ensure peace and order in this part of the world, the Chiang-Kai Shek pirates must be returned to the fold of Chinese People's Republic.”²⁴

²⁴ Cheng, Ho, “Taiwan must be Liberated” *People's China*, no. 17, 1st September, 1954, p. 6

The first intimation of a dangerous confrontation in the Formosan Straits was a proclamation by the Chinese Premier, Chou –Enlai on August 11 1954. He declared “the liberation of Taiwan is a glorious, historic mission of the Chinese people. Only by liberating Taiwan from the rule of the traitorous Chiang-Kai Shek group . . . can we complete victory in the cause of liberating the Chinese people.”²⁵ When questioned about the possible invasion of Taiwan by Communist China, President Eisenhower answered “any invasion of Formosa (later renamed Taiwan) would have to run over the Seventh Fleet.”²⁶ This statement reflected the firm commitment that the US showed in the defence of Formosa.

Apart from the territory of Taiwan and the Pescadores islands, there were several offshore islands held by the Nationalist Government in Taipei. The most important of these islands, Quemoy and Matsu, lay only a few miles from the mainland. Mao chose these islands to put American policy to test. In August 1954, the Communist army bombarded the island with the intention of annexing it with the mainland. The bombardment of the islands appeared to be a probing operation as to how far the United States might be prepared to go in defending the Nationalist regime. The large KMT garrisons stationed in the islands were a constant provocation and the islands themselves were used to stage commando attacks upon the mainland.

From the American perspective, to rush to the islands’ defence would involve more direct intervention in China’s civil war, but to fail to do so might encourage the communists to believe they could attack Formosa with impunity. Though the officials of the Eisenhower administration were divided on the issue of support to Taiwan, a majority

²⁵ Rhea Foster Dulles, *American Policy Toward Communist China, 1949-69*, (New York: Thomas Y. Cromwell company, 1972) p. 148

²⁶ *ibid*, p. 148

of them favoured not only defending the offshore islands, but also supporting the Nationalist attack on the mainland. The United States provided the Nationalist forces with the logistical support necessary to hold these islands. The timely assistance from the United States helped the Nationalist Government in enforcing a retreat of the Communist army. While testifying before the Senate Foreign Relations Committee in January 1955, the Secretary of State Foster Dulles declared: "We have got to be prepared to take a risk of war with China if we are going to stay in the Far East.... If we are not willing to take that risk, all right, let's make that decision and we get out and we make our defence in California."²⁷

The Communist attack on the offshore islands convinced the seriousness of the danger posed by the PRC. While the crisis simmered in the Straits, the United States was engaged in a series of negotiations with Taiwan, which resulted in the signing of the Mutual Defence Treaty in 1954 which committed the United States to dispose its forces as might be required for the defence of Taiwan and the Pescadores. The Treaty applied only to Formosa and Pescadores and did not mention the offshore islands by name. The Secretary of State declared that the other territories could be added later under the jurisdiction of the parties."²⁸

The Mutual Defence Treaty increased the anti-American sentiments in Communist China and eventually resulted in the naval blockade of the tiny Tachens islands, which was under the control of the Nationalist government. The blockade was followed by heavy Communist bombardment. Though the Chiang Kai-Shek forces evacuated the Tachen islands with the help of the U.S. Seventh Fleet, the U.S. assured

²⁷ Schaller, n. 16, p. 144.

²⁸ Gupta, D.C., *United States Attitude Towards China*, (New Delhi: S. Chand & Co, 1969) p. 404

that it would help protect all the other offshore islands. Under these circumstances, the U.S. Congress adopted the Formosa Resolution in 1955, in response to Eisenhower's request seeking Congressional authorization to protect Formosa. The resolution authorized the President to "employ the armed forces of the United States as he deems necessary" to protect Formosa and related territories.²⁹ Even this resolution did not mention the offshore islands by name. Secretary of State Dulles clarified the matter by stating that the President would use American air and sea forces if he considers an attack on the islands of Quemoy and Matsu as 'part of a larger assault' on Taiwan.

The Formosa resolution signaled the U.S. intentions to defend Taiwan but did not provide a permanent solution. In September 1958, the PRC again began shelling Quemoy, which eventually turned out as the Second Taiwan Straits crisis between the United States and the PRC. It was during this second crisis in the Taiwan Straits when the US actually came close to war with the PRC. However, war was finally avoided by a series of American military maneuvers. U.S. navy ships were employed to run a blockade around the offshore islands and also provided adequate logistical support to the nationalist forces. A major war was averted, both during 1954 and 1958, due to active American support to the Chiang-Kai Shek forces. In the absence of such overt American assistance, Beijing could have taken more adventurous military moves.

American policy in the Straits was clear: preservation of the status quo.³⁰ The Administration understood that the Nationalist expectation of reconquering the mainland was a myth, it also tacitly acknowledged the Chinese Communist Government as China's de facto government. The Administration was resolved to back up its Taiwan policy 'with

²⁹ Tierney, n. 6, p. 144

³⁰ John. W. Spainer, *American Foreign Policy Since World War II*, 3rd edition (New York: Frederick.A. Praeger Publishers, 1968)p. 124

force' in the Straits, it could support its political position with sea and air power; ground forces were not needed.³¹

US Policy towards Taiwan - 1958-1968

The use of limited force against Taiwan in 1954 and 1958 by the Communists made it clear that force could not be an effective means of securing Taiwan. In the face of overt communist support to Taiwan, the Communists' aim of shattering the morale of the Nationalists also did not materialize. In fact, the morale of the Nationalists was boosted due to active military support from the United States. As a result, the only plausible option left out for the PRC was to explore a non militarist, political means to reunite Taiwan with the Mainland. The Chinese policy of testing the resolve of the United States in protecting Taiwan backfired when the United States not only engaged in active military support but also threatened to use nuclear weapons, if required.³²

The PRC viewed US assistance to Taiwan as an unwarranted interference in the internal affairs of China. The Chinese position on Taiwan hardened after the 1958 crisis, in spite of its military retreat after the US intervention. Moreover, Beijing was suspicious about the "new found" friendship that developed between the United States and the Soviet Union in the late 1950's. After meeting President Eisenhower at Camp David, Soviet leader Nikita Khrushchev paid a sudden visit to the PRC and addressed the Chinese "not to resort to force over Taiwan, to renounce force by agreement in that context and to settle that outstanding international question by negotiation."³³ This

³¹ *ibid*, p. 124

³² Stephen. E. Ambrose, *Eisenhower : Soldier and President* (New York : Touchstone, 1990)p. 380

³³ Kenneth.T.Young, *Negotiating with the Chinese Communists : The United States Experience , 1953-1967*(New York, 1968) pp. 223-224

enraged the Chinese communists because Beijing was hopeful of Soviet support to a large extent over the Taiwan crisis.

Kennedy Administration's Policy: The Beginning of Change

John.F. Kennedy, who came to power in 1961, appeared keen on initiating a new flexible China policy. But the timing of his entry as president was such that he could do very little in changing the situation in China. The U.S. was deeply involved in the Vietnam War, which made it difficult to adopt any flexible or liberal approach towards the Chinese communists. By 1960, the U.S. commitment to the GRC (Government of Republic of China) had become one of the firmest and most widely accepted commitments in American Foreign Policy, and no change was possible without a fundamental reordering of American priorities in the Far East.³⁴ President Kennedy publicly admitted that the defence of Taiwan was of vital national importance. The pressure of the Indochina War prevented Kennedy from focusing on the Taiwan question.³⁵

The Sino-Soviet split in the early 1960's also hindered Kennedy's intentions to mitigate Sino-American animosities. The very existence of this split indicated that the improved relations with one communist power would result in the further deterioration of relations with the other. If the U.S. had to choose between the two communist powers, it wouldn't have much problems in choosing the Soviet Union considering its strategic and military importance. After exploring all the available options, Kennedy and his advisors

³⁴ William Bueler, U.S.-China Policy and the Problem of Taiwan, (Boulder: Colorado University Press, 1971) p. 42.

³⁵ Tierney, n.6, p. 131

reached two obvious conclusions: first, a détente with the Soviet Union was possible, and second, the hour was inauspicious for an effort to improve contacts with China.*

Kennedy's cautious approach towards the communists had to deal with the assumption that China had become the more dangerous of the two leading communist states. The Chinese were believed to act more aggressively than the Russians in case of an all out war. Chinese propaganda and the attack on India in 1962 reinforced these assumptions and preclude the possibility of the Kennedy Administration's seeking a modus vivendi with the People's Republic.³⁶ The dangers at home were deemed far too great to take huge risks that had too little chances of success.

Nonetheless, the Kennedy administration took certain steps that would reduce hostility with the PRC. The Kennedy administration announced that the United States no longer considered the communist occupation of China as a 'passing phase.' Another break from the established policy came in 1962, when the PRC was building up its forces on along China's coastline opposite Quemoy islands. Instead of condemning such massing of troops as an act of aggression, Kennedy described it as a response to Chiang-Kai Shek's moves. These subtleties reflected Kennedy's personal discomfiture with the situation which he had inherited, but which, at the same time, he found himself helpless to change.³⁷

Kennedy was very clear on the fact that the U.S. would continue to support the anti-communists, especially those in Taiwan while remaining strategically committed to Taiwan as a necessary link in American strategy for the Western Pacific. Kennedy began a series of subtle diplomatic moves which had the effect of loosening the bonds

³⁶ Cohen, n. 13, p. 221

³⁷ Tierney, n. 6, p. 131

between the United States and the Republic of China. The first cracks in the alliance actually came during these years.³⁸

Johnson Administration's Policy

When Lyndon Johnson came to power, his Taiwan policy was basically a continuation of Kennedy's policy. In December 1963, shortly after Kennedy's death, Roger Hilsman, Assistant Secretary of State for East Asian Affairs, delivered a speech in which he revealed that the American policy was no longer predicated on the assumption that communist control of the mainland was on the verge of passing.³⁹ He implied that the United States was prepared to coexist with Mao's China while retaining its commitment to Chiang Kai-Shek's Taiwan. Though there was a conceptual change in policy towards China and Taiwan after Johnson took over, the compulsions of the Vietnam War made a complete change in policy practically impossible. In fact, as the war went on, America's China policy remained almost frozen until at least 1968.

Sino-American Détente: The Betrayal of Taiwan

In the 1960's, Dulles' theory of a transitory Communist China did not find many supporters because the PRC had grown in strength. The world perception of the Communists had significantly changed due to their relentless efforts to prove that they represented the only legitimate government of entire China. In January 1964, the French recognized Communist China which proved to be a major turnaround in the history of international relations. In the same month, the Republic of China severed its relations with France. The explosion of the nuclear bomb by China in 1964 enhanced its status to

³⁸ Cohen, n. 13, p. 222.

³⁹ *ibid*, p. 222

that of a nuclear weapon power. These events also influenced the US policy and perception and a reappraisal of U.S. approach towards China began to take shape.

President Johnson took a number of steps to reduce hostility with communist China without compromising the U.S. stand on Taiwan. An impressive number of American opinion leaders including journalists, scholars and members of the Congress, began to question the conventional wisdom which sanctioned unremitting hostility towards China. However, the Chinese were least receptive to these changes that were taking place in the United States. Throughout the 1960's, China adopted a hostile attitude towards the United States and also continued its aggressive overtures towards the Nationalists. China's behaviour can be partly explained by its domestic preoccupation. Between the years 1966 and 1969, when China was engrossed in the Cultural Revolution, China attempted 'self isolation' and Mao turned his people inwards and abruptly reduced contacts with the outside world. But this stage was over by the close of the decade.

The assumption of power by Richard Nixon in 1969 led to a major reassessment of the U.S. foreign policy. Nixon's willingness to pursue new approaches towards China after 1969 reflected an understanding on his part that the politics of Asia were far more complicated than the United States had realised for a generation.⁴⁰ Although the Chinese government was not very enthusiastic about improving relations with the United States before solving the most important issue of Taiwan, the Sino-Soviet rift provided an opportunity to better relations between the U.S. and China. More than any other factor, the Sino-Soviet split was the force which drove the United States and China towards a new relationship.⁴¹

⁴⁰ Schaller, n. 16, p. 160.

⁴¹ *ibid*, p.160

The Sino-Soviet relations began to deteriorate from the mid 1950's, more so after the Soviet call for a 'peaceful coexistence' and to avoid use of force. The Chinese believed that the Soviets had not only betrayed them but also backed off on the long term goals of promoting communism around the globe. The rift widened when the Soviet Union made half hearted effort to support China in the 1958 Quemoy crisis against the United States. The Soviets supported the Indians in the 1962 border war with China which further widened the rift between the Chinese and the Soviets. The Sino-Soviet relations hit the rock bottom in 1969 when their armed forces clashed over one of the islands along the course of the Amur and Ussuri rivers. The Cultural Revolution that culminated in 1969 was an attempt by the Chinese communists, amongst others, to weed out those officials thought to be 'pro-Soviet.'

It was against this background that the Sino-US rapprochement began. President Nixon and his National Security Advisor, Henry Kissinger were aware of the Soviet threat to China. According to them, China might be willing to make concessions to Washington in order to reduce tensions and be able to marshal its limited strength against Russia.⁴² The Nixon Administration wasted little time in making the first move in improving relations with China. Nixon proclaimed the 'Nixon Doctrine' proposing, in effect, that the Asians should fight Asians. A series of actions were initiated towards improving relations with China which included easing the travel and trade restrictions and culminating the mission of the Seventh Fleet in the Taiwan Straits. The issue of Taiwan constituted a continuing problem in Sino-American relations, but Soviet hegemonism was given preference over Taiwan by both the countries.

⁴² *ibid*, p. 164

This carefully worded document represented a profound break in America's historic association with the Republic of China. Both parties agreed that "countries, regardless of their social systems, should conduct their relations on the principle of respect for the sovereignty and the territorial integrity of all states."⁴⁵ The U.S. was not prepared to completely abandon Taiwan in spite of Beijing's unrelenting demand to abandon the peace treaty with the Republic of China. The United States kept its stakes alive by stating that it would withdraw its troops 'only if the tension in the area diminishes'. This implied that the U.S. was seeking a kind of an assurance from the PRC that it had no plan of any invasion. The U.S. Administration's refusal to abrogate its treaty with Taiwan showed that it still considered the security of Taiwan as important to its national interest.

The years between the Nixon visit and the formal establishment of diplomatic ties with China (1972-79) witnessed a rise in economic and cultural ties between the United States and China. The overall effect was to dilute any remaining anti-Chinese feelings in the United States. The abandonment of Taiwan, in effect, symbolized the abandonment of 'containment' doctrine in Asia.⁴⁶ The decision to establish diplomatic ties with the PRC and its eventual recognition as the sole legitimate government of China marked the high point of US policy reversals in Asia since the Second World War. The U.S. Congress, in an unprecedented display of bipartisan cooperation, crafted the Taiwan Relations Act (TRA), which was signed into law by Carter on April 10, 1979.

⁴⁵ Schaller, n. 16, p. 174.

⁴⁶ Tierney, n. 6, p. 133

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CHAPTER-II

TAIWAN RELATIONS ACT: BACKGROUND AND IMPLICATIONS

'A Country has no permanent friends or permanent enemies, only interests'

-Bismarck

The American decision to establish diplomatic relations with the People's Republic of China on 15th of December 1978 signified a dramatic shift in traditional policy towards the communists. The Carter Administration declared:

"As of January 1, 1979, the United States of America recognizes the People's Republic of China as the sole legal government of China. In the future, the American people and the people of Taiwan will maintain commercial, cultural and other relations without official government representation and without diplomatic relations. The Administration will seek adjustments to our laws and regulations to permit the maintenance of commercial, cultural, and other non-governmental relationships in the new circumstances that will exist after normalization. The United States is confident that the people of Taiwan face a peaceful and prosperous future. The United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves"⁴⁷

Ever since the 1972 Shanghai Communiqué, the People's Republic of China has demanded three pre-conditions before establishing full diplomatic relations with the United States: (1) the United States must recognize the PRC as the only legal government of all of China, including Taiwan; (2) the United States must withdraw all military forces from Taiwan; (3) the United States must terminate its mutual defence treaty with the

⁴⁷ Cyrus Vance, *Hard Choices* (New York, Simon and Schuster, 1983) p. 163

Republic of China.⁴⁸ By announcing the normalization of relations with the PRC, the Carter Administration had virtually accepted all the three demands of the communists. Washington's move signaled the beginning of Taiwan's international isolation: a majority of countries imitated the US policy change and recognised China; Taiwan was recognised by merely 20 countries by 1981.⁴⁹ For the ROC, after already having lost its seat in the UN to the PRC in October 1971, this was a devastating blow catching the country 'hopelessly unprepared'.⁵⁰ Initially displaying outright fury about the severance of relations, it took Taipei several years to develop a strategy to deal with the new circumstances.⁵¹ When Carter announced his decision, he barely acknowledged the need to protect Taiwan. The decision created a major stir in the U.S. and questions were raised on the advisability of taking such a decision.

The entire process of normalization was a unique experience in the conduct of American diplomacy, involving a complete reassessment of the American position towards bilateral relations with China. The American policy in China came full circle moving from confrontation to contact and co-existence to finally resulting in cooperation. The credibility of the United States took a nosedive due to both the method and timing of the announcement. Taiwan was informed of the decision only seven hours before the announcement and similar was the case with members of the congress who were informed only hours before the announcement. The Administration did not provide any compelling reasons for the major policy decision, which involved the abandonment of a

⁴⁸ Jaffrey Gayner, "The China Decision and the Future of Taiwan" in Tierney, John, ed., *The China Decision and its Consequences* (New York, Arlington House Publishers, 1979). p. 333

⁴⁹ Immanuel CY Hsue, *The Rise of Modern China* (Oxford: Oxford University Press, 1983, p. 762

⁵⁰ James Mann, *About Face: A history of America's curious relationship with China from Nixon to Clinton* (New York: Alfred A Knopf Inc., 1999), p. 94.

⁵¹ Bernice Lee, *The Security Implications of the New Taiwan* (New York: Oxford University Press Inc., 1999), p. 24

longstanding ally. Moreover, the members of the Congress resented the fact that the announcement was made when the Congress was not in session.

The impetus for these changes reflected the changing security perspectives of both the nations which made them compromise on longstanding positions. The normalization of relations was a strategic response to changing American and Chinese views of international relations, especially those with regard to the Soviet Union. Beginning in 1978, the United States and China developed a common perception of the Soviet threat.⁵² Though such a perception had existed since the Nixon Administration, it was only during the Carter Administration's tenure that this perception found acceptance with both the sides that the Soviet threat was significant.

By the mid 1970's the Soviet Union was embarking on a mission to aggressively project its military capabilities in Asia and Africa. The world witnessed a series of direct and proxy Soviet interventions in the Third World – from Angola in 1975, through Ethiopia, Somalia, and South Yemen in the Middle East, to support for the Vietnamese invasion of Kampuchea in late 1978 and Moscow's direct military intervention in Afghanistan in December 1979. The Soviet Union also deployed a substantial share of its modern weaponry along the Sino-Soviet border. Beijing was particularly sensitive to Soviet involvement in the Vietnamese conflict. China viewed growing Soviet military assertion as a serious threat to its own security and realized the need to develop a strategic relationship with the United States. "The growing Soviet military presence in the Far East . . . has been an important impetus for Sino-American rapproachment."⁵³ By

⁵² Robert.S.Ross, *Negotiating Cooperation: The United States and China, 1969-1989* (California: Stanford University Press, 1995) p. 121

⁵³ Richard.H.Solomon, "East Asia and the Great Power Coalitions", *Foreign Affairs* (Annual Edition) February, 1982, p. 688

the end of 1978, Chinese interests converged with international pressures encouraging Beijing to seek closer relations with the U.S. While American and Chinese objectives were largely congruent internationally, there were differences on the most important issue of 'Taiwan.' A tacit agreement had been reached during the negotiations leading to the Shanghai Communique, which was signed in 1972, that the two countries would not make adverse remarks on the Taiwan issue. During the years preceding the normalization, the Shanghai Communiqué served as the basic charter of Sino-American relationship.

However, in the 1979 "Communiqué on the Establishment of Diplomatic Relations between the United States of America and the People's Republic of China," the United States went beyond the position it took in 1972 and stated that it "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." It also "acknowledges the Chinese position that there is but one China and Taiwan is a part of China."⁵⁴ The communiqué of 1979 emerged in the context of Cold War competition and the expectation that playing the "China card" would serve America's interests. While the common aim in Washington and Beijing of undermining Moscow may have been the prime motive for normalization, political considerations in the Carter White House did affect the pace and posture of U.S. negotiators. President Carter was eager to avoid a prolonged battle in Congress about the American relationship with Taiwan, which he feared might scuttle efforts to secure an agreement with Beijing. Both the PRC and the Carter administration did not anticipate how extensively Congress would want to be

⁵⁴ Vance, n.47, p. 172.

involved in setting the terms for American relations with Taiwan. Legislation was necessary to enable the United States to continue unofficially the wide range of interactions it expected to sustain with Taiwan, and the administration submitted a draft bill to Congress in early 1979. Congress was displeased that, although the administration made clear its interest in a peaceful resolution of the Taiwan issue, the United States did not persuade the P.R.C. to renounce the use of force. Nor did the draft bill submitted by the Carter administration to Congress include specific measures to ensure Taiwan's security, though the administration had made sure that the leadership in Beijing understood that the United States intended to sell arms to Taiwan after 1979. These sentiments influenced Congressional efforts to strengthen provisions in what ultimately became the Taiwan Relations Act of April 1979.

Having lost credibility following its withdrawal from Vietnam, the United States went out of its way to demonstrate its resolve to live up to both explicit and implicit security and economic guarantees in the Taiwan Straits. One keystone of the region's stability is a U.S. commitment to deter military hostilities in the Western Pacific generally, and in the Taiwan Strait especially. A war in the Taiwan Strait would likely affect the continued growth and prosperity from which so many states – the United States, P.R.C. and Taiwan included – have benefited. It would threaten American commercial and other interests in Taiwan, the Chinese mainland, Hong Kong and Japan, as well as the interests of U.S. allies in the region. Moreover, the outbreak of hostilities between Beijing and Taipei would swiftly draw in Washington. If the United States failed to intervene with military force, the security guarantees on which it has premised its forward presence in the region might be undermined.

Considering the widespread domestic support and the historic alliance with the Republic of China on Taiwan, it was almost impossible for the Americans to completely abandon ties with the Taiwanese people. Based on extensive consultation with the members of the Congress and others, the Carter Administration had determined that the United States could “only establish diplomatic relations with Beijing if such action could be accomplished in a way that did not damage the well-being on the people on Taiwan or reduce the chances for a peaceful settlement of the Taiwan question by the Chinese themselves.”⁵⁵ The need to protect the interests of the Taiwanese compelled the Carter Administration to defer the abrogation of the Mutual Defence Treaty with Taiwan by a year. This move was basically aimed at devising an alternative strategy to ensure the protection of Taiwanese interests and prevent any abrupt use of force by the mainland. U.S. arms sales to Taiwan continued even after the U.S established diplomatic ties with the PRC. The U.S. maintained that it will seek adjustments to its domestic laws and regulations to permit the maintenance of commercial, cultural and other non-governmental relationships in the new circumstances after normalization. Further, the U.S. also declared that all the other treaties with Taiwan would not lapse immediately after the derecognition of the Taipei regime.

It was essential that the United States be effectively able to continue a wide range of relationships with the Taiwanese people after normalization. “In particular, these post normalization relations will have to include continued sale of defensive weapons to Taiwan.”⁵⁶ On the question of arms supply to Taiwan, the United States stated that in the

⁵⁵ Secretary of State Vance’s Address, January 15, 1979, in US Department of State, Selected Documents, no.9, p.55 in Gene.T.Hsiao ,ed., *Sino-American Normalisation and its Implications* (New York : Praeger Publishers, 1983) p. 13

⁵⁶ *ibid*, p. 14

course of negotiations for normalization, it had “made clear its intention to continue the sale of defense weapons to Taiwan on a restrained basis after termination of the defense treaty.”⁵⁷ But the Chinese found U.S. policy on arms sales to Taiwan totally unacceptable because they believed it violated Chinese sovereignty. But the Chinese decided to normalize relations without satisfactorily resolving the arms sales issue. This was basically because an elite consensus had developed that normalization was a strategic necessity, and that China had to compromise on the arms sales issue. The issue of arms sales to Taiwan assumed an important place in U.S. policy making.

Domestic Response to Normalisation and Taiwan Relations Act

The Congress was firm on the fact that “the future of Taiwan must be determined through peaceful means in a way that will not prejudice the well-being of the people on Taiwan.”⁵⁸ The Congressional suspicion that the administration’s focus on the strategic importance of the PRC undermined its commitment to Taiwan, created a bipartisan consensus that Congressional involvement was legitimate and necessary in the shaping of U.S. policy towards Taiwan. Provoked by the lack of prior consultation and the inadequacy of the Carter Administration's proposed legislation, lawmakers from both parties in Congress worked together to draft a bill that truly tackled the challenge of allowing for diplomatic relations with mainland China while maintaining all substantive relations with Taiwan. The Congress was not ready to accept the legislation proposed by the White House and wanted provisions that explicitly provided for Taiwan’s security.

⁵⁷ U.S. Department of State, Foreign Affairs Memorandum: *Diplomatic Relations with the People's Republic of China and Future Relations with Taiwan* (December 1978) p. 2-3

⁵⁸ U.S., 92nd Congress, 1st session, Senate, Committee on Foreign Relations, Hearings, *Taiwan Enabling Act*, Feb 22, 1979 (Washington. D.C.: U.S. Government Printing Office)

The most difficult issue to resolve was regarding the proposed wording of the section regarding the U.S. security commitment to Taiwan. Members of the Congress sought to replicate the wordings of the Mutual Defence Treaty, which would have surely affected U.S.-PRC relations. After prolonged debates in the committees of the Congress, a consensus emerged on the content of the legislation to be enacted to ensure continuation of non-diplomatic relations with Taiwan.

The resultant legislation, the Taiwan Relations Act (TRA), voiced the concerns of both the Congressional leadership as well as the officials of the White House and was “sufficiently ambiguous” to be consistent with the normalization agreement and leave the administration sufficient flexibility to manage U.S.-PRC relations.⁵⁹ Signed into law on April 10, 1979, the Taiwan Relations Act was born out of the need of the United States to protect its significant security and commercial interests in the Republic of China (ROC) on Taiwan. The Act was primarily intended by Congress to enable the United States to continue – unofficially and indefinitely – wide-ranging relations with Taiwan and, most significantly, provide for its security. The United States has had to balance its relations with China both to avoid actual hostilities on one hand, and to satisfy popular domestic opinion and uphold its obligation to assist Taiwan to defend itself from Chinese aggression, as set out in the Taiwan Relations Act of 1979, on the other. In addition to these immediate concerns are a range of factors that continue to complicate American policy on Taiwan. These include the positions and security interests of America’s key regional allies and the responsibility shouldered by the United States to uphold liberal values in the international system.

⁵⁹ S.Ross, n. 52, p. 143.

The Taiwan Relations Act has played an indispensable role in shaping American policy toward Taiwan and U.S. strategy in Asia. It represents American strategic interests and safeguards fundamental security and commercial interests. The TRA is unique in purpose and form. The Act declared that the United States would “consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts and embargoes, a threat to the peace of the Western Pacific area and of grave concern to the United States,” and it called for the United States to provide Taiwan with “such defence articles and defence services in such quantity as may be necessary to enable Taiwan to maintain a sufficient defence capability”⁶⁰. The wordings of the legislation such as “in such quantity as may be necessary” provided the administration with flexibility in the event of unforeseen circumstances.

The United States aimed at protecting Taiwan from being forced into negotiations with China under the threat of armed attack or any other form of coercion. Most importantly, the Congress assigned itself a major role by inserting the clause that ‘all arms sales would be in accordance with procedures established by law.’ Unlike the Mutual Defence Treaty, the TRA declared that any attempt to determine the status of Taiwan by other than peaceful means is of ‘grave concern to the United States,’ whereas the Treaty stated that an attack on Taiwan as a danger to the peace and security of the United States. Having recognized the government of the PRC, the Carter administration was not prepared to go to the extent of terming an attack on Taiwan as a security threat to the United States. However, due to Congressional pressure the Act ensures not only continued military support to Taiwan, but the U.S. also reserved the right to resist any use of force or coercion against the people of Taiwan. Congressional involvement provided a

⁶⁰ *ibid*, p. 143

useful corrective to the administration's haste in dealing with the complexities of post normalization U.S.-Taiwan relations.⁶¹ A look at the text of the article that explicitly states the objectives of the Act would help in better understanding the purpose of the Act.

The TRA SEC. 2. (b) states that: "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 of Taiwan, as well as the people on the Chinese 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.

The TRA was largely a technical legislation concerned with maintaining the status of the people of Taiwan as a foreign state under American law and providing for the creation of a non-profit institution, the American Institute in Taiwan, to represent American interests. The deliberately chosen ambiguous language of the Act left scholars

⁶¹ S.Ross, n. 52, p. 144.

speculating on the response of the U.S. in the event of an attack on Taiwan. The language chosen by the Act evoked fiery criticisms from the PRC. The Chinese claimed that the Act was designed to serve as a tool to interfere in the internal affairs of China. However, the Act did not elicit a significantly counter productive reaction from Beijing. But the passage of the TRA instilled into the PRC leaders a degree of suspicion that the American leadership could not be trusted to accommodate Beijing's concerns on the sensitive issue of post normalisation U.S.-Taiwan relations. Beijing's major concern, understandably, was the continued US arms supply to Taiwan.

Taiwan Relations Act: Implications on U.S-PRC- Taiwan Relations

The enactment of the TRA represents a milestone in the U.S. policy towards Taiwan. As it finally emerged, the TRA became a law that was imposed by the Congress through legislative action on the White House. The Act was an assertion of Congressional prerogative which grew out of an inter branch conflict.⁶² The Act placed Taiwan in a unique position. A government no longer recognized would be treated as the government of a friendly state for all purposes of American law. It would have standing in American courts; its assets in the United States were confirmed as its sole possession and for purposes of the Immigration and Nationality Act it would be treated as a separate country. Most importantly, the need for its peaceful, uncoerced future was stated explicitly as a matter of grave concern for the United States, and the Congress gave itself the equally explicit role in monitoring the way successive administrations would behave toward Taiwan. President Carter, and all other presidents who have followed him, have had to

⁶² Steven.M.Goldstein, Randall Schriver, "An uncertain Relationship: The United States, Taiwan and the Taiwan Relations Act" *China Quarterly*, no. 165, March 2001, p . 152

live with the tension between the promises, explicit and implicit, made to the PRC in the two communiqués, on the one hand, and the plain language of the TRA on the other. The issue of continued arms sales to Taiwan became a major bone of contention in U.S. –PRC relations in the post normalization period.

The Politics of Arms Sales to Taiwan

The issue of arms sales to Taiwan involves a legal dimension, which could conflict with international law. Taiwan's exact status is yet to be determined. Throughout all the verbiage of the joint communiqués, press conferences, and unilateral statements there has never been a simple American statement clearly placing Taiwan under Beijing's sovereignty . . .⁶³ In the carefully chosen language of the 1979 communique, Washington only 'acknowledged' the Chinese position that there is one China. This falls short of 'accepting' the Chinese position.⁶⁴ Such ambiguities in language provide the U.S. with sufficient maneuverability to continue its arms sales to Taiwan as well as maintain diplomatic ties with Beijing. Moreover, Taiwan's international status still remains undetermined after its defeat in the hands of the Japanese forces. The technical sovereignty over Taiwan has never been settled since then. The Japanese peace treaty signed in 1952 merely renounced its claim over Taiwan and the Pescadores, but does not specify who will control these islands thereafter. In 1950, the United States declared that the status of Taiwan has not yet been determined, thereby "freezing" the status of Taiwan. The U.S. insisted that only by freezing the status of Taiwan, could it justify dispatching the Seventh

⁶³ Allen Whiting, "Sino-American Relations: The Decade Ahead" , *Orbis* Vol.26, No.3 Fall 1982, p. 710

⁶⁴ *ibid*, p. 710

Fleet to protect the island⁶⁵. This was the loophole the United States has used to legitimately continue its arms supply to Taiwan. The U.S. also uses the argument that the TRA is a domestic law which assumes primacy over international law, while justifying the arms supplies to Taiwan. The U.S., in spite of recognizing that there is only 'one China', has continued its unofficial relations with Taiwan, arms transfer ties.

The assumption of power by the Reagan administration in 1980 led to resumption of negotiations on the Taiwan question. Reagan was looked at with suspicion by the PRC because of his pro-Taiwan rhetoric during the campaign. Chinese suspicions contributed to heightened bilateral tension when Reagan became president. With Reagan's election, it seemed that the TRA would realize the intentions of its more conservative Congressional supporters.⁶⁶ He referred to the TRA as the 'law of the land' and pledged to enforce it. In retrospect, both sides were clearly dissatisfied with the normalization agreement.⁶⁷ Reagan wanted to establish closer diplomatic and military ties with Taiwan whereas the PRC wanted greater restrictions on arms sales to Taiwan. On July 14, 1982, the Reagan Administration, through appropriate channels, conveyed the following points, the 'Six Assurances' to the Republic of China that the U.S.

1. Has not agreed to set a date for ending arms sales to the Republic of China;
2. Has not agreed to hold prior consultations with the Chinese Communists on arms sales to the Republic of China;
3. Will not play any mediation role between Taipei and Beijing;
4. Has not agreed to revise the Taiwan Relations Act;
5. Has not altered its position regarding sovereignty over Taiwan,

⁶⁵ Jerome Alan Cohen,, "Recognizing China", *Foreign Affairs* , vol.50, no.1, October 1971,p. 36

⁶⁶ Goldstein. n. 62, p. 153.

⁶⁷ Ross, n. 52, p. 163.

6. Will not exert pressure on the Republic of China to enter into negotiations with the Chinese Communists.

Contrary to expectations, a major challenge to undermine the TRA and the U.S. interests in Taiwan came from the Reagan administration. Tension over U.S. arms sales to Taiwan, as well as other irritants in Sino-American relations, led the Chinese government to issue an ultimatum in 1982: either the United States would end its arms sales to Taiwan or Beijing would reassess the future of its relations with the United States. The Reagan administration took this threat seriously and in January 1982, despite Congressional complaints regarding lack of consultation, Taiwan's request for an advanced Fighter plane was denied. A major setback to Congressional commitment to the defence of Taiwan came in the form of a joint communiqué in August 1982. Beijing repeated its consistent position that the question of Taiwan is China's internal affair. Washington clarified that it had no intentions of infringing on Chinese sovereignty and territorial integrity. The Reagan administration clarified:

“that the U.S. 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 quantitative terms, the level of those supplied in recent years since the establishment of the diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final solution. In so stating the United States acknowledges China's consistent position regarding the thorough settlement of the issue.”⁶⁸

The August communiqué came as a surprise to the Congressional leadership who claimed that the administration had discarded the framework of the TRA by agreeing to phase out arms sales to Taiwan. The PRC clearly emerged as the winner in

⁶⁸ Wolf and Simon “Legislative History of the Taiwan Relations Act”, p. 312- 313, in Goldstein, n.10, p. 153.

the ensuing negotiations with the Reagan administration on the issue of arms supply to Taiwan. Though China elicited significant compromises from the United States, Washington preserved the essential elements of its Taiwan policy. The Reagan administration came to power at a time when the Soviet Union destroyed all hopes of the continuance of the détente by invading Afghanistan. With the beginning of a new round of Cold War, the Reagan administration did not pursue the campaign line of according Taiwan a higher position in American policy. The Soviet invasion of Afghanistan resulted in the reevaluation of its strategic interests by the Chinese leaders who adopted a more assertive posture towards the U.S.-PRC conflict of interests. While America's need for compromise with China loomed larger than ever before,⁶⁹ China tried its best to derive significant compromises from the Americans with a view to dilute the provisions of the TRA.

As the second round of the Cold War unfolded, in the wake of the Soviet intervention in Afghanistan, US-China strategic relations became closer with every passing year in the 1980's. The reason was clear enough: both sides saw the promise of economic profit in a new Sino-American relationship as offering potential leverage against their respective struggles with the Soviet Union.⁷⁰ The Reagan administration made a compromise on its security commitment to Taiwan in order to meet the larger threat of expanding Soviet hegemony. The August Communique reflected this new attitude championed by the Secretary of State, Alexander.M Haig. Haig adopted a number of measures that would assure Beijing that Washington valued stable U.S. PRC

⁶⁹ Ross, n.52, p. 163.

⁷⁰ Edmund.O. Clubb, "America's China Policy", in Marlow Reddeman, ed., *U.S Foreign Policy* (New York: H.W. Wilson Co, 1983), p. 182.

relations. These measures included approval of selling of search and rescue helicopters to China. This was a major shift from established policy because the TRA committed the U.S. to sell arms to Taiwan. By agreeing to sell arms to China, the U.S. administration was selling arms to a country which is the principle threat to Taiwan. Though the arms were not of an offensive character, it was a significant change in U.S. attitude towards China. China had used its diplomatic “window of opportunity” well. It elicited from the U.S. a commitment that its arms sales to Taiwan would not be increased qualitatively or quantitatively and would be gradually reduced over time. It had to pay for these concessions by compromising on the issue of linkage between U.S. arms sales policy and a statement of China’s policy of peaceful unification.⁷¹

By the end of the 1980’s the Americans and Chinese had established extensive political, military, economic, and cultural cooperation. This remarkable transformation was driven by many factors, the most important of which is the common U.S. and Chinese interest in resisting Soviet power. Both the countries had to make significant compromises to reduce the Soviet threat as well as to enhance their own interests. Undoubtedly, the Taiwan question remained the single most contentious factor in U.S.-PRC relations. Both sides had their respective reasons to make or not to make compromises on the Taiwan question. Despite several weaknesses, Beijing was able to make significant progress towards its objective of detaching the United States from Taiwan.⁷² From the United States’ point of view, the Taiwan Relations Act served as a valuable framework in determining its policy towards Taiwan. The United States could hardly avoid the dilemma posed by the conflicting objectives of having amicable

⁷¹ Ross, n.52, pp. 199-200.

⁷² *ibid*, p. 249.

relations with the P.R.C. while ensuring that the cross-Taiwan Strait controversy did not lead to use of force. However, to maximize its political maneuverability, the United States labored hard to remain noncommittal about the unification of the P.R.C. and Taiwan. It continued to maintain what it called a “one China” policy, but its interpretation was rather different from that of Beijing. Beijing’s view of “one China” has been normative and declarative: there is only one China in the world and Taiwan is an inalienable part of it.⁷³ The United States has adopted a procedural approach to “one China” by recognizing the government of the P.R.C. as the sole legal government of China, acknowledging the Chinese view that there is only one China of which Taiwan is a part, but simultaneously establishing that the United States has a very strong interest in ensuring that the Taiwan problem be resolved peacefully. The U.S. remains noncommittal about whether Taiwan is now or should become subject to the jurisdiction of the government of the P.R.C. Normalisation has not resolved the Taiwan issue, it has only evaded it. The PRC leadership remains dissatisfied with the continued U.S arms sales to Taiwan and the treaty like wording of the TRA. Many members of the Congress are in favour of a stronger commitment to Taiwan’s defence. “The TRA . . . was an intensely political and ambiguous piece of legislation shaped in form by inter branch conflict and in substance by the balance between the two branches as well as that within the Congress”.⁷⁴

The TRA has been insufficient in two important aspects related to Taiwan. Firstly, the TRA is unable to assist Taiwan’s efforts to join international organizations. Although the Taiwan Relations Act carries wording that expresses opposition to the exclusion or

⁷³ *White Paper: The One-China Principle and the Taiwan Issue*, February 21, 2000, visited at <http://www.china-embassy.org/papers/taiwan00.htm>.

⁷⁴ Goldstein, n. 62, p. 170.

expulsion of Taiwan from membership in international organizations, U.S. administrations have not applied this principle in practice, and thus it holds little force. In any case, in 1994, the Clinton administration took a further step backward from this position by declaring that it would only support Taiwan's membership in non-state based international organizations. A further area where the Taiwan Relations Act has failed is with respect to Taiwan's security. In spite of the strong legislative backing, the United States is not in a position to employ force to protect the security interests of Taiwan, given the geo-strategic compulsions in the Asia-Pacific

American interests in Taiwan were based on a historic commitment and ideological affinity. The objective was to maintain ties with Taiwan while simultaneously developing U.S.-PRC cooperation. The Taiwan Relations Act has proved to be an effective guide for U.S. policy. Over the past 25 years, the TRA has allowed the United States to preserve peace, promote freedom, and maintain flexibility in balancing its relations and interests with governments on both sides of the Taiwan Strait. It has been a source of clarity and consistency for U.S. policy from administration to administration, Democrat and Republican alike. It has maintained its relevance and effectiveness in the face of changing politics at home and in Taiwan, and remains an important safeguard against any administration's sacrificing U.S. interests in Taiwan in pursuit of improved relations with China. The United States has maintained the most essential elements of its policy towards Taiwan, including the public commitments to provide Taiwan with defensive weaponry and to peaceful resolution of the Taiwan issue.⁷⁵

⁷⁵ S.Ross, n.52. p. 161.

The nature of the cross-strait rivalry has changed, but the need for a strong U.S. commitment to its allies in Taiwan has not diminished. Taipei's successful experiments with an open society, democracy, and free markets provide an example of what is possible in the other countries of Southeast Asia. U.S. engagement in this region has been critical to the development of several new democracies, and the cornerstone of that engagement is the U.S. commitment to Taiwan. Occasional slumps in Sino-American relations are not very uncommon, but against this ever-changing diplomatic and political landscape, the Taiwan Relations Act constantly returns U.S. policymakers to the fundamental importance of keeping U.S. commitments and maintaining a strong relationship with our allies on Taiwan.

By deterring aggression by the mainland, the United States has protected Taiwan from being forced into negotiations with China under the threat of armed attack or other forms of coercion. The TRA maintains the stable and secure environment within which Taiwan has become one of the world's leading free-market democracies. The legal and policy framework created by the TRA has allowed the U.S. government and the American people to enjoy substantive relations with the governments and people on both sides of the Taiwan Strait. None of this would have been possible, as Ronald Reagan noted in 1980, had it not been for the timely action of the Congress, reflecting the strong support of the American people for Taiwan.

CHAPTER-III

CLINTON'S APPROACH TO TAIWAN: DETERMINANT FACTORS

Clinton's Foreign Policy Approach

William Jefferson Clinton was elected the forty second president of the United States in November 1992 soon after the end of the Cold War. Clinton's campaign watchwords, "It's the economy, Stupid," reflected his own and his advisers' view that economic issues - jobs, inflation, welfare, social security, trade, and taxes - counted most for American voters.⁷⁶ His major aim was to steer America out of the post-Gulf War recession by narrowing the enormous budget deficit, among other measures. Clinton's entire campaign trail was a systematised attack of the Bush administration's foreign policy as well as its inept handling of the domestic economy. Clinton, in fact, linked the two issues and criticised Bush for spending too much time but not enough money on foreign affairs.

Bush's foreign policy came under severe attack from the Clinton camp, which described his astute political realism as "coddling of tyrants from Baghdad to Beijing."⁷⁷ He faulted Bush for not paying sufficient attention to protection of 'American values' such as democracy and human rights. Most importantly, Clinton criticised the damage that Bush's handling of the economy did to U.S. foreign policy by stating "An anaemic, debt laden economy undermines our diplomacy, makes it harder for us to secure

⁷⁶ Robert L. Suettinger, *The Politics of U.S.-China Relations, 1989-2000* (Washington.D.C: Brookings Institution Press, 2003), p. 155

⁷⁷ *New York Times*, July 17, 1992, p. 14.

favourable trade agreements and compromises our ability to finance essential military actions.”⁷⁸

Historically, watershed events, such as the end of the Cold War, have produced new or revised visions of America’s role in world politics.⁷⁹ The end of the Cold War had changed the American world view to a great extent. The prevailing opinion in the country was that the United States has contributed enough to world affairs and the country needs to revitalise itself at home. Though this did not signify any kind of isolationism, the emphasis on domestic affairs was categorical. But domestic and foreign affairs had become so closely intertwined that it was impossible to argue that what happens abroad must take precedence over what happens at home. On the other hand, it is also not possible to declare that what happens abroad is inconsequential to America’s peace and prosperity. However, it was evident beyond doubt that the president needed to tackle the domestic economy first before undertaking any important foreign policy mission. This renewed emphasis on domestic affairs was shared by a substantial section of the electorate.

The Clinton administration’s emphasis on economic affairs, both domestic and foreign, indicated an awareness of this situation. With the disappearance of the Soviet threat, it was possible for Clinton to be free of containment doctrine’s negative approaches and goals. It was also possible for the Clinton administration to “admit that challenges lie as much within as without, and that psychological and institutional flaws

⁷⁸ Thomas.L. Friedman, “Clinton’s Foreign Policy Agenda Reaches across Broad Spectrum”, *New York Times*, October 4, 1992, p. 1

⁷⁹ Linda. B. Miller, “The Clinton Years: reinventing U.S. foreign policy,” *International Affairs*, Jan-Feb. 1994 , p. 622.

need attention.”⁸⁰ However, President Clinton did not find it easy to balance economic and security concerns within or across regions. For an administration committed to domestic goals, coming into office convinced that foreign affairs were essentially an unwelcome distraction, the difficulties have been magnified.⁸¹ Clinton faced a plethora of issues in places as different as Bosnia, Somalia, Haiti, Iraq and North Korea. In addition to the above States, Clinton also faced the task of improving bilateral ties with countries like Russia, Japan, China and also the European Union.

Once in office, Clinton quickly backed away from the more determinate stances he had taken during the campaign. Clinton was strongly convinced not to risk the lives of American troops to secure the foreign policy objectives of the United States. As a result, the administration pursued a cautious approach towards all the sensitive issues it faced. Although some threats have been incorporated into the limited collection of foreign policy instruments, the general approach was to avoid putting American forces in physical danger abroad. Clinton assumed power fully aware of the fact that foreign policy successes, even if few and far between, may build status at home.⁸² And equally important was the fear of foreign policy failures which may result in loss of face in the domestic arena.

Clinton’s China Policy

In the light of major foreign policy problems in other regions of the world and intense focus on domestic issues, China policy was not very high on the list of priorities of the Clinton administration. However, Clinton was convinced of the need to undertake a review of the U.S. policy towards China. The collapse of the Soviet Union had removed

⁸⁰ *ibid*, p. 625

⁸¹ *ibid*, p. 626

⁸² *ibid*, p. 634.

a major threat to Europe but had ended up giving new freedom of action to Beijing. The Clinton Administration initiated a review of American policy towards China in the light of the changed international scenario. The turnaround in China policy was a reflection of changing security requirements on both sides. Clinton did not have to concentrate on the Soviet threat as much as his predecessors did. As geopolitical imperatives receded, secondary issues-trade and human rights came to the fore.⁸³ The turning point in U.S. policy was triggered by television coverage of the crushing of the pro-democracy protest in Beijing, earlier in June 1989, a few years before Clinton became president, which was a brutal assault on core American values.⁸⁴ The Tiananmen Square incident dashed US hopes of a change in China's authoritarian system and became the catalyst for a new round of anti-China political activism in the US.

During the election campaign of 1992, Clinton had singled out China policy as one of the few specific charges to be levelled against the Bush administration. Speaking at the Georgetown University during the campaign, Clinton declared:

“The administration continues to coddle China, despite its continuing crackdown on democratic reforms, its brutal subjugation of Tibet, its irresponsible exports of nuclear and missiles technology, its support of the homicidal Khmer Rouge in Cambodia and its abusive trade practices. Such forbearance on our part might have made sense during the Cold War, when China was a counterweight to Soviet power. But it makes no sense to play the China card now, when our opponents have thrown in their hand.”⁸⁵

⁸³ William.G.Hyland, *Clinton's World: Remaking American foreign Policy* (Praeger: Westport, 1999), p.110

⁸⁴ David Shambaugh, “Patterns of Interaction in Sino-American Relations”, in Thomas W. Robinson and David Shambaugh, ed., *Chinese Foreign Policy Theory and Practice* (Oxford: Clarendon Press, 1994), p. 210.

⁸⁵ Address by Governor Clinton, “A new Covenant for American Security,” Georgetown University, December 12, 1991 in Hyland, n.8, pp.110-111.

China was undoubtedly an emerging power and it was not an easy task for the policy makers in the Clinton administration to deal with it. From the Chinese perspective Beijing still preferred U.S. as a counterweight to Russia and as a regulator of Japan. But it had found relatively higher bargaining power in the absence of the Soviet threat. China's growing weight in international affairs dictated a degree of attention and respect the Chinese have long sought. The Clinton administration realised this important fact and all the rhetoric delivered during the campaign lost vigour and were relegated to the background.

In his first term, Clinton did not formulate a clear-cut China policy. The strongest voice in formulating China policy was that of Winston Lord, Assistant Secretary of State for the Far East. The Choices in front of the new administration were quite clear—engagement or containment of the PRC. Winston Lord convinced Clinton that China and the U.S. had overlapping interests and it was essential to adopt a policy of engagement towards China. As a result the new administration's first step was to back away from Clinton's flamboyant campaign criticisms.⁸⁶ The Clinton camp believed that the PRC is gradually liberalising its economy which would ultimately lead to political reform as well. While Lord did not advocate "coddling" of China, his approach was closer to the Bush program than to Clinton's election campaign.⁸⁷

The two most prominent issues that Clinton had to deal with China were trade and human rights issues. Anti-Chinese activists in the U.S. demanded that China be denied the status of Most Favoured Nation (MFN) as a measure against its alleged human rights issues. In spite of all the campaign rhetoric Clinton chose not to deny the extension of

⁸⁶ Hyland, n. 83, p. 111.

⁸⁷ U.S. Department of State, *Dispatch*, Winston Lord Testimony in Hearings, Senate, April 5, 1993.

Most Favoured Nation status to China and stated that using MFN as a blunt tool would have “serious long term consequences.”⁸⁸ Buffeted by strong congressional and domestic pressures, President Clinton reversed longstanding U.S. policy by delinking MFN renewal from human rights conditions in China in May 1994. Clinton’s approach to China was based on the assumption that free markets and democracy are mutually reinforcing concepts that in turn can bring potential adversaries—such as China-- into a western-style economic and political system of free markets and democracy. Though Clinton appeared to confront the PRC when he assumed office, he continued with the engagement policy of his predecessors. Clinton claimed his approach towards China as that of “comprehensive engagement,” but the end product of Clintonian thinking was no different from that of the earlier Bush policy.⁸⁹ Clinton justified his turnaround as part of a broader Asia-Pacific strategy.

Clinton’s Taiwan Policy Review

Sino–US relations are the most problematic of all the great power relationships in the Asia–Pacific region. Notwithstanding interludes of alliance and co-operation, the relationship has been a troubled one and, of the recurring irritants, Taiwan and its future is the issue with greatest potential to trigger an explosive crisis. Centrally located on the doorstep of China’s east coast and midway between Japan and South East Asia, Taiwan is claimed by Beijing as part of Chinese territory. The anomaly of Taiwan is always lurking in the background of Sino-American relations. With the demise of the Soviet Union, China is seen to be the only great power that might challenge US dominance in

⁸⁸ Hyland, n. 83, p.112.

⁸⁹ P.M.Kamath, “U.S.-China Relations under the Clinton Administration: Comprehensive Engagement or the Cold War Again?”, *Strategic Analysis*, August 1998, p .695

the Asia-Pacific region. For over twenty years, through six administrations of both political parties, the United States had pursued a “One-China” policy, that Taiwan was a part of China.⁹⁰ But there was no agreement on the meaning of “One-China” between the United States and the PRC. The superpower rivalry throughout the cold war had kept the status of Taiwan undetermined and it continued even after the end of Cold War when Clinton assumed office as president.

The Clinton administration undertook a review of Taiwan policy, the first since 1979. Winston Lord stated that “our bonds with Taiwan are robust, friendly, growing, and complex.”⁹¹ Clinton was of the opinion that the U.S. was not doing enough to promote an emerging democracy and an old, trusted ally. President Clinton observed that the overriding purpose of the United States was ‘to expand and strengthen the world’s community of market-based democracies’.⁹² Taiwan was an ideal candidate for renewed American support because it had grown into a democratic, market based economy. Interestingly, the US evaluation of Taiwan in 1993 *vis-a-vis* mainland China seemed very similar to that of 1958 when

“United States policy in Asia, as elsewhere in the world, is to promote the domestic welfare and to strengthen the independence of free nations. Because of the proximity of many Asian nations to mainland China and the disparity in size and power between them and mainland China, this can be done only if the communist threat is neutralised . . . Taiwan is steadily developing its political, economic and military strength. The Government of the Republic of China controls the strategic island of Taiwan and through its possession of a

⁹⁰ Hyland, n. 83, p.115-116.

⁹¹ U.S. Department of State, *Dispatch*, Winston Lord Testimony in Hearings, Senate foreign Relations Committee, October 17, 1994.

⁹² President Bill Clinton, address to the UN General Assembly, 27 September 1993, *USIS Wireless File*, Canberra, 29 September 1993.

sizeable military force—one of the largest on the side of the free world in Asia”⁹³

When the Clinton administration took over, Taiwan had shed all its authoritarian tendencies and had grown into a successful democracy with a vibrant market economy . The democratisation of Taiwan was one factor that Clinton stressed upon and claimed that Taiwan’s democratic credentials must be encouraged by the U.S. It triggered considerable transformation in Washington’s approach towards Taiwan.

Taiwan had increased in strategic importance for China, the United States, and Japan, and not merely because of its own internal democratic or economic development. There was more to Taiwan’s new role than simply the negative effects of cross-strait tension and conflict. It was important in view of the regional stability as well as U.S. credibility as regional stabilizer. Underlying these issues is a real and unfolding battle over Taiwan’s geopolitical future in the new Asian strategic context, inevitably affecting the interplay of great power relations in the new century. That new context—the political, economic, and strategic advance of China from its continental shelter into the surrounding seas—placed Taiwan on the front line of strategic developments in East Asia.

Ever since the normalisation of relations with the PRC and the requirement that the U.S. maintain only an “unofficial” relationship with the former Republic of China, strains and discontents had arisen over how to manage ties with a stable government, one of the world’s largest trading economies and a budding democracy.⁹⁴ There were

⁹³ State Department ‘Memorandum on US Policy Regarding Non-recognition of Communist China’, 11 August 1958, in *Current Notes on International Affairs*, vol. 29 (Canberra, Department of External Affairs, 1958), p. 512.

⁹⁴ Suettinger, n.76, p. 205.

pressures on the administration to make changes in Taiwan policy both from within and outside the executive branch. The policy review was intended to make appropriate revisions to reflect changing circumstances and Taiwan's growing economic importance to the United States.⁹⁵ The main purpose was to enable the officials on both sides to interact under a better framework rather than in an informal setting. Among the major changes announced by the Clinton administration were:

- a) The name of Taiwan's unofficial mission was changed to Taiwan Economic and Cultural Representative Office (TECRO);
- b) Taiwan's officials could call on their counterparts in their offices, except for State Department and Executive Office of the President.
- c) American representatives could call upon the Taiwanese president, premier and foreign minister in their offices;
- d) A regular sub-cabinet level economic dialogue would be established to deal with important bilateral economic issues;
- e) The United States would support Taiwan's entry into the General Agreement on Tariffs and Trade(GATT) and other international organisations not requiring statehood for membership;
- f) Taiwan's top leadership would be permitted to make "transit stops" in the United States under approved conditions but were still not permitted to make lengthy personal or official visits.⁹⁶

Clinton's policy review was neither well received by Beijing nor by Taipei. A TECRO statement issued in response to the policy changes declared that the changes

⁹⁵ *ibid*, p. 206

⁹⁶ *ibid*, pp. 206-207-

“have not sufficiently addressed the needs arising from the close relationship between the United States and Taiwan.”⁹⁷ The PRC’s reaction was much stronger, and it launched an official protest with the U.S. The PRC’s vice-foreign minister called the changes as “gross interference” in China’s internal affairs and “serous infringement” of China’s sovereignty. He characterised the U.S. changes as a “serious retrogression” of American policy, which could bring about “grave consequences.”⁹⁸ Apart from Beijing and Taipei, the members of the Congress were also not satisfied with the Taiwan policy review of the Clinton administration. The main issues which made the members of the U.S. Congress unhappy included:

- a) the policy review kept America’s one China policy intact and reiterated that the United States did not back Taiwan’s entry into the United Nations;
- b) visits to the United States by Taiwan’s president and other top leaders were still forbidden;
- c) no meetings were to occur between senior officials whose duties were considered to be primarily diplomatic, military or political;
- d) senior Taiwanese officials setting foot in the United States would be barred from setting foot in such “official” sanctums, such as the White House, the Old Executive Office Building, the Pentagon and the State Department.⁹⁹

⁹⁷ Jim Mann, “U.S. slightly Elevates Ties with Taiwan,” *Los Angeles Times*, September 8, 1994, p. A4

⁹⁸ Su Ge “American policy toward China and the Taiwan Question” in Suettinger, n.1, p. 207.

⁹⁹ Dick Kirschten, “The Other China” reprinted in Congressional Record, 30th November 1994 in Jian Yang,, *Congress and U.S. China policy* (New york: Nova Science Publishers, 2000), p. 198.

The end result of this policy review turned out to be meagre and the many delays in completing the study made the small advances appear even less important. The most courageous item seemed to be the reconfirmation of a Bush administration decision to allow cabinet-level officials to visit Taiwan so long as they were not “heavy hitters” like the secretaries of state or defence.¹⁰⁰

Congressional influence in Taiwan Policy

The Republican Party had won a stunning victory in the 1994 mid-term elections and took control of both Houses for the first time since the end of the Second World War. Naturally, the Republican dominated Congress challenged the Clinton presidency on every domestic as well as foreign policy issue. The challenges were posed in a confrontational and inflexible manner that created a great deal of anger and animosity between the two parties and between the executive and legislative branches of the government.¹⁰¹ The members of Congress made it clear to the Clinton administration that they expected the White House to consult more closely on foreign policy issues. The Congress wanted the administration to take a pro-Taiwan policy tilt because of the fact that there was no clear strategic interest in supporting the PRC. However, the Clinton administration continued to favour a policy of engagement with China. Although engagement with the PRC has been U.S. policy since 1972, the terms of the White House’s policy of engagement was targeted by congressional and other critics seeking to pressure the White House to take a firmer, more sanction-oriented approach to China on major issues of concern. On the other hand, the thinking in Clinton’s White House was

¹⁰⁰ Nancy Bernkopf Tucker, “A Precarious Balance: Clinton and China”, *Current History*, September 1998, p. 248.

¹⁰¹ Elizabeth Drew, *Showdown: The struggle between the Gingrich Congress and the Clinton White House* (New York: Simon and Schuster, 1996) ,p. 26

just the opposite. The Clinton administration continued to speak of the desire to move toward a "strategic partnership" with China, despite criticism from Congressional quarters of this formulation as unrealistic, premature and unfair to other regional major regional allies and players, such as Japan.

The first major executive-legislature confrontation in the Clinton administration was over Congressional desire to support a visit to the United States by Taiwanese president Lee Teng-Hui. Lee had sought permission to visit a reunion ceremony in Cornell University, his alma mater. Pro-Taiwanese members of the Congress believed that a visit by President Lee would help in improving U.S.-Taiwan relations without damaging U.S.-PRC ties. Congressional members across the spectrum were critical of the administration's policy towards high level government contact with Taiwan and openly expressed support for more contacts with Taiwanese officials. House speaker Gingrich took a step further and not only supported a Lee visit but also said that the people of Taiwan should have "the right of self-determination; they have every right to be in the United Nations."¹⁰²

The Clinton administration strongly opposed Congressional moves to support a visit by Lee Teng-Hui. Winston Lord was against any move by the Congress to legislate facilitating visits of top Taiwanese leaders and warned that it would be a "serious mistake" to derail the basic tenet of traditional U.S. policy by "introducing what China would undoubtedly perceive as officiality" in U.S. relations with Taiwan.¹⁰³ Lord also warned of the consequences Taiwan could face if the U.S. allowed a visit by Lee Teng-Hui. He declared: "We will continue to reject proposals which would place at risk the

¹⁰² Slobodan Lekic, "House Speaker Gingrich Calls for Taiwan to be Readmitted to U.N.," *Associated Press*, February 3, 1995.

¹⁰³ Lord, "Taiwan Policy Review", *Congressional Record*, 28 September, 1994, p.706 in Yang, n. 24, p. 202

peace and growth that Taiwan has achieved. . . We will not reverse the policies of six administrations of both the parties.”¹⁰⁴ The State Department insisted there was too much at stake for the United States to jeopardise ties with Beijing by doing more than it had done to boost relations with Taiwan.

However, Congressional pressure on the Clinton administration was too strong that it could not be ignored. The Clinton administration did not appear to have had a clear vision on U.S.-China relations inevitably weakening its position on Taiwan. Although Clinton had no intention to make drastic changes in the Taiwan policy set by the previous administrations, he did not show much leadership and lacked the determination to resist Congressional pressure. In March 1996, a non binding-“sense of the Congress” resolution was introduced by thirty six members of the Congress in the Senate and the House, recommending that the President should “promptly indicate that the United States will welcome a private visit by Lee Teng-Hui.”¹⁰⁵ The resolutions represented the widespread opinion prevailing among the members of the Congress and enjoyed strong bipartisan support. The Congressional pressure mounted even further after the Cornell University formally invited President Lee. By April 1995, both the House and Senate committees had unanimously moved respective versions of the ‘sense of the Congress resolution.’

The main concern for the Clinton administration was the Congressional activism on Taiwan policy. The Clinton administration finally decided to grant Lee a visa to visit the U.S., but laid down elaborate conditions to maintain the status of a ‘private’ visit - no

¹⁰⁴ Patrick Workshop, “USA: U.S. legislators attack policy on China, Taiwan” , *Reuter News Service*, Reuter Business Briefing, 9th February 1995.

¹⁰⁵ “USA: Clinton urged to let Taiwan President Visit” , *Reuters News service*, Reuters Business Briefing, 6 March 1995.

large press contingent, no flag waving receptions at the airport, no political rallies, and no lengthy rest stops in other American cities. The justification provided by the State department for the historic turnaround was that the visit was entirely private with no 'official' content and thereby consistent with longstanding U.S. policy of maintaining unofficial relations with Taiwan.

The Clinton administration's decision created a stir in U.S.-PRC relations. To Beijing, against the background of an earlier American "Taiwan Policy Review," and tense U.S.-China relations on other issues, these events signalled dangerous adventurism in both Taipei and Washington and stoked a concern that America's China policy was turning fundamentally hostile. Beijing responded with a series of missile exercises that culminated in the firing of live missiles into the waters close to Taiwan in March 1996. The Congress responded to the Chinese missile tests by the PRC by passing a non-binding resolution expressing the sense of responsibility of the U.S. in protecting Taiwan. However, Clinton pre-empted these resolutions by sending two aircraft carrier battle groups to the Taiwan Strait.¹⁰⁶

Taiwan's Democratisation and Clinton's Policy

There was widespread admiration for Taiwan's economic prowess and for the democratic development that had taken place under Lee Teng-Hui. The growing contrast between a thriving, open democracy in Taiwan and Beijing's closed, truculent, and repressive system drew most Americans almost automatically to support Taiwan in its competition with the PRC.¹⁰⁷ Taiwan's democratization process has produced the world's

¹⁰⁶ Yang, n. 99, p. 211.

¹⁰⁷ Suettinger, n.76, p. 213.

only Chinese democracy. The legitimacy of Taiwan's bid for international recognition as a sovereign entity was considerably boosted in the eyes of Western popular opinion by its rapid democratization under the presidency of Lee Teng-hui, and democratization has increased the domestic political incentives in many democratic countries, especially in the United States, to protect Taiwan should another crisis erupt across the Taiwan Strait. Successful democratization arguably creates an ethical responsibility for the United States to protect that democracy and its vibrant market economy, a responsibility based less on idealistic grounds than on "enlightened self-interest" in maintaining the U.S.-dominated liberal international political order.¹⁰⁸

The historic decision to allow Taiwanese president Lee to visit the United States was not driven by pure Congressional pressure or aggressive Taiwanese lobbying. The developments in Taiwan certainly contributed to a change in attitude which resulted in the decision. In 1992, a new generation of leaders held Taiwan's first free election, which was also the first free election in five thousand years of Chinese history.¹⁰⁹ Particularly between 1987 and 1995, Taiwan achieved miraculous economic successes and political transformation from a dictatorship to a multi-party democracy. While China is still embroiled in the controversy over the matter of human rights abuses, Taiwan has overcome its checkered authoritarian history, has become a democracy, and provides a stark contrast to the P.R.C.

As Taiwan has matured and native Taiwanese have increasingly replaced mainlanders in the corridors of power, the island's government has continued to suffer

¹⁰⁸ Robert G. Kaufman, "E. H. Carr, Winston Churchill, Reinhold Niebuhr, and US: The Case for Principled, Prudential, Democratic Realism," in Benjamin Frankel, *ed.*, *Roots of Realism*, (London: Frank Cass, 1997), pp. 351-3.

¹⁰⁹ Keith Suter, "One China- Or Two?", *The World Today*, June 2001, p. 9

political isolation and has sought a larger international voice.¹¹⁰ Taiwan has increased overseas travels by its officials and made an effort to join international organisations like the U.N. and the W.T.O. Lee's aggressive campaign to influence the Clinton administration was also induced by domestic challenges from the increasingly popular Democratic Progressive Party(DPP) which sought to oust the ruling Kuomintang from its decades of monopoly power. To counter the pro-independence DPP, Lee had to demonstrate his ability to broaden Taiwan's international ties and economic clout and exert influence in the United States.¹¹¹

These developments in Taiwan naturally complicated American policy toward Beijing and Taipei. In response to changes in Taiwan, the P.R.C. intensified pressure on the United States to toe the "one China" line.¹¹² Increasingly, the United States has found itself torn between a principled defence of Taiwan's democratic expression of self-determination and Beijing's ever-more insistent demands that the United States honour the agreements it signed with the P.R.C. to maintain no more than an unofficial relationship with Taiwan and also to end arms sales to Taiwan. Having encouraged democratization in Taiwan, it is difficult for the United States to ignore pleas for autonomy or resistance to unification when they amount to expressions of popular will. It is equally difficult for the United States to ignore Beijing's sensitivities about Taiwan and Washington's extensive, though unofficial, relations with Taipei. For instance, when Beijing reacted to President Lee Teng-hui's 1995 private visit to the United States by

¹¹⁰ Tucker, n. 100, p. 248.

¹¹¹ *ibid*, p. 248

¹¹² Shirley Kan, *China/Taiwan: Evolution of the "One China" Policy — Key Statements from Washington, Beijing and Taipei* (Washington.D.C: Congressional Research Service, 2000), p. 22.

launching fiery rhetoric and missiles into the sea lanes near Taiwan, the Clinton administration tried to assure the P.R.C. that it was not upgrading its relations with Taiwan or encouraging Taiwan's independence, or violating its commitment to deal with Beijing as the sole legal government of China.

The democratization of Taiwan has increased Taipei's drive to regain international status. As the island country gradually transformed itself into a full-fledged democracy, its government was obliged to respond to the interests of its citizens. Frustrated by Beijing's imposed isolation, Taiwan's citizens demanded that the government seek ways to re-join the international community.¹¹³ Taipei's "pragmatic diplomacy," engineered by Lee Teng-hui, was a reflection of these demands made by its people. In the December 1995 legislative elections, the ruling Nationalist Party retained only a mere three seats majority, which sent a clear message: if the ruling party could not meet the people's demands, they were willing and now able to find someone else to do the job. The strongest competitor to the governing party in Taiwan's politics is the Democratic Progressive Party (DPP). Since its inception in 1986 the DPP has openly pushed for Taiwan's independence and dropping of all claims to territory across the Taiwan Strait. Leaders of the ruling Nationalist Party were compelled to continue the pursuit of the island country's international recognition or run the risk of losing political power to Taiwan's largest opposition party.

The developments in Taiwan, especially the strengthening of the democratisation process coincided with the Clinton presidency and it had its obvious effects on Washington's Taiwan policy. Though it can be arguably described as a policy driven

¹¹³ Julian Baum, "Virtual Reality: Moves to Rejoin UN, Recognize Mongolia," *Far Eastern Economic Review*, June 3, 1993, p. 15.

largely by congressional pressure, Clinton's Taiwan policy witnessed bold decision making in allowing Lee to visit the U.S. and also deploying two aircraft carriers in the Taiwan Straits to defend Taiwan. As argued above, the evolution of Taiwan into a democratic state facilitated decision making in the Clinton administration and proved to be a useful justification to deviate from longstanding policy of maintaining unofficial relations with Taiwan.

Domestic Politics and Taiwan Policy

The domestic politics in the United States is an important factor in determining the course of U.S.-PRC-Taiwan relations. Domestic politics affects the U.S.-Taiwan-PRC relationship through many different channels. Certainly, the participation of individual Taiwanese-Americans in political campaigns and community affairs opens doors in Washington policy circles and ensures that the Taiwanese- American voice is heard strongly. This impact is magnified by the outreach efforts of Taiwanese-American grassroots organizations and lobbyists in Washington representing different Taiwan related interests.

Since the end of the Cold War, Taipei has found it necessary to redouble its efforts in terms of expenditure and areas of attempted influence.¹¹⁴ Over the past decade or so, Taiwanese-Americans have successfully fought to increase the attention paid by American foreign policymakers to Taiwan and its political, security and economic needs. While this political involvement by Taiwanese-Americans has not fundamentally changed the dynamic of the U.S.-PRC-Taiwan relationship, it has undoubtedly strengthened America's relationship with Taiwan and complicated U.S.-PRC relations.

¹¹⁴ Thomas.W.Robinson, "America in Taiwan's Post Cold War Foreign Relations", *China Quarterly*, no.148, Special Issue: Contemporay Taiwan ,December 1996, p.1342

Taipei's success in influencing the Clinton administration was mainly due to its own activities, many public figures, especially members of the Congress adopted a pro-Taipei attitude beyond that necessary for election or re-election.¹¹⁵ The Taiwanese-Americans contribute financially to political campaigns, volunteer their time to get people elected, and most importantly, make the effort to get to know their elected representatives. The political campaigns by the Taiwanese to influence the Clinton administration took the form of seminars, meetings, lunches and direct one to one conversation with Representatives and Senators from both parties. The most visible and high-profile impact of U.S. domestic politics on the U.S.-PRC-Taiwan relationship surrounds visits to the U.S. of high-ranking Taiwan Government officials. While many in the Executive Branch argued throughout the 1980's and 1990's that the U.S.-Taiwan relationship could be maintained through quiet visits of mid- and low-ranking Taiwan officials to the U.S., many Taiwanese-Americans and their supporters in Congress viewed the Executive Branch's dislike for high-ranking official visitors from Taiwan as an unnecessary insult to an economic powerhouse and proven democracy. The Clinton Administration's initial hesitation to issue a visa in 1995 to President Lee Teng-hui to visit Cornell University, only to reverse this decision after overwhelming Congressional pressure, encouraged Taiwan and Taiwanese-Americans to continue to push the envelope on high-level visits. The extent of its success was to be seen in the House 396-0 and the Senate 97-1 votes in April 1994 to urge the Clinton administration to grant a visa to the Taiwanese President Lee Teng-Hui to visit his alma mater, Cornell University,

¹¹⁵ *ibid*, p.1343

effectively tying the hands of the White House and precipitating the follow-on Sino-American crisis over the visit.¹¹⁶

Partisan politics at the national level, and between the Congressional and Executive Branches, also play a significant role in raising the profile of the Taiwan issue. Given the popularity of Taiwan among many elected officials, and the continuing threat to Taiwan's security posed by the PRC's military buildup, it is easy to charge that those who wish to avoid unnecessary provocations with the PRC are abandoning the 22 million people of Taiwan to an uncertain fate. This abandonment charge became prominent over the past decade as Taiwan embraced democracy and protected and promoted human rights. Taiwan was successful in enabling the Clinton administration to reverse its initial outright rejection of Lee's request for a visit to the U.S. by bypassing the partisan politics in the Congress. Taiwan's confidence was based not only on the supportive Congress, but also a president accused of not following a clear China policy.¹¹⁷ The domestic politics in the United States combined with the growing reputation of Taiwan as an emerging democracy, contributed a great deal in Clinton's renewed positive approach towards Taiwan.

Clinton's Three Noes-His Turnaround on Taipei

A dramatic shift in Washington's Taiwan policy came during Clinton's second term as President which witnessed steady improvements in Sino-U.S relations, spurred by the lessons learnt from the Taiwan Straits crisis in 1996 and a high profile visit by the Chinese President Jiang Zemin to Washington in 1997. While Clinton exercised little initiative on China policy during his first term, he demonstrated his strong commitment to

¹¹⁶ Daily Report; China (Washington D.C.: Foreign Broadcast Information Service) in *ibid*, p.1345.

¹¹⁷ Yang, n. 99, p. 209..

the policy with a willingness to pay domestic political costs accompanying his China policy during his second term.¹¹⁸ The Taiwan Straits Crisis of 1996 marked the turning point in Clinton's approach towards China. After the crisis, "Beijing and Washington appeared to have worked out a new "Modus Vivendi" regarding Taiwan."¹¹⁹ During his nine-day state visit to China in June–July 1998, President Clinton stated his new Taiwan position for the first time in public before his Chinese audience. He said:

"I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or two Chinas, or one Taiwan–one China. And we don't believe that Taiwan should be a member of any organization for which statehood is a requirement."¹²⁰

President Clinton's statement became known as the "three noes," and marked the first time that a sitting president had publicly made these assurances. What gave the statement greater weight was the fact that it had been made on Chinese soil and was clearly intended to reassure the P.R.C. that despite changes in Taipei's posture and the dynamics of cross-Strait relations, U.S. policy had not changed. These "three noes" had long been Beijing's position, a position that Washington had resisted to endorse, especially in the form of a new policy package. The White House and the State Department were quick to emphasize that the President was merely restating the existing policy of the past two decades and that nothing had changed in the country's Taiwan policy during his administration.

The real explanation of the "Three noes" policy rests on two key policy rationales. First, after the missile face-off of 1995-96, the Clinton Administration seemed to have

¹¹⁸ *ibid*, p. 211.

¹¹⁹ Robert. S. Ross, "The Strategic and Bilateral Context of Policy Making in China and the United States: Why domestic Factors Matter" in Robert. S. Ross(ed.), *After the Cold War: Domestic Factors and U.S.-China Relations* (New York: M.E. Sharpe,1998), p. 14

¹²⁰ John Promfet, "Clinton Declaration on Taiwan Irks Taiwan", *Washington Post*, 1 July 1998, p. A26

come to share the Chinese argument and concern that Taiwan's move down the road of independence would compel China to take military action. Hence, there is a need to warn Taipei, the Clinton administration officials felt that it should not push its cause of Taiwan independence too far, lest it run the risk of losing U.S. support when China attacks.¹²¹ After all, the U.S. would not want to get involved in a war provoked by Taiwan. Secondly, the Clinton Administration also seemed to have calculated that some concessions to China on the Taiwan issue would enable it to gain Beijing's support on other issues of U.S. interest. Besides, the Clinton administration did not want the issue of Taiwan to be an impediment blocking its vision of building a "strategic partnership" with China.

While Administration officials claimed that the President merely restated a 25-year-old policy, the use of the term "does not support" in his famous three noes statement left some room for flexibility in the U.S. approach. The usage of the words 'does not support' does not mean that the U.S is opposed to Taiwan's independence, or two Chinas or Taiwan's membership in the United Nations. "The Chinese either missed or ignored the difference between 'does not support' and 'opposes' with respect to all three elements of the policy."¹²² Jiang Zemin was quoted in October 1998 saying that the PRC had "attached importance to the repeated promises made recently by the U.S. side to uphold the 'one-China' policy, observe the three Sino-U.S. joint communiqués, 'oppose' two Chinas or one China-one Taiwan, 'oppose' Taiwan independence, 'oppose' Taiwan's

¹²¹ Michael Y. M. Kau, "Clinton's 'Three Noes' Policy: A Critical Assessment" ,*The Brown Journal of World Affairs*, vol. VI, Issue 2, Summer/Fall 1999, p. 235.

¹²² Suettinger, n.76, p. 232..

membership in the United Nations.”¹²³ This suggests that the PRC was overstating the congruence between the U.S. position and their own, for domestic political reasons as well as to exert pressure on Taiwan. However, the fact is that the President did change U.S. policy toward Taiwan, to a certain extent, by stating clearly what has never been stated before by any President. Whether it was intended or not, President Clinton’s announcement of the “three noes” was regarded as offering unnecessary clarity that may have reduced U.S. flexibility, while foreclosing on options that appeal to the people of Taiwan.

Evaluation of Clinton’s Approach to Taiwan

Despite its public enunciation of a one China policy, U.S. support for Taiwan did not diminish appreciably during Clinton’s administration. It was during Clinton’s tenure that Lee Teng-hui was granted permission to visit the United States in 1995. Then, in 1996, a powerful American naval armada was positioned near the Taiwan Strait to convey the message that Washington was prepared to act if Beijing engaged military action against Taiwan. In addition, the United States also continued to sell armaments to Taiwan and effectively blocked Israel’s sale of a sophisticated airborne radar system to the P.R.C. that could have significantly bolstered Beijing’s strategic advantage vis-à-vis Taiwan. So, in operational terms, the United States continued to act according to the TRA.

Throughout the 1990s, Taiwan’s champions and the P.R.C.’s detractors reacted with vigilance to any hint that the United States was softening its resolve to defend Taiwan from absorption by the P.R.C. For instance, members of Congress spoke

¹²³ Jiang’s interview with Elizabeth Franswrth of PBS, *BBC Summary of World Broadcasts*, October 24, 1995 in *ibid*, p. 232

forcefully in support of Taiwan, introduced non-binding resolutions sympathetic to Taiwan and considered making potentially significant changes in the U.S. posture toward Taiwan.

Finally, in the lead-up to Taiwan's presidential election of March 2000, President Clinton made clear in a March 8 speech at Johns Hopkins University's School of Advanced International Studies that any resolution of the cross-Strait controversy must have "the assent of the people of Taiwan." He reiterated this point several days after Chen Shui-bian, the candidate of the pro-independent DPP, was elected. This was a significant new twist in U.S. policy that underscored the importance of considering the popular will in Taiwan and corrected the impression that the United States would concur with a coercive — albeit peaceful — imposition of terms on Taiwan by Beijing.

CHAPTER-IV

WASHINGTON AND THE TAIWAN STRAIT CRISIS, 1995-96

Background

Confrontation in the Taiwan Straits comprises the single most dangerous dispute for the U.S. in the world today.¹²⁴ The late 1990's and the early years of the 21st century have seen the emergence of China as a potential superpower rivalling the United States economically, politically and to some extent, militarily.. Though there are other hot spots in the world like North Korea, Kashmir, Iraq etc, it is only in the case of China and Taiwan that the U.S. could directly confront a major power with a huge military establishment in a colossally destructive war that could have wide ranging repercussions for decades. War or peace across the Taiwan Strait remains a serious issue, as the PRC is determined to secure sovereignty over Taiwan while the latter is equally adamant that its own future must be decided not by the PRC or any other power but by the people who live in Taiwan, and the US is committed to help Taiwan defend itself and its democratic way of life. The assertion of its right, inherent in a democracy to self-determination by Taiwan paved the way to the prospect that its people may choose never to become part of the PRC or even of a China to be constituted by a union of the PRC and Taiwan.

America's involvement in the Taiwan issue has historical, strategic, political and domestic dimensions. The United States, aspiring to maintain its predominance in the Asia-Pacific region, has a profound interest in the status of the island and its utility in Sino-American relations. Politically, Taiwan's democratisation has further ensured U.S.

¹²⁴ Nancy Bernkopf Tucker, "China-Taiwan: U.S. Debates and Policy choices", *Survival*, vol. 40, Winter 1998-99, p.150.

support. According to its new security strategy, Washington will champion democracy worldwide and is consequently obliged to defend a democratic Taiwan against a communist China. Taiwan's transformation into a democracy also gave it the edge over China in the U.S. domestic debate. Every U.S. administration had to deal with an enormously powerful Taiwan lobby. Realising that the 'White House is an uncertain friend', this lobby has successfully concentrated on gaining influence on Capitol Hill.¹²⁵

Taiwan possesses moderately impressive military capabilities, a strong technical-industrial base and excellent transport facilities. It sits at the crossroads of the overlapping strategic and economic interests of Japan, China and the US. In addition, Taiwan is rich, democratised, capitalist and, being Chinese, it is contributing to the social, political and economic development of China by demonstrating an alternative model of development to Chinese communism. Thus, a more or less independent Taiwan that can keep the mainland at arms length might appeal as a logical part of any US strategy that aims to change communism on the mainland and balance China's rise as a great power.

Origin of the Crisis in Taiwan Straits

During the Cold War the Taiwan Straits was one of the most dangerous hot spots for confrontation in the world. the US got closest to using atomic weapons during the presidency of Dwight Eisenhower.¹²⁶ With the Soviet threat gone, Taiwan is still one of the potential hotspots where a superpower is confronted by an emerging great power. However, there exists a kind of *modus vivendi* that has prevented a major war over the

¹²⁵ John J Tkacik, "The US-Taiwan Alliance: Who's in Charge?", *Issues & Studies*, Vol. 38, No. 2, 2002, p.72

¹²⁶ Stephen E. Ambrose, *Eisenhower: Soldier and President* (New York: Touchstone, 1990), p. 380.

Taiwan issue since 1958. The exchange of artillery fire that originated with the 1958 crisis over Quemoy was later turned into a largely symbolic exchange of non-lethal fire, which was in any event ended in 1979. There had also been a few skirmishes and notable confrontations across the Taiwan Strait. However, the status quo seems to have worked as well as any other arrangement in pre-empting an eruption of war or a full-scale confrontation.

While the long stand-off between the two sides of the Taiwan Straits has satisfied the basic interests of both governments for a long time, and both are reluctant to risk a war by abandoning the status quo, rapid changes in Taiwan and in the PRC in the last two decades have made the status quo increasingly difficult to sustain. China has been forced to make concessions that promise Taiwan equality at the negotiating table and much more autonomy than it has been prepared to give Hong Kong and Macao. China has generally tended to rely on the threat to use force as a last resort and has been made to use more persuasive means in order to persuade Taipei of its bonafides.

In Taiwan, the old strategy for survival developed during the Cold War no longer made sense as it democratized. Once electoral politics and a democratic mandate became the norm, as happened by the middle of the 1990s, no government in Taiwan can justifiably lay claim to being the legitimate government of China though the state has continued to call itself the Republic of China. In fact, when the government of the ROC adopted the 'National Guidelines for Unification' in 1991, it already dropped the pretence that it could claim jurisdiction over the mainland of China by recognizing the PRC as a political entity embodied in the Chinese Communist regime. Even though the 'National Guidelines for Unification' commits Taiwan to the unification of China in a manner that

will be acceptable to its people in the future, as a policy it has been allowed to gather dust. More important than the shifts in party politics, the consolidation of its democratic transformation in the 1990s has given Taiwan a sound basis to justify its long-standing practice of functioning as an independent state.¹²⁷

During the 1990s, a combination of factors, including the end of the Cold War, the rapid economic growth of the P.R.C., increasing competition between Beijing and Taipei for international legitimacy and the transformation of Taiwan from an authoritarian regime to a fully vested democracy, exposed and exacerbated the underlying tensions in Washington's relations with Beijing and Taipei. Further constraints on American flexibility come from domestic public opinion, which expresses sympathy for democratic Taiwan and concern about the potential of the P.R.C. to become a competitor or, even, an adversary.

As democracy developed and deepened in Taiwan, it also threatened to lengthen the political distance across the Taiwan Straits. The ruling KMT mainlanders, who came over when Mao Zedong triumphed the civil war in 1949, began to yield to local Taiwanese. Democratization has also been accompanied by a sense of a distinct Taiwan identity. However, Beijing refuses to formally acknowledge this fact and the Clinton administration preferred not to complicate its pursuit of a legacy-making "strategic partnership" with China. Instead, both continued to embrace the traditional "One China" policy. Democracy has fostered fresh demands for greater international standing, while recognition of Taiwan's remarkable economic success came much earlier. Taiwan's quest

¹²⁷ Harvey Feldman, "Taiwan, Arms Sales, and the Reagan Assurances " , *The American Asian Review*, vol. XIX, no. 3 ,Fall 2001,pp. 94-5.

for its own international political space - to no longer be a ghost in the international system – sparked Chinese fears that the island is drifting further away from the prospects of reunification. The Chinese wanted to keep the threat of use of force alive to keep its ambitions intact. It is this impulse to which Lee Teng-Hui's provocative behaviour during the 1990s sought to give expression.

Beijing's policy guideline on the Taiwan issue is based on peaceful re-unification under the "one country-two systems" formula initiated by Deng Xiaoping in the early 1980's. Deng conceived of Taiwan as a special administrative region of unified China, under which Taiwan "may keep its own independent character and its own system different from that of the mainland."¹²⁸ To unify China and extend its sovereignty over Taiwan, Beijing is prepared to grant Taiwan a high degree of autonomy under the "one country, two systems" formula. In exchange, Taipei would have to acknowledge that there is, in fact, only one Chinese state and that Taiwan is only a part of that state, not a separate state. This was essentially the same formula with which China assimilated Hong Kong with the mainland in 1997. Under this formula, the Chinese were ready to accept the simultaneous existence of socialism in the mainland and capitalism in Taiwan. The basic idea was to let the economic system of Taiwan untouched and help it thrive under the leadership and overall control of the mainland. Under this arrangement, "Taiwan would enjoy a high degree of autonomy, consisting of administrative and legislative power, judiciary power including final judgement, the power to keep its own army, and

¹²⁸ *The Selected Works of Deng Xiaoping*, vol. 3 (Beijing: People's Publisher, 1993) pp. 30-31 in Chen Qimao, "The Taiwan Strait Crisis: its Crux and Solutions," *Asian Survey*, vol. 36, no. 11, November, 1996, p. 1056.

certain power in foreign affairs such as signing commercial and cultural agreements with foreign countries.”¹²⁹

The Taiwan Strait Crisis- From Cooperation to Confrontation

Taipei had outlined its ‘three noes’ policy in 1981, declining all official contact, negotiations or any compromise with communism.¹³⁰ During the initial years of the 1990’s, Cross-Strait relations appeared to improve: Taipei officially abandoned the strict ‘three noes’ policy in 1988; it announced the end of the civil war status with China in 1990; and several non-governmental’ bodies were founded on both sides to facilitate negotiations.¹³¹ But over the years, this policy was watered down by several concessions leading to closer ties with the mainland.¹³² The two main bodies were Taiwan’s Straits Exchange Foundation (SEF) and China’s Association for Relations Across the Taiwan Straits (ARATS), starting the so-called Koo–Wang talks in April 1993.

Over the years, P.R.C. leaders had become especially suspicious of Lee Teng-hui and his “pragmatic diplomacy,” which they believed was intended to generate support for Taiwan independence and impede unification. In the last few years of his presidency, Lee’s efforts to expand Taiwan’s “international space” further aroused a high degree of distrust in Beijing. The United States viewed Cross-Strait issue in the context of its overarching concerns for security in the global context and its strategy in the Asia-Pacific region. The U.S had clear and compelling security interests in East Asia, which it

¹²⁹ The White Paper, “The Taiwan Question and the Reunification of China”, August 1993, *China Daily*, September 1, 1993, p. 4-5.

¹³⁰ *ibid*, p. 21.

¹³¹ Bernice Lee, *The Security Implications of the New Taiwan* (New York: Oxford University Press Inc., 1999), pp. 21-22

¹³² Nathan and Ross, *The Great Wall And The Empty Fortress* (New York: W.W. Norton & Company Ltd., 1997), p. 217.

supported, in part, by maintaining a forward military presence in the region. Cross-Strait relations were gravely disrupted as a result of Taiwan's unexpected success in winning sufficient support in the US to require President Bill Clinton to reverse his policy and admit the President of the ROC, Lee Teng-hui to visit the US in a private capacity in the year 1995.¹³³ Lee was attending a reunion ceremony at Cornell University and gave a speech there that Beijing viewed as provocative.

To Beijing, against the background of an earlier American "Taiwan Policy Review," and tense U.S.-China relations on other issues, these events signalled dangerous adventurism in both Taipei and Washington and stoked a concern that America's China policy was turning fundamentally hostile. China vehemently opposed Lee's visit to the U.S. because it smacked of US support for an independent Taiwan; especially after the Chinese leadership had received high level assurances that the visit would not take place. It precipitated a limited military response from the PRC, which reached a climax the following year when Lee ran for the state presidency in Taiwan during its first ever direct presidential election.

Lee's Visit and Chinese Response

The Chinese response to Lee's trip to the U.S. reflected the widespread anger and disgust towards the Taiwanese President's "pragmatic diplomacy" as well as Clinton's inability to convince the Congress on its repercussions on Sino-U.S. relations. After the decision, Beijing postponed its defence minister's visit to the United States, suspended missile control talks with the U.S., postponed the Cross-Strait talks and indefinitely

¹³³ Patrick Tyler, *A Great Wall: Six Presidents and China* (New York: Century Foundation, 1999), p. 21.

recalled its ambassador to Washington. The PRC was convinced that “there were no longer to be any “illusions” about Lee Teng-Hui- he intended to “split the motherland” and move Taiwan toward independence, and he would be “taught a lesson” in return . . . and the PLA would demonstrate its commitment to “defend Taiwan by force.”¹³⁴ The PLA was actively involved in the movement and disposition of military forces and the conduct of military exercises on Chinese territory contiguous to Taiwan. These exercises were declared by the PRC as routine activity, and were conducted in the Taiwan Straits off Dongshan Island, which is about seventy-five miles off the coast of Taiwan’s Quemoy islands. Beijing responded strongly by announcing in July 1995, the conduct of “surface to surface guided missile tests into the open sea” in a ten square mile area roughly eighty five miles north of Taiwan.¹³⁵ The PLA also announced the conduct of another series of missile tests in August 1995. The basic purpose of such activities was to keep up the pressure on Lee Teng-Hui and demonstrate the PLA’s willingness to use force, if necessary, to prevent Taiwan independence. The military maneuveres of the PRC finally culminated in the firing of live missiles into the waters close to Taiwan in March 1996, just before Taiwan’s presidential elections.

The conflict intensified as the Clinton administration strongly reacted to the developments in the Taiwan Straits. President Jiang Zemin, however, did not want an irretrievable breakdown in Sino–US relations.¹³⁶ Jiang sought an approach that was determined but reasonable, based on the assumption that it was not in the strategic

¹³⁴ Michael Swaine, “Chinese decision Making Regarding Taiwan 1979-2000” in David .M.Lampton, ed., *The making of Chinese Foreign and Security Policy in the Era of Reform* (Stanford University Press, 2001) p. 323.

¹³⁵ “PLA announces Missile Launch training on east China Sea,” *Xinhua News Agency*, July 18, 1995.

¹³⁶ Gary Klintworth, *Crisis Management: China, Taiwan and the United States—1995–96 Crisis and its Aftermath* (Department of the Parliamentary Library, Research Paper No.14. March 1997)p.5

interests of either the US or China to go to war over Taiwan. Some hardliners in Beijing demanded a more robust response but the majority view in the central government—and in the PLA—was that actual use of force against Taiwan was impractical, premature and too costly.¹³⁷ Jiang accepted the PLA's recommendation to test fire a few M-series short range ballistic missiles between July 1995 and March 1996. In addition, the PLA was allowed to go ahead with several military exercises in July, August and December 1995, and January and March 1996. By firing missiles that straddled Taiwan and heavily used trade routes to and from the key ports of Keelung and Kaohsiung, China hoped to highlight Taiwan's vulnerability to a ballistic missile attack. As intended, the announcement of unprecedented and provocative military exercise caused an economic and political shock in Taiwan, where the stock market crumbled and President Lee felt compelled to make a public appeal for calm. However, the Taiwanese politicians vowed to resist the PRC intimidation and rallied popular support by accusing Beijing of trying to interfere in Taiwan's election process. In spite of the drop in stock markets, the popularity of President Lee rose to a new high, just before the first direct presidential elections in Taiwan.

Washington's Response to Crisis in Taiwan Straits

Policymakers in Washington were caught off guard by the intensity of Beijing's reaction to the Lee visit and sought measures to restore a sense of normalcy and progress. Clinton's efforts to formulate an "engagement policy" towards China were jeopardized by the belligerent reaction from the PRC. It was apparent in mid 1995 that the Clinton

¹³⁷ Andrew Scobell, "Show of Force: Chinese Soldiers, Statesmen, and the 1995–96 Taiwan Strait Crisis", *Political Science Quarterly*, volume 115, no. 2, 2000, p. 227

administration had not developed a coherent strategy for dealing with China.¹³⁸ The Clinton administration was walking a tightrope with regard to Washington-Beijing relations. Congress and the strong Taiwan lobby were successfully squeezing the administration, giving it little space for manoeuvre.¹³⁹ Clinton's decision to permit Lee's trip to the U.S. created a stir in U.S.-China relations and across the Taiwan Straits.

The initial response of the United States was mild. Commenting on the first announcement by Beijing of its decision to conduct missile tests, a State Department official declared "We don't believe this test contributes to peace and stability in the area."¹⁴⁰ The State Department and the National Security Council conveyed the message to Beijing that the grant of visa to Lee did not signal a change in U.S. policy. In a move to reassure the PRC, the U.S. officials chose to define the circumstance in which Taiwanese officials would be permitted to travel to the U.S. in the future. The administration spelt out a policy with four criteria of judgement: "such visits were to be strictly for personal reasons, to include health and family considerations; they were to be rigorously unofficial; applications to be approved on a case-by-case basis; and the State Department expected that such requests would be rare."¹⁴¹ In September 1995, US Secretary of State Warren Christopher renewed US undertakings to adhere to a 'one China' policy in which the PRC was regarded as the sole legal government of China. He also promised that the US would not support the notion of 'two Chinas' or an independent Taiwan or the latter's attempts to join the UN.¹⁴²

¹³⁸ Robert L. Suettinger, *The Politics of U.S.-China Relations, 1989-2000* (Washington.D.C.: Brookings Institution Press, 2003)p. 227.

¹³⁹ Jian Yang, *Congress and U.S. China policy* (New York: Nova Science Publishers, 2000),p. 205.

¹⁴⁰ Suettinger, n.138, p. 227.

¹⁴¹ *ibid*, p. 232.

¹⁴² US Secretary of State Warren Christopher and Chinese Foreign Minister Qian Qichen, press

The sense of crisis surrounding Taiwan deepened, as military preparations and rhetoric escalated on both sides, making it difficult for policy makers in the Clinton administration to decide on the future course of action. The PLA's announcement of the decision to conduct "ground-to-ground missile launching training" in March 1996 only helped in complicating things further. The prospect of Chinese missile activity was particularly alarming because of the capacity of the missiles to carry nuclear warheads and signified an implicit threat to use nuclear weapons against Taiwan. The tests were scheduled to be held so close to the ports of Chilung and Kaohsiung, under Taiwanese control, it amounted to a virtual blockade of the island's ports. However, closer examination revealed that shipping lanes would not be really impeded. The Deputy Director of Beijing's Taiwan Affairs Office claimed that the missile tests were conducted to show Taiwan that it "is still part of China and we have the determination and the capability to safeguard the territorial integrity."¹⁴³

The Clinton officials were working simultaneously with both Beijing and Taipei to cool off tensions over the Taiwan Straits. While secret warnings were issued to Beijing that their actions might lead to "grave consequences," Taiwan's National Security Advisor was asked to "cool Taiwan's independence drive because U.S. military support was not going to be a blank cheque."¹⁴⁴ But Clinton's China policy was tilting in favour of Taiwan, primarily due to pressures from the domestic field. Taiwan supporters at Capitol Hill wanted the U.S. to commit itself to the defence of Taiwan from any external threat. The Congress passed a non-binding resolution expressing the sense of the

conference, Washington, 27 September 1995, in USIS Wireless File, 28 September 1995

¹⁴³ Patrick.E.Tyler, "War Games Off Taiwan to Expand, Beijing Says," *New York Times*, 7 March 1996, sec.A, p. 12.

¹⁴⁴ Barton Gellman, "Reappraisal Led to New China Policy", *Washington Post*, 22 June 1998, sec.A, p. 16.

Congress that the United States was committed to the military stability of the Taiwan Straits and that U.S. military forces should defend Taiwan. The Resolution specifically stated:

“It is the sense of the Congress that . . . the United States should maintain a naval presence sufficient to keep open the sea lanes in and near the Taiwan Straits and the United States . . . should assist in defending them (people of Taiwan) against invasion, missile attack, or blockade by the People’s Republic of China.”¹⁴⁵

The Taiwan Straits Crisis was eroding a U.S.-China relationship that had been nurtured by both Republican and Democratic presidents for more than thirty years. The U.S. had placed greater emphasis on its ties with China since the 1970’s. This longstanding policy was put to test by the 1996 crisis. After the diplomatic methods of denouncing the Chinese activities failed to curb Beijing, Clinton took the big decision to involve the U.S. military to diffuse the crisis in the Taiwan Straits. The decision to involve the U.S. military was prompted by the firing of two missiles off the coast of Kaohsiung and Chilung by the PRC.¹⁴⁶

A steady consensus emerged in Washington on the need to take assertive action to prevent the Chinese from actually attacking Taiwan. After prolonged discussions in the corridors of decision making, the United States dispatched two aircraft carrier battle groups to the waters near the Taiwan Straits shortly before the missile firings were scheduled to end. When Beijing further escalated tensions, the U.S. government chose to read the TRA quite broadly, interpreting it as a pledge to defend Taiwan. Following the deployment of two carrier battle groups, the U.S. succeeded in maintaining its pre-confrontation reputation, leaving the credibility of U.S. deterrence intact. Administration

¹⁴⁵ *Congressional record*, 19 March, 1996 in Yang, n.14, pp.210-211

¹⁴⁶ *Jane’s Defence Weekly*, vol.25, no.11, March 13, 1996, p. 11.

officials believed that if the U.S. did not respond forcefully, Beijing would doubt Washington's commitment to escalating its military activities in a future confrontation, thereby increasing the likelihood of hostilities, and a far more serious U.S.-PRC crisis. The Defense Department explained that Washington needed to communicate its determination that mainland China resolve its differences with Taiwan peacefully. It could not allow the PRC's leaders to conclude that the U.S. had lost interest in this area of the world.¹⁴⁷

The Taiwan Straits crisis led to a major modification in the U.S. policy of calculated ambiguity toward cross-strait relations. From 1971 on, Washington had refused to say how it would react in the event of conflict between the two sides of the Strait. That policy was designed to deter without antagonizing Beijing, while simultaneously reassuring Taiwan and discouraging it from reckless actions that might precipitate a cross-strait war. The 1996 crisis showed that the U.S. was prepared and able to defend Taiwan against unprovoked PRC attack.¹⁴⁸ The PRC's objective was to check the determination of the Americans as to how far they will go in defending Taiwan. The sending of two aircraft carriers, the largest U.S. naval armada since the Vietnam War, proved it beyond doubt that the Americans considered the security of Taiwan as an issue of primary strategic importance. While the US clearly prefers not to go to war with the PRC it is ultimately prepared to give military support to Taiwan to defend itself against an unprovoked attack from the PRC.¹⁴⁹ At the same time, the U.S has also made clear to

¹⁴⁷ Robert S. Ross, "The 1995-96 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force", *International Security*, vol. 25, no. 2, Fall 2000, p. 109

¹⁴⁸ John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization* (Seattle: University of Washington Press, 1997), pp. 149-150

¹⁴⁹ Martin Lasater "The Taiwan Issue in Sino-American Relations" in Martin Lasater and Peter Kien-hong Yu, ed., *Taiwan's Security in the Post-DengXiaoping Era* (London: Frank Cass, 2000), p. 210.

Taiwan that it cannot count on the US to come to its aid, if it were responsible for provoking the PRC to resort to force in the first instance.

The PRC claimed that the missile tests were a routine affair and did not specify the tests as aimed at Taipei. Beijing, Washington and Taipei minimised the risk of misunderstanding by clear signalling and communications, one of the basic rules for successful crisis diplomacy.²⁶ Intelligence agencies in Taiwan and the US always had good information on the limits of China's military activities such that when Taiwan's former Defence Minister Chen Li-an saw the scope, scale and location of the PLA exercises, he knew the PLA was not really serious and that the whole show was designed, in large part, to satisfy Chinese domestic audiences, just as the US carrier deployments were intended to quieten President Clinton's Congressional critics.¹⁵⁰

The 1995-96 Taiwan Straits confrontation was the closest the U.S. and mainland China had come to a crisis since the early 1950s. The standoff not only brought Cross-Strait relations to their lowest point since the 1958 Kinmen crisis. The role of the United States proved to be the crucial factor in maintaining the status quo in the Straits. However, the PRC also demonstrated its serious intent to limit Taiwan's freedom of action.¹⁵¹ Taipei's skills of economic diplomacy will have to be carefully employed while trying to woo the international community in the light of the PRC's show of strength and determination to use force if necessary. To a certain extent, the success of Taipei's economic diplomacy depends on the establishment of a more stable Cross-Strait relationship. Although the United States is committed to Taiwan's security, it is unlikely

¹⁵⁰ James L. Richardson, *Crisis Diplomacy: The Great Powers Since the Mid-Nineteenth Century*, (Melbourne: Cambridge University Press, 1994) pp. 365–6.

¹⁵¹ Cheng-Yi Lin, "The U.S. Factor in the 1958 and 1996 Taiwan Strait Crises", *Issues and Studies*, December, 1996, p.66.

that it would send combat troops to defend Taiwan. For the United States, any military confrontation with the PLA would be a lose-lose proposition.¹⁵² It would be in the best interests of the U.S. to maintain the status quo by encouraging closer Cross-Strait relations.

The most important lesson learned by the US and China over the period 1995–6 was that both sides understood that conflict resolution, stability and prosperity in the Asia-Pacific region were contingent on a cooperative Sino–US relationship. Both sides were forced to clarify their common interests and the risks and the gains to be made from what is likely to be the most important strategic relationship in the Asia-Pacific region in the 21st century.

¹⁵² David.S.Chou, “Cross-Strait Relations and U.S. roles in the Taiwan straits” *Issues and Studies*, October, 1996, p.25.

CONCLUSION

The issue of Taiwan has been one of the most persistent and intractable problems in the evolution of relations between the United States and the People's Republic of China. The basic premise of the American policy towards Taiwan has been that any solution to the Taiwan issue should be agreeable to both sides of the Taiwan Straits, and such a solution should be achieved peacefully. In effect, American policy aimed at deterring both sides from taking such actions towards a solution that would not be acceptable to the other. The U.S. has been able to pursue this policy through the prism of "strategic ambiguity," under which carefully chosen words were used in such a manner as to provide sufficient maneuverability in dealing with any crisis situation. The U.S. never clearly stated its objective in the Taiwan Straits and occasionally shifted positions siding with either Beijing or Taipei depending on its political requirements at that time.

The strategic ambiguity policy of the U.S. was frustrating to Beijing, because it prevented the use of China's military and diplomatic advantages to a speedy resolution of the Taiwan problem. The PRC, however, has warned that the Taiwan issue cannot drag on indefinitely. For China, the choice is simple: to prevent Taiwan's independence and to pre-empt all policies and efforts to promote it. For Taiwan, the question is more complicated, involving efforts to increase its international status, preserve its prosperity, and nurture its fledgling democracy. Both Taipei and Beijing have been taking meticulously planned, concerted steps towards achieving their respective objectives.

Taiwan's future has profound strategic implications for the Asia-Pacific region. A more or less autonomous Taiwan that can keep the mainland at arms length might appeal as a logical part of any US strategy that aims to deal with communism on the mainland

and balance China's rise as a great power. For Chinese leaders in Beijing, the recovery of Taiwan is 'a matter of supreme national interest' for which China is prepared to fight 'at any cost'. The Chinese government keeps stressing on the fact that the military option will have to be exercised, if Taiwan moves towards independence. The Taiwan Straits crisis of 1996 was a typical example of assertion of Chinese will to use force to prevent Taiwan from making any move towards changing the status quo. On the other hand, Taipei has agreed not to declare independence, unless the PRC uses force to annex Taiwan with the mainland.

The U.S. seeks to balance its commitments between Beijing and Taipei, between national sovereignty and self determination. The role of the U.S. in the Taiwan Straits has been the most crucial factor in preserving the present status of Taiwan. In sharp contrast to the PRC, Taiwan has succeeded in building simultaneously a vibrant free economy and a functioning democracy. It now fully shares the American values of political democracy, human rights, and free enterprise. With the absence of the communist threat, the U.S. was in a position to pursue policies that would result in promotion of liberal values, especially supporting budding democracies. In that case, Taiwan has proved as an ideal case for U.S. support. However, promotion of democracy was certainly not the reason why the U.S. chose to recognize the nationalist government in Taiwan in 1949, after the end of the Chinese civil war. The nationalist government in Taiwan acted as the primary tool in the American fight against communism in the Asia-Pacific region.

However, the United States support to Taiwan was not constant over the last fifty five years. Taiwan became strategically less relevant in the 1970's when the U.S. viewed the People's Republic as a strategic ally in its fight against the Soviet Union. The PRC

extracted significant concessions from the United States during this time using the available opportunity. The complete estrangement of Taiwan was prevented only by the Congressional intervention by enacting the Taiwan Relations Act, which committed the United States to provide such defence articles to Taiwan as may be necessary to protect the island from annexation by any power.

The Taiwan Relations Act was a unique legislation because it dealt with a “non-state” entity, with a view to protecting that entity from a state with which the U.S. had just established diplomatic relations. The Act declared that any move to change the status quo in the Taiwan Straits by force would be considered as a “threat to the peace of the western Pacific area and of grave concern to the United States.” After the U.S. established diplomatic relations with the PRC in 1979, the U.S.–Taiwan relations were largely governed by the commitment under the TRA to supply arms of a defensive character to Taiwan. The Act not only ensured continued military supplies to Taiwan, but also provided an implicit security commitment to Taiwan as the U.S. reserved the right to use force to resist any use of force against the people of Taiwan. The issue of arms sales became the major irritant in U.S.-PRC relations as Beijing considered the arms supplies to Taiwan a serious violation of China’s sovereignty.

China regarded Taiwan as a renegade province and a part of the territory of the People’s Republic. The U.S. arms supplies to Taiwan could never be accepted by the PRC, if it strictly adhered to its notion of Taiwan being a part of its territory. However, the PRC decided to go ahead with establishing diplomatic relations with the U.S. without satisfactorily solving the arms sales issue, primarily because of the strategic necessity to counter the Soviet Union by aligning with the United States. The Soviet threat acted as an

important factor in bringing the U.S. and the PRC closer, even if that involved abandonment of traditional policy by both sides. However, the PRC did not renounce the right to use force to annex Taiwan, as demanded by the U.S. Congress. And Washington continued to exercise its security commitment to Taiwan.

Beginning in 1972, the United States adopted a policy to appease the PRC, whenever the latter protested over U.S. support to Taiwan. The 1982 communiqué by the Reagan administration and the PRC was issued to reassure Beijing that U.S. arms sales to Taiwan would not last for ever, and would be scaled down over the years. However, the U.S. arms sales to Taiwan has not reduced qualitatively or quantitatively after the 1982 communiqué. The continued supply of arms to Taiwan is a crucial factor in maintaining the balance of power in the Asia-Pacific. Taiwan's armed forces were able to keep pace with the PLA, primarily due to their access to the most modern technologies in the U.S. The U.S. is not prepared to give up arms supply to Taiwan on the ground that the PRC has not completely renounced the use of force and therefore it is essential to provide Taiwan with arms of a defensive character.

The normalization of relations between the U.S. and the PRC led to Taiwan seeking measures to assert its status more aggressively. Until the late 1990's, Taipei was unequivocally committed to reunification. When the United States signed the communiqués in 1972, 1979 and 1982, the Kuomintang (KMT) government on Taiwan was still determined to unify China under its rule. By 1991, however, the KMT had been transformed. Natives of Taiwan, long excluded from high positions in the government, gradually replaced the mainlanders from the government leadership. Consequently, the determination to "recover" sovereignty over the mainland – a

posture associated with the KMT, began to get diluted. President Lee Teng-hui, himself a native of Taiwan, had established a National Unification Council that devised a set of new Guidelines for National Unification. Those Guidelines made clear that China was a divided state with two governments, each sovereign over the territory it actually controlled. This amounted to a renunciation of the myth that the government of Taiwan was the legitimate government of all China.

The transformation of Taiwan into an emerging democracy has changed the way PRC views Taiwan. Due to a combination of factors, Taiwan has shown signs of increasingly moving towards independence, especially after 1992, when Lee Teng Hui came to power. Lee-Teng Hui's "pragmatic diplomacy" and his moves to woo the international community had been a major irritant to the PRC. The election of the pro-independence Democratic Progressive Party candidate in 2000, Chen Shu Bian as president of Taiwan proved to be another setback to Chinese ambitions of reunification. The developments in Taiwan has forced the PRC to make concessions that promise Taiwan equality at the negotiating table and much more autonomy than it had been prepared to give Hong Kong and Macao.

Beijing's threat to use force has deterred the Taiwanese from seeking independence and to that extent, Beijing has succeeded in deterring any Taiwanese move towards unilateral declaration of independence. No Taiwanese president can accept unification with China at the point of a gun. While the PRC's threats make the Taiwanese fear the consequences of supporting independence, they have also imbibed deep Taiwanese distrust of the mainland and its reunification plans. China will have to develop

an approach that moves beyond threats and offers more in the way of inducements for rapprochement and reunification.

Clinton's Taiwan Policy

William.J.Clinton assumed office as the first post-Cold War president of the United States. His tenure as president coincided with the deepening of democracy in Taiwan and also a renewed emphasis on the domestic factors, especially the economy, in the United States. Throughout his first term as president, Clinton did not appear to formulate a clear cut China policy. His preoccupation with the domestic economy as well as his concentration on issues in other parts of the world put China quite low on the priority list. In spite of the harsh criticism of China during the campaign, Clinton did not adopt a strong anti-China policy. Clinton realized the importance of the changed international scenario once he assumed office and was aware that the absence of the Soviet threat had given enhanced bargaining power to the PRC. Thus it was not easy for him to adopt a strong anti-China policy.

With the disappearance of the Soviet Union, the Clinton White House relegated security issues to the background and brought secondary issues like trade and human rights to the centre stage. In spite of the widespread demands to link renewal of MFN status to China's human rights record, Clinton opted to continue with MFN status to China. However, the Congress linked the subsequent renewal in 1994 with "overall significant progress" on the human rights issues. Clinton's reluctance to link MFN with human rights was based on the ground that China might retaliate and both the countries would, in the process, suffer huge economic losses. Most importantly, Clinton did not want the U.S. traders and investors to lose access to China's booming economy. The

demand to use MFN as a tool to give the Chinese people more civic and political freedom was not a sound one and Clinton was pragmatic enough when he chose to delink MFN from human rights concerns.

The first test of Clinton's Taiwan policy came during the controversy over Taiwanese President Lee-Teng Hui's visit to the U.S. in 1995. When the request for Lee's visit came in, Clinton administration officials did everything at their disposal to reassure Beijing that the visit would not take place. This showed that Clinton did not possess the will to antagonize China in spite of the widespread support prevailing in the country to permit Lee's visit. However, Clinton finally approved Lee's visit, owing to Congressional pressure, which in turn came under the influence of the Taiwan lobby. Clinton's China policy was influenced for the most part, by Winston Lord, who convinced Clinton on the need to follow an "engagement policy" towards China. Though Clinton demanded a stricter approach towards China during his campaign days, in effect, he continued with the engagement policy of his predecessors.

Clinton's commitment to defend Taiwan was put to serious test when the PRC reacted with a series of missile tests in 1995-96, along the Taiwan Straits in response to Lee's visit. The Taiwan Straits crisis provided an opportunity to find out an answer to the longstanding speculation about the nature and intensity of U.S. reaction when the PRC actually attacks Taiwan. The question was whether the U.S. would confront a nuclear power, in order to protect a tiny stretch of territory, far away from the U.S. mainland. The Clinton administration acted sensibly, trying to reassure the PRC that there had been no alteration in its stand on Taiwan after permitting Lee's trip to the U.S. The Clinton administration took the big decision to send two aircraft carriers to the Taiwan Straits

after a few missiles of the PRC fell in Taiwanese territory. This was Clinton's most important foreign policy decision with regard to Taiwan, which could have brought America into a massively destructive war with the PRC.

The Clinton decision was significant because he took the risk of sending an U.S. armada to deter China at a time when he was contemplating re-election the same year. Any wrong move in the Taiwan Straits could have cost Clinton his second term as president. Some China supporters have argued that the US would not dare to incur casualties in a conflict with a nuclear China for the sake of a small piece of distant territory like Taiwan. This judgement is supported by US caution during earlier days of the 1996 crisis, and the aversion of the American people to incurring casualties. But while the US could be reluctant to confront China over Taiwan, the PLA could not be certain about how or when the US might respond. Obviously, after establishing a solid economic partnership with the U.S., China would not like to risk a war with the U.S just to annex Taiwan by force. No Chinese leader wants to be blamed for losing Taiwan, but equally, any US President hoping for a second term could not stand by and let China seize Taiwan.

The 1996 crisis signified the seriousness of the PRC in preventing the independence of Taiwan, even if that included use of military force. The role of the Clinton administration was crucial in averting a major crisis over Taiwan. Since 1995-1996, the U.S. has come to see peaceful resolution as the best means and has suggested dialogue by China and Taiwan to start talking about solutions. The policy has failed to calm tensions because it is based on a wishful belief that the people of Taiwan can be made to accommodate Beijing at Washington's behest. Instead, American efforts to ease

PRC's anxieties have motivated the Taiwanese to defend their interests even more assertively and thus have made the situation more difficult rather than less.

Clinton's Taiwan policy was basically inconsistent. Clinton initiated the Taiwan policy review and took the bold decision to allow Lee's visit to the U.S, breaking sharply from traditional policy in his first term. He also took the major decision to send two aircraft carriers in defence of Taiwan in 1996 when the PRC was trying to intimidate Taiwan with missile tests. These actions were consistent with Clinton's pro-Taiwan image, proved by the fact that he visited Taiwan four times as Governor of Arkansas. However, Clinton's second term saw a complete reversal of policies he undertook in his first term. Clinton was on a mission to appease the PRC in his second term which witnessed visits by high officials from Beijing, including the high profile visit of the PRC president, Jiang Zemin. Clinton himself visited the PRC in 1998, where he enunciated his "three noes", which, in effect, were considered as official abandonment of Taiwan by the PRC. Though there was nothing new in what Clinton said in China, it signified a clear intention of the Clinton administration to engage the PRC, even if that meant diluting the principles of the "strategic ambiguity" policy.

Though Clinton's second tenure witnessed a China policy that believed in taming the larger and more powerful China, Clinton was not in favour of engaging China at the cost of Taiwan. His "three noes" are generally considered as a rebuff to Taiwan, but Clinton was never in favour of abandoning Taiwan. Against the background of unique historical ties between the U.S. and Taiwan, it is not hard to understand why Clinton's "three noes" sent a shock wave through every corner of the island. However, the "three noes" were declared by Clinton in an informal meeting in Shanghai and not in an official

press conference in Beijing. The dispatching of the largest American naval armada since the Vietnam War to defend Taiwan is proof of his commitment to defend Taiwan in accordance with the TRA. Clinton was in favour of resolving the Taiwan crisis in accordance with the will of the people of Taiwan, which he reemphasized even during the run up to the presidential elections in 2000. All deviations from traditional policy on China and Taiwan were taken by Clinton on the basis of broader geo-strategic and economic compulsions. Clinton was willing to accept the eventual reunification of Taiwan under mainland Chinese rule if that came to happen, but he continued to insist that this or any other outcome be achieved by peaceful means and backed up this insistence with the implicit threat of military action.

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