NORMALIZATION OF RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA: PRACTICAL IMPLICATIONS

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CONTENTS

Introduction and Interim report by Hon. Lester L. Wolff, Chairman, Subcommittee on Asian and Pacific Affairs

WITNESSES

GLOBAL IMPLICATIONS OF NORMALIZATION

September 20, 1977:
Barnett A. Doak, the Brookings Institution
Whiting, Allen S., professor of political science, Center for Chinese Studies, University of Michigan
Thayer, Nathaniel B., School for Advanced International Studies, Johns Hopkins University
Scalapino, Robert A., professor of political science, University of California, Berkeley

LEGISLATIVE AND LEGAL PROBLEMS

September 21, 1977:
Cohen, Jerome A., professor, East Asian Legal Studies, Harvard Law School
Li, Victor H., professor, Stanford University Law School
Valeo, Hon. Francis, former Secretary of the Senate

FORMULAS

September 28, 1977:
Terror, Ross, professor of government, Harvard University
Chaugh, Ralph, the Brookings Institution
Zagoria, Donald S., professor of government, Columbia University
Barnett, Robert W., the Asia Society

THE ISSUE OF TAIWAN

September 28, 1977:
Cline, Ray S., Center for Strategic and International Studies, Georgetown University
Cline, Peter E., professor of political science, Penn State University
Hinton, Harold C., professor of political science, George Washington University
Chin, Dr. Hungdah, University of Maryland Law School

ECONOMIC IMPLICATIONS

October 11, 1977:
AuCom, Hon. Les, a Representative in Congress from the State of Oregon
Van Geusel, Martins, president, American Chamber of Commerce, Taipei, Republic of China
Harrison, Selig S., senior associate, Carnegie Endowment for International Peace
Perkins, Dwight H., professor of economics, Harvard University

POLITICAL IMPLICATIONS

October 18, 1977:
Schatz, Hon. Hugh (former U.S. Senator), Obermayer, Rebmann, Maxwell & Hippel
Roth, Hon. William V., Jr., a U.S. Senator from the State of Delaware

(iii)
AN OLD ALLY

The Republic of China has its faults like any other government; it certainly has some. It is the oldest ally the United States has in Asia. The French ended relations with it in 1904 in order to normalize relations with the People’s Republic of China, and they have not benefited particularly from doing so. I once heard an informed talk by a French official, off the record, of course, and the only possible conclusion one could draw from his talk was that he regretted that France had recognized the People’s Republic of China at the expense of Taiwan.

Japan has not benefited particularly from following the same course in 1972, and clearly the current Government of Japan does not want the United States to follow its example. This reminds one of Sam Houston’s remark at the temperance meeting.

The United States has no obligation to normalize. We owe Peking nothing. It allied, after all, with the Soviet Union in 1949, then our bitterest adversary, and supported both the North Koreans and the North Vietnamese in their undeclared wars against the United States. The Shanghai Communique is not binding on the United States. The Carter administration has decided that the Vladivostok Communique is not binding on the United States as worked out by the Ford administration, and I fail to see why the Shanghai Communique is any more sacred than the Vladivostok Communiqué.

We have no interest in normalizing with the People’s Republic of China at the expense of Republic of China. What will we gain if we have that that we have not got now? I can see nothing really except perhaps somewhat closer cultural relations with the People’s Republic of China—a very meager gain.

What will happen if we do not normalize? Nothing that I can see. I entirely agree with Ray Cline, and we are by no means alone in this view, that Peking’s dispute with Moscow goes far deeper than the question of whether or not its relations with the United States are normalized. In short, there is very little real pressure on the United States to normalize except for Peking’s exhortations and other pressures of the United States own creation.

I would end by summarizing this way. The United States at the present time has a good and unique China policy, in my opinion: continuing de jure relations with the Republic of China on Taiwan and de facto relations with the People’s Republic of China on the mainland. I see no reason to change this until and unless the two Chinas alter their relationship with each other, which I think in time will occur.

Thank you very much.

Mr. BELENSON: Thank you, Professor.

Professor Chiu.

STATEMENT OF DR. HUNGDAH CHIU, PROFESSOR OF LAW,
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BIOGRAPHY

Mr. Hungdah Chiu received his Doctor of Juridical Science (S.J.D.) degree from Harvard Law School in 1965. He is now a Professor at the University of Maryland School of Law. Among his many publications are “China and the
Question of Taiwan: Documents and Analysis" (Prager, 1973) and "People's China and International Law" (co-author) (2 vols., Princeton University Press, 1974). In 1976 he was awarded a certificate of merit by the American Society of International Law.

Mr. Currie, Mr. Chairperson and members of the subcommittee, it is indeed a great honor to be invited here to testify before this distinguished committee. My paper will deal with the following questions concerning normalization; namely, (1) whether the 1972 Shanghai Communique, which is the basis of United States-People's Republic of China relations, does commit the United States to accept the People's Republic of China's three conditions for normalization of relations; (2) the legal status of Taiwan and an evaluation of the People's Republic of China's claim to Taiwan in the light of principles of modern international law and practice; (3) the impact of normalization on the Republic of China; and (4) possible options for the Republic of China on Taiwan in response to a U.S. move toward normalization of relations with the People's Republic of China.

I have prepared a 40-page paper setting forth in detail my analyses and conclusions, and now I present to you only a summary of my paper which will take about 10 to 15 minutes.

On the first question concerning the Shanghai Communique, since Dr. Cline and Professor Hinton have dealt with this question I have nothing more to say. I just want to say I entirely agree with their analysis. So I start with the second question.

On the question of the People's Republic of China's claim to Taiwan, some Chinese experts have kept asking the United States to accept the People's Republic of China's claim to Taiwan without questioning whether the PRC has a valid claim toward the island in accordance with principles of modern international law.

TAIWAN SOVEREIGNTY

Although Taiwan was placed under the Republic of China's administration in 1895, technically its sovereignty problem was not solved until the 1951 San Francisco Peace Treaty and the 1952 Republic of China-Japanese Treaty in which Japan renounced "all rights, title, and claim to Taiwan." After the Japanese renunciation, legally the island became an "abandoned land" in international law so the Republic of China could convert its belligerent occupation into definite sovereignty over the island.

How about the People's Republic? The People's Republic has denounced both Japanese peace treaties as "illegal and void," so it cannot claim benefit from the Japanese renunciation of sovereignty over Taiwan as provided in those two treaties.

After the Japanese renunciation of its claim to Taiwan, the People's Republic of China could not acquire title over Taiwan through the international law principle of occupation because it did not have physical control over the island at that time. Nor could the People's Republic of China act through the Republic of China's occupation to claim title over Taiwan because the People's Republic considers the Republic of China as an "illegal group" or even "bandits."

In the Shanghai Communique, the United States only committed itself "not to challenge" the belief of "all Chinese in one China. Any-

one with an elementary knowledge of international law should know that "does not challenge" is not equivalent to accepting or recognizing the People's Republic's claim to the island.

Now let me turn to the impact of normalization on the Republic of China. Direct foreign investment and technological inflow are indispensable to the economic viability of Taiwan. Past experience indicates that foreign direct investments in Taiwan have apparently been very sensitive to political events. The rate of American investments in Taiwan dropped sharply in 1971 and 1972, most probably as a result of the Republic of China's international setbacks during those years and doubt about its future status.

The same thing happened with Japanese investments. Soon after Japan recognized the People's Republic of China and severed its diplomatic relations with the Republic of China, Japanese investments dropped sharply and never recovered to catch up with the earlier rate. Therefore, if the United States normalizes its relations with the People's Republic and at the same time severs its diplomatic and treaty relations with the Republic of China, economic development in the Republic of China would suffer a serious setback, thus causing serious social problems and ensuing political instability in Taiwan.

AN "UNOFFICIAL OFFICE"

Some Chinese experts suggest that the United States should accept the three People's Republic's conditions but still maintain an "unofficial office" in Taiwan, coupled with continued arms sales, OPEC investment guarantee and Export-Import Bank loans. In addition, they also say that a unilateral presidential declaration to continue to defend Taiwan against outside attack should be issued after normalization. After a careful study of the proposal I believe that it is simply not workable for several reasons.

First, when the U.S. terminates diplomatic relations with the Republic of China, most of the remaining 23 states that continue to recognize the Republic of China would probably follow suit, thus weakening fundamentally the Republic of China's international status.

Second, by maintaining only an "unofficial office" in Taiwan, the United States would at least tacitly be recognizing the People's Republic of China's territorial claim to Taiwan. Thus, in the future, if the People's Republic chose to interfere with the U.S. economic, trade, government loan, or arms sales relations with the Republic of China, the United States would be in a poor position to resist the People's Republic's interference. The China Airlines case between Japan and Taiwan in 1973-74 is a vivid recent example.

Third, the Republic of China Government and people have no confidence in a Presidential declaration or a congressional resolution to replace the defense treaty. Most of them would view this as face saving measures or a trick to fool the American people, and that the Congress and the U.S. administration has no intention to honor such a commitment to defend Taiwan in case of a People's Republic's attack. Under such circumstances, domestic investors would at least take a wait and see attitude and there would certainly be some capital flight from Taiwan.
FOREIGN INVESTMENT

Foreign investors, similarly, would be reluctant, at least for a considerable period of time, to invest in Taiwan. Also, some foreign capital in Taiwan may withdraw right after normalization. Therefore, normalization on the PRC’s terms would have a severe damaging effect on the economy of the Republic of China with ensuing social unrest and political instability. If that happens, radical groups in Taiwan may rise into power and demand that the Government take drastic “secondary options” such as manufacturing nuclear weapons, declaring independence, or allowing the Soviet Union to use port or other military facilities in Taiwan, thus greatly disturbing the stability of East Asia.

The reason why I use the word “secondary” here is that none of these options would be a happy one for the Republic of China to choose. However, the Republic of China, nevertheless, may be compelled to take one or more of these options if the people of the Republic of China feel that the United States is in fact going to abandon them.

Some China experts argue that the internal difficulties of the People’s Republic in the foreseeable future would prevent it from taking military attack against Taiwan. This view is questionable. For instance, despite the great difficulties of famine and economic dislocation as a result of Mao’s “Great Leap Forward” in 1959–62, the People’s Republic of China under the leadership of the so-called “moderate group” of Liu Shao-ch’i, Chou En-lai, and Teng Hsiao-p’ing nevertheless launched a surprise military attack against India in 1962.

Some China experts have argued that the People’s Republic of China will never bargain away its principles but is flexible in making concrete arrangements to implement the principles. For that reason, they argue that in dealing with the People’s Republic the United States has to accept the three People’s Republic’s conditions for normalization and then work out so-called “concrete arrangements” to preserve Taiwan’s “security.” After making extensive research on the People’s Republic’s foreign policy, I can hardly agree with the above theory. To say that the People’s Republic has always taken an uncompromising stand on its so-called principles in international relations is certainly not true.

I have given several examples in my paper to explain this point. In my view, the People’s Republic’s so-called principles become immutably only when the other side believes them to be so. If the other side is patient, then there is a good chance to persuade the People’s Republic to change its alleged immutable position.

The assertion that the People’s Republic is willing to be flexible in working out concrete arrangements in implementing principles is similarly not true. As a matter of fact, by accepting the People’s Republic’s so-called principles one has already been placed in an unfavorable position in dealing with the People’s Republic. The People’s Republic can reopen the issue at any time on the ground that a particular act taken under the concrete arrangements is in violation of the agreed principles, thus putting the other side in a defensive position.

Moreover, the People’s Republic’s explicit or implicit consent to a given concrete arrangement does not mean it has abandoned its goal. In the People’s Republic’s view such a consent merely postpones the ultimate total solution and leaves the issue to be reopened at an appropriate time to be chosen by the People’s Republic.

In conclusion, I believe that in dealing with the People’s Republic of China on normalization the United States side should not always be on the defensive but should take an offensive approach by informing the People’s Republic that under no circumstances would the U.S. compromise its fundamental principles of respect for human rights and self-determination. Moreover, the United States should realize that the present relations with the People’s Republic are nothing but a marriage of convenience. The ultimate goal of the People’s Republic of China’s national objective remains the ultimate elimination of the so-called American imperialism.

Thank you, Mr. Chairperson.

[Mr. Chin’s prepared statement follows:]

PREPARED STATEMENT OF HUNGHAJ CHIU, PROFESSOR OF LAW, UNIVERSITY OF MARYLAND LAW SCHOOL

1. INTRODUCTION

This paper discusses some practical and legal problems concerning Taiwan in connection with the U.S. government’s move toward normalization of relations with the People’s Republic of China (PRC). Despite the existence of a voluminous literature on the question of normalization, some important problems concerning Taiwan have not yet been adequately discussed. These problems include: (1) the 1972 Shanghai Communique, which is the basis of U.S.-PRC relations, does commit the U.S. to accept the PRC’s three conditions for normalization of relations; (2) the legal status of Taiwan and an evaluation of the PRC’s claim to Taiwan in the light of principles of modern international law and practice; (3) The impact of normalization on the Republic of China (ROC); and (4) Possible options for the ROC on Taiwan in response to a U.S. move toward normalization of relations with the PRC.

2. THE SHANGHAI COMMUNIQUE AND THE PRC’S THREE CONDITIONS FOR ESTABLISHING DIPLOMATIC RELATIONS

On February 27, 1972, when President Nixon concluded his visit to the PRC, a joint communique was issued at Shanghai in which both countries, while still disagreeing on many issues, stated that “progress toward the normalization of relations between China and the United States is in the interests of all countries.” Since then, some China specialists in the U.S. have been arguing for speedy normalization of relations with the PRC under the latter’s three conditions, namely, that the U.S. abrogate its security treaty with the ROC, remove all troops from Taiwan, and sever diplomatic relations with the ROC. These specialists have even argued that in the Shanghai Communique the U.S. has already pledged to take these steps. The validity of such an interpretation of the Communique appears to be questionable.

So far as the relations between the ROC and the U.S. are concerned, the Shanghai Communique is a document of both clarity and ambiguity: clarity, because the PRC insists that both sides maintain that all U.S.S.R. forces in Taiwan must ultimately be withdrawn from Taiwan; ambiguity, because the two sides have not agreed on how the Taiwan question should be settled. The PRC insists that the “liberation of Taiwan by the Chinese themselves.” These statements are both silent as to the U.S.-ROC security treaty and as to the U.S.-ROC diplomatic relations.

President Nixon explained the U.S. position before he went to the PRC as follows:

}"
our diplomatic ties, and our defense commitment.* * *" (Emphasis added.)


This position was affirmed by Secretary of State Henry Kissinger at a press conference on February 27, 1972 after the issuance of the Shanghai Communiqué. The pertinent colloquy is as follows:

"Q. Why did not the United States Government reaffirm its treaty commitment to Taiwan, as the President and you have done on numerous occasions?"

"A. This was an important question—and let me do it once and not repeat it: We stated our basic position with respect to this issue in the President’s world report (of February 9, 1972) in which we say that this treaty will be maintained. Nothing has changed in that position of the world report and that position has been unaltered." ("President Nixon’s Visit to the PRC—News Conference of Dr. Kissinger and Mr. Green," (Shanghai, February 27, 1972), in Department of State Bulletin, Vol. LXVI, No. 1708 (March 13, 1972), p. 2).

Since the issuance of the Shanghai Communiqué, the U.S. has made 50 to 60 assurances to the ROC that the treaty commitment will be kept. This further confirms the conclusion that the U.S. made no commitment in the Shanghai Communiqué to terminate diplomatic relations and economic ties with the ROC.

Furthermore, under the Shanghai Communiqué there is no legal or political basis under which the U.S. would be obliged to accept the three conditions of the PRC in normalizing relations. Some commentators, however, have argued that there was a tacit, implicit pledge in the Shanghai Communiqué by President Nixon or Secretary of State Kissinger to accept the three conditions. Even so, this raises two very serious questions: (1) Has the U.S. government clarified its position to the American public? (2) Does the U.S. President or the Secretary of State have the constitutional authority to commit the U.S. to such a secret agreement? In other words, would such an agreement be binding? Needless to say, the answer to these questions must be negative.

In 1975, the U.S. State Department publicly declared that any explicit commitment made by the President toward a foreign country has no legally binding force. The Department indicated that it does not even keep records of explicitly how many commitments are made by American Presidents or of their terms. (See "A President’s word not legally binding," The Sun [Baltimore], July 9, 1975, p. A2). If an explicit commitment made by a President alone is not legally binding, how can a secret declaration of intention or agreement, if any, made by any President, have any political or legal meaning at all in the eyes of the American people?

In summary, it is clear that the U.S. is presently neither politically nor legally committed to terminating diplomatic and treaty relations with the ROC. To do so, the President must, therefore, determine the merits of the various proposed solutions to the "Taiwan question," not by a pat reference to the Shanghai Communiqué, but in light of current international law and practice and in view of the political and strategic implications for the U.S. and East Asia as a geopolitical unit.

2. THE LEGAL STATUS OF TAIWAN AND AN EVALUATION OF THE PRC’S CLAIM TO TAIWAN IN THE LIGHT OF THE PRINCIPLES OF INTERNATIONAL LAW AND PRACTICE

The PRC considers Taiwan to be a part of China and insists that the "liberation" of Taiwan is an "internal affair" of China which is not subject to any outside interference. The United States, on the other hand, considers Taiwan to be separate from China and insists that the question of Taiwan is an open issue in international relations.

Therefore, it is of crucial importance to analyze the legal status of Taiwan. If Taiwan is, as the PRC claims, a part of China, then there is no legal ground for the U.S. to insist on the "peaceful settlement" of the Taiwan question. This means, in fact, that China could in fact acquire territorial sovereignty over Taiwan.

Although Chinese settlement in Taiwan can be traced back to the 5th century, the Chinese did not set up an administration there until 1661 when Cheng Ching Kung (Koxinga) organized the defunct Island from the Dutch and set up a government there. General Cheng and later his son, Cheng Ching, used Taiwan as a base to restore the Ming Dynasty.

In 1834, Cheng's grandson surrendered Taiwan to the Ch'ing Empire (1644-1911), which then administered the island as a part of the mainland's Fujian Province. Taiwan was annexed to China in 1895. After World War II, when the Ch'ing Empire was defeated in the First Sino-Japanese war (1937-1945), the island was ceded through the Treaty of Shimosaoskei to Japan.

On December 31, 1943, the Chinese government, then on the mainland, made a formal declaration of war against Japan and declared that "all treaties, conventions, agreements, and contracts regarding relations between China and Japan are and remain null and void." On November 28, 1943, at the Cairo Conference, the President of the ROC, Chiang Kai-shek, signed a memorandum with Franklin D. Roosevelt of the U.S. and Prime Minister Winston Churchill of the United Kingdom (U.K.) issuing a joint communiqué declaring, in part, that "the territories Japan has stolen from the Chinese, such as Manchuria, Formosa (Taiwan), and the Pescadores (Ogasawara) shall be returned to the Republic of China." (The communiqué was released to the press on December 1, 1943).

On July 26, 1945, the heads of the governments of the U.S., the ROC, and U.K. declared in the Potsdam Proclamation that "the terms of the Cairo Declaration shall be carried out." On September 2, 1945, Japan signed the instrument of surrender and accepted the provisions of the Potsdam Proclamation. On October 25, 1945, the ROC took over Taiwan from the Japanese and soon made it a province of the ROC. On December 8, 1949, the ROC moved its capital "provisionally" to Taipei.

Despite the fact that the ROC began to exercise jurisdiction over Taiwan from October 25, 1945, technically the sovereignty question was not solved until the early 1960’s. According to international law and practice, the transfer of territories between states occurs through a treaty or by a unilateral renunciation of the territorial sovereignty by the transferor and the establishment of de facto control by the transferee over the territory concerned. So far as Taiwan was concerned, the ROC was established in 1943 until the 1951 San Francisco Peace Treaty.

On September 8, 1951, at San Francisco, the Japanese Peace Treaty was signed; it provides in Article 2 that "Japan renounces all rights, titles and claim to Formosa and the Pescadores." Because the victorious powers at that time considered that the government of China in the ROC was to be invited to participate in the peace conference, the Conference decided not to invite either of them. On the other hand, Japan signed a bilateral peace treaty with the ROC on April 28, 1952 which in Article 2 provides: "It is understood that the Treaty of Peace signed at San Francisco is supplemented to the extent of the Treaty of Peace between the United States of America on September 8, 1951, Japan has renounced all rights, title and claim to Taiwan [Formosa] and Penghu [the Pescadores]."

Because neither the San Francisco Japanese Peace Treaty nor the ROC-Japanese Peace Treaty explicitly provides for the return of Taiwan to China, the question of the legal status of Taiwan has become a complex and controversial issue that concerns many of the states of East Asia and several countries in Europe. The status of Taiwan is, as stated by the late Secretary of State Dulles in a press conference held on December 1, 1954, "that technical sovereignty over Formosa and the Pescadores has never been settled," and that "the future title is not determined by the Japanese peace treaty signed at San Francisco, nor is it determined by the peace treaty which was concluded between the Republic of China and Japan." (See Whiteman, Digest of International Law, Vol. IV, p. 540).

Some Western analysts, however, have argued that, because of the ROC's claim to Taiwan, the PRC could have the right to acquire territorial sovereignty over Taiwan. For instance, Professor D. P. O'Connell of Australia, a well-known authority on international law, wrote that after the Japanese renunciation of the island, it is "doubtful whether there is any further so-called law doctrine opposed to the conclusion that the PRC is entitled to appropriate the terra delicta [the abandoned land] of Formosa by converting the belligerent occupation into definite sovereignty." (See his "The Status of Formosa and the Pescadores: Recognition Problem," American Journal of International Law, Vol. 50, No. 2 (April 1956), p. 415). Professor O'Connell recently spoke on a trip to China without specifying whether he means the ROC or the PRC; however, because the ROC has no physical control over Taiwan, there is no room to argue that it could acquire sovereignty over Taiwan through the theory suggested by Professor O'Connell.

Similarly, American Scholar Arthur Dean, now Honorary President of the American Society of International Law, also argued: "Since Japan renounced all right, title and claim to Formosa and the Pescadores ... Nationalist China..."
precedent or principle of international law supporting the PRC position that on October 25, 1945, Taiwan was restored to China de jure and de facto.

If this is the case, then the PRC's claim is primarily based on the theory of historical irredentism. Many writers and officials have frequently argued that Taiwan was historically Chinese and that during the Japanese occupation (1895-1945) the people of Taiwan longed for a reunification with China. While this historical fact is true, it can hardly support the PRC's claim to Taiwan today, for several reasons.

In the first place, during the period of Japanese occupation, China was run by a government which permitted free enterprise and the society was relatively free. If the Japanese government had known at that time that China would become the totalitarian and highly coerced society it is today, they would probably not have longed for a reunification. The fact that very few people from Taiwan participated in the Communist movement in China during the Japanese occupation period seems to support this point. And today, it is self-evident that the people of Taiwan do not want to be united with the PRC.

Second, according to Edgar Snow, a close friend of Mao Tse-tung, in an interview with Mao at Yanan on July 16, 1936, Mao did not include Taiwan in China's "lost territories" to be regained from Japan. Mao said: "If the Koreans wish to break away from the chains of Japanese imperialism, we will extend them our enthusiastic help in their struggle for independence. The same thing applies for Taiwan". (See his Red Star Over China, New York: Grove Press, 1961 p. 98). Therefore, the PRC's historical claim to Taiwan not well-founded even in accordance with its leader's view, in other words, Mao himself acknowledged Taiwan's independence.

Third, the principle of self-determination is now an accepted principle of international law that has not been opposed by the PRC. This principle would certainly overrule any historical claim of the PRC toward Taiwan since the great majority of the people of Taiwan now oppose reunification with the PRC.

In the 1972 Shanghai Communique, the United States declared:

"The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and Taiwan is a part of China. The United States does not challenge that position." [Emphasis added]

Some people have argued that the United States has accepted the "one China" position in the Shanghai Communique, but this is certainly not true. Elementary principles of international law make it clear that the phrase "does not challenge" is not the same as the "one China" claim. This interpretation is also confirmed by a high official of the U.S. government. Soon after the issuance of the Shanghai Communique, Assistant Secretary of State for East Asian Affairs Marshall Green denied that the communiqué represented any change in the position held by the U.S. concerning the status of Taiwan as it is set down in the "Transcript of [Meet the Press]" T.V. Interview with Marshall Green," National Daily News, March 29, 1972, p. 2).

After the Sino-Japanese War of 1894 the government of the Ching Dynasty by signing the Treaty of Shimonoseki ceded Taiwan and Penghu to Japan. With the outbreak of China's War of Resistance Against Japan in 1895, in accordance with international law the two countries became null and void. The Treaty of Shimonoseki was no exception. In 1945 after China's victory in the Anti-Japanese War, China recovered these two territories.

The issue has not been settled recently. China and Japan signed the Caleb Declaration which clearly recognizes that Taiwan and the Penghu Islands are territories Japan has stolen from the Chinese and shall be restored to China, they are still less in a position to raise the so-called "principle of self-determination." Of course the term "China" here means the Republic of China, i.e., a country whose social system is based on individual freedom and private enterprise. This has not been the slightest influence that the people of Taiwan want to be a part of China. If the term "China" means the People's Republic of China, whose social system is based on totalitarianism and collectivism. If the people in the U.S. and the PRC had the moral courage to accept the challenge of an internationally supervised plebiscite or poll conducted in Taiwan, it can be assured that the great majority of the people there would reject any proposal to make them a part of the PRC. Thus, even in accordance with the Shanghai Communique there remains absolutely no legal, moral or political basis for the U.S. to accept or accede to the PRC's claim to Taiwan; the Communique does not imply, either in law or in its plain meaning, a U.S. acceptance in the PRC's claims to Taiwan.
A question closely related to the legal status of Taiwan is the ROC’s claim to the mainland of China. If the ROC made an unconditional sovereign claim to the mainland controlled by the PRC, then, despite the special legal status of Taiwan, there would be no reason to condemn the PRC for making a similar unconditional sovereign claim to Taiwan. However, since 1949 when the ROC has gradually imposed an important limitation on its sovereign claim to the mainland by taking a series of steps. Firstly, treaties which were formerly approved by the ROC were revised or abrogated. Secondly, the PRC was not represented at international conferences. For instance, the 1946 Treaty of Friendship, Commerce, and Navigation between the US and the ROC has not been applicable to mainland China since the early 1950’s. (See Treaties in Force, 1793, p. 52, same in later editions of same book published by State Department.) Early, new treaties or agreements concluded since 1950 have all been limited in their application to Taiwan area. For instance, the 1956 Mutual Defense Treaty between the US and ROC provides in Article VI: “For the purposes of Articles II and V, the terms ‘territorial’ and ‘sovereignty’ shall mean in respect of the Republic of China, Taiwan and the Pescadores.”

Second, the ROC has pledged not to use force against the mainland in the event of the US in an exchange of notes accompanying the 1954 Mutual Defense Treaty with the US. The pertinent part reads as follows: “The Republic of China effectively controls both the territory described in Article VI of the Treaty of Mutual Defense between the Republic of China and the United States of America signed on December 2, 1954, at Washington and other territory. It possesses with respect to all territory now and hereafter under its control the inherent right of self-defense. In view of the obligations of the two Parties under the said Treaty and of the fact that the use of force from either Party in defense of the other is protective of the other, it is agreed that such use of force will be a matter of joint agreement or emergency condition which is clearly an exercise of the inherent right of self-defense.”

The Treaty in a Joint Communique issued by President Chiang Kai-shek and US Secretary of State John Foster Dulles on October 26, 1955, the ROC publicly pledged not to use force against the mainland. The Communique says in pertinent part that: “The two Governments reaffirmed their dedication to the principles of the Charter of the United Nations. They recalled that the treaty under which they are acting is defensive in character. The Government of the Republic of China considers that the restoration of freedom to its people on the mainland is its sacred mission. It believes that the foundation of this mission resides in the minds and the hearts of the Chinese people and that the principal means of successfully achieving its mission is the implementation of Dr. Sun Yat-sen’s three people’s principles (nationalism, democracy and social well-being) and not the use of force.”

(American Foreign Policy, Current Documents, 1958, p. 1185) This pledge of non-use of force to achieve national unification was confirmed recently by a statement of the ROC Foreign Minister Shen Chiang-huan on July 1, 1977, in which he said: “It has been the consistent position of the Government of the Republic of China to carry out its responsibility of delivering our 600,000 million compatriots from Communist tyranny by political means, while the Chinese Communist leaders give up their design to transform Taiwan by force. The ‘peaceful settlement’ theme being harped by the Chinese Communists is but an attempt on their part to forcibly impose their tyrannical rule on the 16 million Chinese people of Taiwan.”

In view of the above analysis, it appears clear that the ROC has in fact suspended its claim to the Chinese mainland by renouncing the use of force to achieve China’s unification. The PRC, however, still insists on the use of force to transform Taiwan into a territory to which it does not have any legal title. Such “liberation” by force is prohibited by international law and by the United Nations Charter as an attempt to settle a claim to territory by force.

4. THE IMPACT OF NORMALIZATION ON THE ROC

The U.S. normalization of relations with the PRC would have an important political and economic impact on the ROC. However, whether such a move on the part of the U.S. if it did happen, would have a significant adverse impact on the future development of the ROC depends on:

(1) The pattern of U.S.-ROC relations after the normalization.

Before discussing the impact of alternative patterns of U.S.-ROC relations on the ROC, it is necessary to give a brief description of the peculiar features of the ROC’s economic situation after 1949. Since the late 1940’s, the ROC government’s ability to maintain political stability has been threatened by the ROC’s government’s ability to maintain steady economic growth. The lack of foreign exchange has made it impossible to maintain the volume of imports necessary for development. In the late 1949, the ROC government’s ability to maintain political stability has come about the ROC’s government’s ability to maintain steady economic growth. The lack of foreign exchange has made it impossible to maintain the volume of imports necessary for development.

The ROC’s economy is an export-oriented one, and at present the ROC is the only country in the world which exports more than half of its GNP. Direct foreign investment and technological assistance given by the United States has contributed to the economic viability of the ROC. Direct foreign investments in Taiwan now amount only to 1.5 billion U.S. dollars and in theory could be replaced by domestic investment. In practice, however, the importance of foreign investments lies not in their amount, but in their psychological impact on domestic investors. Without foreign investments in Taiwan, the domestic investors would not feel confident of their investments there. Thus, if foreign investments slowed down, then domestic investments would also slow down. Similarly, if foreign investments begin to withdraw from Taiwan, domestic capital flight would ensue.

Past experience indicates that foreign direct investments in Taiwan have apparently been very sensitive to political events. As Dr. Yuan-lu Wu, former U.S. Deputy Assistant Secretary of State for Economic Affairs at the State Department, and Dr. K. C. Yeh, Senior Economist at the Rand Corporation, point out in a recent study:

The rate of US investment in Taiwan dropped in 1971 and 1972 probably as a result of the non-normalization setbacks during those years and doubt about its future status. Between 1971 and 1973 there was a sharp increase in new US investment in Taiwan, which seemed to reflect some recovery of confidence on the part of US investors. However, the increase was not real because of the price increase that was encountered. Investments fell again in 1974 because of the general recession and postponement of investment plans by many firms.

The flow of direct investment from Japan, including investments by ‘overseas Chinese’ resident in Japan, rose steadily during 1963-70, immediately after the establishment of the export processing zones. The rate of flow fell in 1972, reflecting the same concern felt by US investors. Following Japan’s transfer of diplomatic recognition from Taiwan to Peking in 1972, another decline of new Japanese investment in Taiwan occurred in 1974 and 1975 although the cause of the decline is again somewhat ambiguous because it coincided with the recession.”

(See their “Economic Impact of Alternative U.S.-ROC Relations,” in International Trade Journal, Vol. 3, No. 1 (Fall, 1977), also published in Hung Chia Chinese Business, Legal Aspects of Investing in ROC (Occasional Papers/Reprints Series in Contemporary Asian Studies, No. 10, both published by University of Maryland School of Law.)

In theory, there are five possible patterns of normalization in relations with the PRC. The first one is that the U.S. chooses to continue to maintain diplomatic and all treaty relations with the ROC. This pattern, if carried out, would have minimum adverse impact on the ROC. The ROC government and people may not like such a two-Chinas approach, but it is a less provocative change than the ROC could not accept even under the circumstances. Economically, the ROC would even benefit from this stabilization of its relations with the ROC. The present uncertainty in the U.S.-ROC relations has not only slowed down the flow of new foreign investment but also made domestic investors reluctant to invest in any long-term projects. Internationally, the ROC may also restore diplomatic relations with some countries. However, it does not appear that the PRC at present is willing to accept such an arrangement.

The second pattern which the U.S. may choose for its relations with the ROC after normalization is to maintain official liaison offices relations with the ROC and also to continue the treaty relations (including the security treaty) with it. While this is a less desirable alternative to the ROC government and people, it is believed that it would have no serious adverse economic and political impact.
on the ROC. Even if there were some adverse impact, the ROC should have the ability to overcome them.

The third alternative form of U.S.-ROD relations is to maintain official liaison relations with each other, but to replace the security treaty by a Congressional Resolution or a Presidential declaration. Presumably, under such a pattern, other U.S. ROC military and economic relations would be replaced by official U.S.-domestic legislation. This approach would have a significant adverse impact on the ROC, both politically and economically. From the ROC's point of view, a treaty formally signed and ratified by both countries and made applicable to the whole world could be an advantage. Even if a U.S. ROC relation or declaration were to be rejected by the latter, the U.S.-ROC relations would remain unchanged. If the U.S. chose the above-mentioned pattern of U.S.-ROC relations (section 4) after normalization, it would be unlikely that the ROC would consider any secondary options in the future. The President toward a foreign country has no legally binding force. The Department of State even indicated that it does not keep records of exactly how many commitments are made by the President or of their terms. Moreover, even if the President did issue a declaration to the world, the U.S. was going to be, it could not be from a commitment that is at any time if he later changed his mind, regardless of the reason. It does not make sense to say that such a commitment should be considered binding on a subsequent President.

Under such circumstances, it is likely that the people in Taiwan and foreign investors would take a wait and see attitude. The economic development would slow down, thus causing serious social problems and pushing political instability for the ROC.

The fourth pattern is similar to the third one except that the liaison office would be replaced by a consular office. The adverse effect of this pattern on the ROC would be similar to the third one. It is believed that the status of a consular office is lower than an official liaison office, and therefore the adverse effect would be more serious.

The fifth pattern is the so-called Japan formula, i.e., the U.S. accepting the three conditions of the PRC and maintaining only an "unofficial office" in Taiwan. Semantic scholars have suggested that by signing the Japan formula, the U.S. should also take additional measures to guarantee the stability of Taiwan. Specifically, these Sinologists recommend that the U.S. guarantee the continuation of arms sales, Overseas Private Investment Insurance Corporation investments guarantees, and Export-Import Bank Loans. Moreover, they also suggest that the security treaty could be replaced by a unilateral Presidential Declaration or Congressional Resolution. Even with these additions, the Japan formula, this pattern of U.S.-ROC relations, if adopted, would have severely damaging effects on the ROC for several reasons.

First, when the U.S. terminated diplomatic relations with the ROC, most of the remaining 23 states that continue to recognize the ROC would probably follow suit. This would be fundamentally the same as terminating the ROC's diplomatic relations with the world. Second, by maintaining only an "unofficial office" in Taiwan, the U.S. would at least tacitly recognize the ROC's territorial claim to Taiwan. Thus, in the future, if the ROC chose to interfere with U.S. economic, trade, and currency policies, on the ROC, the United States would be in a poor position to resist the ROC's action. The China Airline dispute between Taiwan and Japan in 1975-76 is a vivid example. In that case, the PRC forced Japan to revoke the ROC's claims to the air service between Taipei and Tokyo by making insulting remarks on the ROC flag.

Third, as stated above, the ROC government and people have no confidence in a Presidential Declaration or a Congressional Resolution to defend Taiwan. It is likely that such a treaty would be terminated at any time, and the ROC would be left with no option but to take a wait and see attitude and there would certainly be some capital flight from Taiwan.

Fourth, foreign investors would be reluctant to invest in Taiwan, at least for a considerable period of time, and some foreign investments in Taiwan may also gradually withdraw, thus causing devastating effects on the economy of the ROC.

It is believed that if the Japan formula (even with the suggested additions) were adopted as the pattern of U.S.-ROC relations after normalization, there would be economic stagnation or depression, social unrest, and political instability in Taiwan. Under such circumstances, radical groups in Taiwan may rise into power and demand the government to take drastic measures such as manufacturing nuclear weapons, declaring independence, or launching a naval base to the Soviet Union, thus greatly disturbing the stability of East Asia. These options are discussed in the next section of this paper.

5. SECONDARY OPTIONS OF THE ROC IN RESPONSE TO NORMALIZATION

From the ROC's point of view, the ideal situation would be for the U.S. to maintain the status quo of U.S.-ROC and U.S.-PRC relations, as a matter of explicit, articulated policy. If this is not possible, then the second ranked situation would be the development of a normalization policy that makes a proposal of the U.S. and makes it clear that the ROC relations would be terminated. The ROC would then choose between either the second or the third option, depending on how the ROC relations would be handled. The U.S.-ROC relations are very close in political, legal, economic, cultural, and all other aspects, and so far as possible the ROC would like to continue them despite its displeasure with the U.S. move toward closer relations with Mainland China. In the long run, if the ROC relations were to be terminated, the ROC would continue to exist in the foreseeable future. Some even go so far as to suggest that in the proposed Presidential Declaration or Congressional Resolution concerning the security of the ROC, the document should not mention "Taiwan" only vaguely refer to "stability or peace in the Western Pacific" so as not to offend the PRC.

All these suggestions, from the ROC's point of view, are nothing but a clear cut "selling out" of Taiwan. If the PRC's sovereign claim to Taiwan were tacitly recognized, this would clearly give rise to adverse effects on the ROC in the short run. In the long run, it may not be in the interest of the ROC to make such a move. In such circumstances, the existence of Taiwan, similarly to Hong Kong, would entirely depend upon the toiler of the PRC, which could take the island at anytime it wished.

The ROC also disagrees with the view of some China specialists that the internal difficulties of the PRC in the foreseeable future would prevent its military adventures against Taiwan. For instance, despite the great difficulties of famine and economic dislocation, the result of the Mao's "Great Leap Forward" and the Cultural Revolution, the PRC is capable of launching a military attack against India in 1962. In view of the fact that the PRC considered itself to have been in fact "abandoned" by the U.S. it is possible that the ROC may resort to secondary options to maintain its national survival. Before turning to these options, it is necessary to dispose of the possibility of a negotiated settlement between the ROC and Mainland China.

When a PRC official talks about "negotiation," he invariably refers to what the PRC calls "peaceful liberation," i.e., the eventual relocation of Taiwan into the ROC of the U.S. in the result of Mao's "Great Leap Forward" and the Cultural Revolution. The PRC offer to enter into relations with East Germany, since that offer was conditioned on the West German recognition of the legitimacy of the German Democratic Republic within the territory under its control. The PRC is willing to offer the solution of the Taiwan problem on the German model, whereby the PRC would recognize the legitimacy of the ROC, there can be no reason for the ROC to enter into negotiations with the PRC if the ROC does not want to surrender.

Some scholars and PRC officials have suggested that Taiwan could be made an autonomous region of the PRC. This offer is equally unacceptable to the ROC for the simple reason that the PRC's credibility in this connection has been undermined in its dealings with Tibet. Tibet signed an agreement with the PRC in 1961 by which the PRC promised to grant autonomous status to Tibet. However, the PRC later sent a large occupation force to be stationed in Tibet, moved
many Han Chinese to settle there, and finally massacred five percent of the Ti- betan population under the guise of suppression of 'rebellion' in 1959. The atrocities committed by the PRC in Tibet were condemned by the International Court of Juries as constituting "genocide." (See The Question of Tibet and the Rule of Law, published by the Commission in 1965.)

Moreover, the internal situation of the ROC would also preclude the ROC leaders from entering into negotiations with the PRC, unless the negotiations were based on the German model. The great majority of the people in the ROC are Taiwánese-Chinese or Taiwan-born mainlanders. If the ROC leaders want to negotiate with the PRC for a so-called "people's negotiation," then almost all of the ROC citizens would fear a sell-out by their leaders and there could be a widespread rebellion on the island against the government.

In view of this, it is conceivable that any U.S. attempt to pressure the ROC to accept the ROC leaders' demand that the PRC want to negotiate with the ROC would be categorically rejected. It could do the same thing toward Japan and the Philippines; and even toward the Soviet Union, since the latter's position on the question of the Soviet Union is identical to that of the United States. If the United States, in view of the importance of the Taiwan issue to the United States, continues to station troops in Taiwan, it is because the U.S. is trying to use Taiwan as an armistice agreement and has also maintained a security treaty with the Republic of Korea.

Now let us turn to the possible secondary options of the ROC in response to normalization. It is generally agreed that there are three possible secondary options for the ROC: declaration of independence, going nuclear, or seeking a relationship with the Soviet Union. The reason why the word "secondary" is used here is that none of these options would be a happy one for the ROC to choose. The ROC, however, may nevertheless resort to one or more of these options if it feels that the U.S. is going to "abandon" it in fact and that all the post-diplomatic security treaty arrangements are nothing but a trick to fool the American people and the Congress.

The first option for the ROC in response to a drastic U.S. policy change toward Taiwan is to declare Taiwan an independent state. While it is unlikely that the present ROC leaders would accept such a policy, which would be tantamount to "traitors" in Chinese history, this possibility should not be ruled out as an increasing number of Taiwánese-Chinese continue to move to the decision-making layers of the ROC government, especially if the PRC increases its military threats or economic pressures on Taiwan.

Be that as it may, the present ROC leaders may take a less drastic action within the framework of the present ROC structure, though the implication here is similar to a declaration of independence. For instance, the ROC may hold an absolutely honest plebiscite on the issue of negotiation with the PRC on "peaceful liberation or unification." Needless to say, the result would not doubt be overwhelmingly against such a move. Under these circumstances, the U.S. would be caught in an embarrassing position if it disregarded the genuine aspirations of the ROC people for self-determination.

Another possible action within this option for the ROC is to formally declare its claim to the sovereignty of mainland and to declare itself the government only within the territory under the ROC control. Since all ROC-U.S. treaties since 1949 have been modified or drafted to apply to the territory actually under ROC control, the proposed ROC declaration would have no effect on the validity of the existing treaty relations. Taking this position, the ROC would be likely to gain a good image and strong support among the U.S. general public. This would make it more difficult for the U.S. to abandon the ROC.

A security option for the ROC is to begin to manufacture nuclear weapons; the ROC is unlikely to exercise this option for the moment. While there is no doubt that the ROC has the technological knowhow and industrial base for manufacturer- ing nuclear weapons, there is one serious dilemma for making such a move; namely, the ROC's concern that the U.S. could retaliate by cutting off the future supply of nuclear fuels to the nuclear power plants in the ROC. To cope with this eventually, the ROC, after a sharp policy debate among the leaders, decided to establish diplomatic relations with the Republic of South Africa, which has rich uranium deposits. On the technical level, it is reported that the ROC has close cooperation relations with Israel, though they do not maintain diplomatic relations.

The last option open to the ROC is to enter into relations with the Soviet Union. The strategic importance of the island of Taiwan does not need any elaborate explanation. The Chinese government, in connection with the recent visits of former PRC Foreign Minister Ch’iao Kuan-hsun’s speech, delivered at Tientsin on May 20, 1975, on the geographic point of view Taiwan is very important. Hence, the Soviet Union is watching this area and attempts to avoid taking advantage of an opportunity to set its foot on it. On the other hand, Taiwan is taking advantage of its important position to play political maneuvers between the United States, Soviet Union, and Japan.

Taiwan would be especially useful for the operation of the Soviet navy in the Western Pacific. A Soviet base on Taiwan would be able to threaten the sea lanes to the south of Japan and the security of the Philippines. Similarly, if the PRC gained control over Taiwan, it could do the same thing toward Japan and the Philippines, thus greatly shifting the strategic balance to the disadvantage of the Soviet Union. It is unlikely that the Soviet Union would remain idle and let the PRC take control of the strategic island. It is true that the present Soviet political leaders would seriously consider the political cost in developing any relationship with the ROC. However, one must recall that the Soviet Union, in the interest of its military leaders, intervened in Hungary in 1956 and in Czechoslovakia in 1968, despite the enormous political cost involved. Therefore, the event of a pending PRC takeover of Taiwan, it is likely that the Soviet Union military leaders, especially those from the navy, would urge the Soviet government to intervene in the Taiwan situation, at least secretly, or to increase the tension in the Sino-Soviet border to prevent the PRC from gaining control of Taiwan.

At present, the ROC is officially ruling out any relations with the Soviet Union through the government. Recently, the Tai- wan Garrison Command discovered that a Soviet bank in Shanghai opened many letters of credit for trade with the ROC. It immediately instructed ROC businessmen not to accept such letters of credit in the future. On the other hand, a recent report of the ROC's Board of Foreign Trade shows that the majority of the export countries only listed eight such countries. Trade with the Soviet Union is prohibited, but Poland, Hungary, and the German Democratic Republic do not appear on the list of prohibited trade partners. The implication seems interesting, suggesting that some exporters have been going by some others have been appearing in the markets of some Eastern European countries. Some travellers even reported that they saw Taiwan products in the Soviet Union.

In projecting the ROC's possible choices of options in response to a U.S. terminaton of diplomatic relations and the security treaty, one should bear in mind that, because of the ROC's differences in cultural background and experience in dealing with Communists, the ROC's perspective or identification of its national interests or its choice of options may not be the same as those envisioned by the policy-makers in this country. For instance, some China specialists have suggested that if the PRC is willing to make a verbal or even written assurance that it would not invade Taiwan, the U.S. could drop everything and establish diplomatic relations with the PRC. One of the conditions for establishing diplomatic relations. From the ROC's point of view, such an assurance does not make much sense because the ROC considers that the Communists will break their commitments whenever they believe that there will be no forceful response from the U.S. The Taiwan peace settlement is a vivid example.

From the ROC's point of view, the U.S.—ROC security treaty is the cornerstone of U.S.-ROC relations and cannot be replaced by Congressional Resolution or a Presidential Declaration or both. The termination of the treaty would have serious psychological effect on the ROC people and government, and would likely cause the ROC to exercise one or more of its secondary options. Such a situation would, in the short and long run, be detrimental to U.S. interests in the Far East.

8. CONCLUDING OBSERVATIONS

Since the U.S. began to normalize its relations with the PRC, many U.S. government officials from the President on down have made verbal assurance to the American public or the ROC that the U.S. will not "abandon" Taiwan. However, the behavior of the U.S. officials does not demonstrate the sincerity of such assurances. There are many instances to support this point. For example, Henry Kissinger went to Peking in October 1971 at the time when the United
Nations (U.N.) was debating the Chinese representation question, thus sabotaging the effort of the U.S. Delegation to the U.N. to obtain a seat for the ROC in the U.N. General Assembly. Even the Secretary of State refused to see the ROC ambassador for three years for fear of offending the PRC. Furthermore, there has been a recent disclosure that President Ford even "promised" to accept the three conditions of the PRC if he were elected President. It is clear that these would certainly strengthen the suspicion of the ROC that the U.S. administration is intending to abandon it to the mercy of the PRC after normalization. If the U.S. administration is so afraid to offend the PRC, why then has it still not set up, as it has promised, to deal with the ROC? The PRC will be viewed with the utmost suspicion if relations between the U.S. and the ROC are treated as a political trick to fool the American people and Congress—tricks which the administration has no intention to honor.

Some Chinese specialists have argued that the PRC will never bargain away its principles, but is flexible in making concrete arrangements to implement the principles. For that reason, they believe that in dealing with the PRC, the U.S. has to accept the three PRC conditions for normalization, and then work out so-called "concrete arrangements" to preserve Taiwan's "security." The U.S. administration appears to have accepted that advice in pursuing its policy of normalization.

After making extensive research on the PRC's foreign policy, one can hardly agree with the above theory. To say that the PRC has always taken an uncompromising stand on its principles in international relations is certainly not true. In fact, the PRC has stood up only to two cases, during the Korean armistice negotiation in 1955-1956, the communist side (including the Chinese communist forces) and the People's Volunteers, which was in every aspect regarded as the main force in the war, insisted that the U.S. side paid a principal role in the armistice, despite the fact that 72 percent of the Chinese POWs refused to return to the PRC. Eventually, because of the strong and long-term pressure from the U.S. side, the PRC was compelled to accept the armistice. In fact, the PRC continued its diplomatic relations with the new government of Chile, Argentina and Peru, which was established in 1948, with Chou En-lai, who later became the prime minister of the PRC.

Another case is the Golan Heights. After the Israeli invasion in 1967, the PRC consistently refused to grant asylum to political refugees, most of them were leftists. In fact, the PRC continued its diplomatic relations with the new leftist government, and even granted military economic aid to Chile, in total disregard of the principles of Marxism, Leninism and socialist internationalism.

The PRC's so-called principles become immutable only when the other side believes them to be so. If the other side is patient, then there is a good chance to persuade the PRC to change its immutable position. For instance since 1957, the PRC has insisted that unless the Taiwan question was solved, it would not deal with the U.S. In the early 1960s, the U.S. was not willing to drop the Taiwan question for the moment and to talk to the U.S. on other matters of concern.

The assertion that the PRC is willing to be flexible in working out concrete arrangements in implementing its principles is similarly not true. As a matter of fact, by accepting the PRC's so-called principles one has already been placed in an unfavorable position in dealing with the PRC. The PRC can reopen the issue at any time on the ground that a particular action is contrary to the agreed upon principles, thus putting the other side in a defensive position. Moreover, the PRC's explicit or implicit consent to a concrete arrangement does not mean it has abandoned its goal. In the PRC's view, a consent merely postpones the issue to be re-opened at an appropriate time to be chosen by the PRC.

In 1954, when the PRC concluded an agreement with India on trade and intercourse between Tibet and India and issued a joint communiqué on peaceful coexistence, Prime Minister Nehru wished to raise the Sino-Indian boundary issue, but Premier Chou En-lai assured India that this would not be an obstacle in the relations between the two countries. However, the PRC consolidated its control in Tibet, then reopened the boundary issue and used force against India.

On September 10, 1955, the U.S. and the PRC concluded an "Agreed Announcement on Repatriation of Civilians" in which the PRC "recognizes that Americans in the ROC who desire to return to the U.S. are entitled to do so." Later, when the time came to implement the agreement, the PRC insisted that only those Americans who were not in Chinese prisons would be allowed to go home. It is clear that the U.S. provide a list of all Chinese in the U.S. in exchange for the PRC's agreement to soothe the arms of all Americans in the U.S. In mainland China. At the time of the conclusion of the agreement, there were fewer than 100 Americans in China, while there were more than 200,000 Chinese in the U.S. and millions of them were, and are, pro-ROC. That Chinese in the U.S. almost universally oppose the supplying of their names to the PRC, for fear of subjecting their relatives in mainland China to PRC pressure. This tricky maneuver on the part of the PRC to get its relations with the U.S. to implement a principle already agreed upon was vividly described by late Ambassador to Peking, T. Young in his book "Negotiating with the Chinese Communists: The United States Experience, 1953-1967" (New York: McGraw-Hill, 1968).

In conclusion, the main problem with most poorly phrased or poorly worded measures or plans is that in dealing with the PRC on normalization, the U.S. side should not always be on the defensive, but should take an offensive approach in informing the PRC that under no circumstances would the U.S. compromise its fundamental principles of respect for human rights and self-determination. Moreover, the U.S. should realize that the present relations with the PRC are nothing but a marriage of convenience. The ultimate goal of the PRC's national objective remains the elimination of the so-called "American imperialism." This is the same as the Soviet Union: despite the establishment of diplomatic relations with the U.S. in 1979 and the receipt of massive aid from the U.S. during World War II, the Soviet Union has never changed its national objective of "burying the USA."

In summary, it is clear that, as a matter of domestic and international law, the U.S. is in no way obliged to yield to the three demands set forth by the PRC as preconditions to normalization. Furthermore, as a matter of international law, it is clear that the PRC has no valid basis on which to claim sovereignty over Taiwan. The Chinese government has no legal claim on Taiwan, and is sanctioned by traditional principles of international law as well as by the modern, humanitarian principle of self-determination. As a policy matter, U.S.-ROC relations are of prime importance to the stability not only of the Western Pacific but of the entire world. The U.S. should continue to implement the PRC's relations—a strategy that the U.S. should implement in serious disturbances of Taiwan's economic or political development—would be likely to have serious repercussions with regard to the PRC's foreign policy. The exercise of these "second options," in turn, would affect the strategic balance of the Far East in ways that would be both advantageous to the U.S. and to the people of Taiwan.

Mr. BEILenson. Thank you, Mr. Chiu.

The gentlady from New Jersey has to leave very shortly to meet another appointment. So, Mrs. Meyner, if you have some questions at this time, please proceed.

SHANGHAI COMMUNIQUE

Mr. BEILenson. Yes. Thank you very much, Mr. Chairman. I want to thank you three gentlemen for very interesting testimony. I might have all three of you, if you like, to come back on this thought. How do you think Taiwan perceives the Shanghai Communiqué? Does this sign the end as a legally binding document in Taipei and further, a document in which the United States has accepted the People's Republic of China claim that Taiwan is a part of China? How do you feel they would look upon the Shanghai Communiqué in Taipei? Mr. Hinton or Mr. Chiu.

Mr. CHU. Officially voided but at the same time Taipei has considered it part of China and that there is only one China. But the Shanghai Communiqué has left somewhat open. It says that Chinese on either side of the Taiwan Strait have a claim that, but,