

## **CHAPTER 2**

### **HISTORICAL BACKGROUND**

In order to understand the US policy towards Taiwan at present, it is important to know the historical context of the US-Taiwan relations, since Taiwan still represented “China,” in which it could provide information about the fundamentals and the nature of the US policy towards Taiwan and help to create more understanding of US Taiwan policy currently. This chapter reveals the historical background of the US foreign policy towards Taiwan or the Republic of China (ROC) in which it can be divided into four main periods. The first period started from the beginning of official diplomatic relations between the US and China (presently Taiwan) under the Imperial authorities or the Qing dynasty in 1844 to the fall of the Qing dynasty in 1911. In the second period, after the establishment of the ROC the US continued to maintain good relations with the ROC government, including supporting the ROC in fighting against the Chinese Communist Party (CCP), though the ROC was eventually defeated by the CCP in 1949. The third period, from 1950 to 1978, was the period of international disorder which caused the change to US policy towards the ROC in conclusion. And the last period began with the new basis of US foreign policy to the ROC after the switch of US diplomatic recognition from the ROC to the People’s Republic of China (PRC), the US has carefully conducted the “dual-track” policy in enjoying the official relationship with China (the PRC) whereas maintaining unofficial relations with the ROC since 1979 to present.

### A. The US foreign policy towards China before 1912

The origin of the relations between the United States and China began with the arrival of US ship “Empress of China” to trade cloth, pepper and ginseng for Chinese tea, silk and spice in 1784. In 1810s, American firms tried to raise the profit margins from trade with China, following British merchants, by smuggling Persian and Indian opium into China in which it led to the First Opium War in 1839 after Chinese refusal to import US (and British) cargos of opium.<sup>1</sup> In 1844, the Treaty of Wangxia was signed and it was the beginning of official diplomatic relations between the United States and China, establishing the permanent bases of American policy towards China. The treaty’s provisions for extraterritoriality and most-favored-nation treatment provided a framework within which it was helped to facilitate the growth and expansion of US commerce in the Far East.<sup>2</sup> Moreover, the US perceived China as the key to American’s expanding interest in the Pacific world and the growing ties between the US and China could help to break the bonds of colonial dependence on England.<sup>3</sup>

It was believed that the US expedition to open up Japan, besides for foreign trade, was to obtain coaling depots for the steam vessels on the long voyage to Chinese ports. Consequently, however, the urge of US officials to occupy the Liuchiu Islands (Okinawa)

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<sup>1</sup> The War ended in 1842 with the Nanjing Treaty, in which China ceded Hong Kong to the British and opens up ports such as Canton to British merchants. “US-China Trade Timeline: 1784-2008,” Stratfor Global Intelligence, [http://www.stratfor.com/analysis/u\\_s\\_china\\_trade\\_timeline\\_1784\\_2008](http://www.stratfor.com/analysis/u_s_china_trade_timeline_1784_2008) (accessed June 16, 2007).

<sup>2</sup> Foster Rhea Dulles, *China and America: The Story of Their Relations since 1784* (New York: Kennikat Press, 1946), p. 32.

<sup>3</sup> *Ibid.*, p. 40.

was denied by the government as these Islands were under Chinese sovereignty which the US did not have intention of interfering in Chinese affairs.<sup>4</sup> Besides the growth of commercial and political ties between the US and China, the flow of cultural influence from the US to China was also important. The role of American missionaries was considered more significant than that of traders as the most crucial part of these missionaries was to spread out some knowledge not only of Christianity but of the western ideas and practices, and institutions of democracy in which these knowledge had become the ground for the revolution and led to the overthrow of the Manchu dynasty and the establishment of a Chinese republic in the following time.

In the early 1850s, China was attacked by the “Taiping Rebellion” which inspired by the failure of the Imperial authorities to protect China from the western barbarians. Although the rebellion was finally suppressed with the support of the US, the dynasty never fully recovered. Subsequently, under the threat of an attack from the western forces, China signed new treaties with several foreign powers including the US in which these new treaties was designed to more accommodate major powers’ needs.

As the twentieth century was to open with the US’s establishment as a Pacific power, the declaration of the “Open Door Notes” policy in 1899,<sup>5</sup> the recognition of existing spheres of influence and made no suggestion whatever of safeguarding China’s

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<sup>4</sup> Dulles, p. 37.

<sup>5</sup> The Open Door Policy was a specific policy regarding to China, firstly advanced by the US Secretary of State John Hay in the Open Door Notes of September-November 1899. The notes were sent to the major powers, European and Japanese powers, demanding them to preserve Chinese territorial and administrative integrity and would not interfere with the principle of equal commercial opportunity, free use of the treaty ports, within their spheres of influence in China. “Open Door Policy,” Encyclopedia of American Foreign Relations, <http://www.americanforeignrelations.com/O-W/Open-Door-Policy.html> (accessed June 16, 2007).

political independence. At the same time, the Boxer—bands of Chinese, loosely organized in such secret societies as that of ‘the Fists of Righteous Harmony’—started attacking all foreigners and Chinese Christian converts in order to rid the country of the “foreign devils” in the wave of anti-foreign sentiments. Finally the multinational force, including the US, had decided to fight its way in from the coast and reached Beijing, lifting the siege since the situation became critical.<sup>6</sup> After defeating the Boxers, the foreign powers forced the Imperial government to submit to a punitive settlement including allowing the foreign powers to maintain troops in Peking (Beijing) and Tientsin and keeping open the railway between these two cities in which it represented the infringements upon Chinese sovereignty. Under pressure from the War and Navy Departments, the US sought to obtain for the US a naval base and territorial concession at Samsah Bay in the province of Fukian but Japan declared that Fukien was within its sphere of influence and the proposed concession would violate Japanese treaty rights.

In 1911, an uprising broke out in the inland city of Wuhan and within a few months local rebellions took place throughout the country in which these eventually led to the collapse of the dynasty. Accordingly on January 1, 1912, Dr. Sun Yat-sen took office as the provisional president of the newly created Republic of China.

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<sup>6</sup> US Department of the State, “United States Relations with China: From Trade to the Open Door (1784-1900),” [http://www.state.gov/r/pa/ho/pubs/fs/90392.htm#first\\_representatives](http://www.state.gov/r/pa/ho/pubs/fs/90392.htm#first_representatives) (accessed June 16, 2007).

## **B. The US Foreign Policy towards China from 1912 to 1949**

Only a few months after being provisional president of the ROC, Dr. Sun resigned to allow a central government to be formed in Beijing under warlord Yuan Shih-kai who became a dictator and tried to reestablish the monarchy with himself as emperor while dissolved the KMT and sent its members into exile.<sup>7</sup> After Yuan's death in 1916, however, most western government including the United States recognized the Beijing regime as the legitimate government of China. The US also tried to help Beijing reject the Twenty-One Demands of Japan<sup>8</sup> during W.W. I. But the Chinese government secretly accepted Japan's claim to Shandong province in which it resulted in the May Fourth Movement, the protest by massive student against the Beijing government and Japan occurred on May 4, 1919.<sup>9</sup> According to the problem between people and the government, some Chinese people turned to see communism as a solution.

The Chinese Communist Party (CCP) was founded in 1921 in Shanghai, firstly as a study group working within the confines of the First United Front with the Nationalists and then joined with the Nationalists in the Northern Expedition of 1926-1927 to rid the nation of the warlords and to unify China under one government. However, the cooperation between the Nationalists and the Communists only survived until the "White

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<sup>7</sup> Martin L. Lasater, *Policy in Evolution: The US Role in China's Reunification*. (Colorado: Westview Press, 1989), p. 9.

<sup>8</sup> The Japanese government used the distraction of the war in Europe to press China secretly for a series of concessions, divided into five sections. The demands, originally 21 in number, included such matters as Japan would control the main coal deposits of China and Control over certain Chinese internal affairs, such as financial and police matters, would be assigned to Japanese agents. "The Twenty-One Demands," Travel and History, <http://www.u-s-history.com/pages/h1111.html> (accessed July 20, 2007).

<sup>9</sup> Lasater, p. 9.

Terror” of 1927<sup>10</sup> when Chiang Kai-shek, becoming head of the Kuomintang (KMT) after Dr. Sun’s death in 1925, turned to rid the Nationalists of the Communists. In June 1928, after relocating the ROC capital to Nanjing, the US was the first country to recognize the government of Chiang Kai-shek, head of the Kuomintang, as the national government of the Republic of China. Afterwards, in 1931, Japan invaded Manchuria and made the ROC government face the triple threat of Japanese invasion, Communist uprising, and also warlord insurrections. But the government appeared to focus on internal threats instead of Japan’s invasion in which it created frustration to the US that entered the war against Japan in December 1941.

Nonetheless, the US and the ROC became firm allies during W.W.II. In the Cairo Declaration of December 1943, the ROC was promised that Manchuria, Formosa (Taiwan), and the Pescadores would be returned to China at the conclusion of the war. The Republic of China became one of five permanent members of Security Council of the United Nations, formed in June 1945 after the end of W.W.II, with support of the US.<sup>11</sup> At that time, China was accepted as a ‘great power’ in Allied strategy. As a great power, however, China still faced the civil war between the Nationalists and the Communists. Although the US tried to mediate truces several times, the KMT-CCP negotiations were failed. The situation became increasingly desperate when the ROC economy was completely undermined by hyperinflation and the Nationalist army was

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<sup>10</sup> On April 12, 1927, Chiang executed purge of Communists from the Kuomintang in Shanghai and began large-scale massacres. Throughout April 1927 in Shanghai, more than 12,000 people were killed. See Wikipedia, “White Terror,” [http://en.wikipedia.org/wiki/White\\_Terror](http://en.wikipedia.org/wiki/White_Terror) (accessed July 22, 2007).

<sup>11</sup> Lasater, p. 10.

defeated to the Communists in 1948. With the support of the Soviet Union (USSR), the Communists seized the offensive and annihilated ROC divisions in Manchuria and other parts of Northern China.

In January 1949, the Nationalists appealed to the US and other western governments to mediate peace with the Communists by which it was refused from both the US and the Communists that wanted to finish the fight rather than negotiate.<sup>12</sup> One of the reasons the US denied to help was the cost to rescue the Nationalists would be too great. Some of American diplomats, who had contact with the Chinese Communists and experienced the situation in China at that time, believed that the Communist variety of Chinese would finally triumph. Moreover, the US might not only fail to prevent the Nationalist's defeat, but also would poison the uprising Communists against the US.<sup>13</sup>

In Fact, the Chinese Communists were not the sole factor but the Soviet Union was indeed the main concern. Because after W.W.II, the US was no longer the great power it had been during the war. Despite possessing the atomic bomb, the US had only a handful of them and limited ability to deliver those weapons on Soviet targets in which it was clear about the military support to the Chinese Communists. While the US faced the difficult time on military power, the USSR still maintained mighty ground forces. If there was any full-scale conflict along Soviet borders, Soviet power would be superior to the US. Avoiding conflict with the USSR over China seemed to be best served the priority of US policy; therefore, the US denied to send military aid to Nationalist forces as it was

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<sup>12</sup> Lasater, pp. 12-13.

<sup>13</sup> Michael Schaller, *The United States and China in the Twentieth Century* (New York: Oxford University Press, 1979), pp. 95-97.

asked. As General Marshall, the US Secretary of State, stated “Without sacrificing any legitimate national interests, it is our purpose to prevent China from becoming a major irritant in our international relations, particularly with the USSR.”<sup>14</sup>

According to the statement of Marshall, it simply meant that the US chose to sacrifice the ROC in favor of the good relations with the USSR. Lastly, the collapse of the Nationalist regime came when Mao announced the establishment of the People’s Republic of China (PRC) with Beijing as its capital on October 1, 1949.

### **C. The US Foreign Policy towards China from 1950 to 1978**

#### **1. The Loss of China: An Appearance of American Recriminations**

After Chiang Kai-shek and the Nationalist army retreated to Taiwan and relocated the ROC government to Taipei in 1949 as they lost to the Communists, the US State Department released a lengthy apologetic in the guise of Truman’s 1949 China White Paper blamed the collapse of the Nationalist regime to inefficiency on the part of the Chiang government. The Truman administration was accused of “the loss of China” to communist and led to an orgy of American recriminations.<sup>15</sup> Domestic politics played a catalytic role in the Truman administration, especially Congress’s role. Senator Joseph R. McCarthy, a Republican who strongly opposed Communist, alleged that there were large

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<sup>14</sup> Richard C. Thronton, *China, A Political History, 1917-1980* (Colorado: Westview Press, 1982), pp. 221-223.

<sup>15</sup> Alan P. Dobson and Steve Marsh, *US Foreign Policy since 1945* (London: Routledge, 2001), pp. 79-80.

number of the Communists and Soviet spies and sympathizers inside the federal government and in the American academic community.<sup>16</sup>

The State Department's China policy came under a lot of criticism in the Congress and many congressmen urged the President Truman not to recognize the new Beijing government in which their requirement was finally granted. The US continued to regard the ROC government on Taiwan as the government of China and to deny the PRC a seat in the UN. One of the reasons, other than domestic pressure, was the outbreak of the Korean War in 1950.

## **2. The Outbreak of Korean War: Resumption of US Ties to the ROC**

Initially, after the flight of the ROC to Taiwan, the US appeared reluctant to support the ROC claim of legitimacy. Besides the announcement of President Truman in January 1950 that the US would not become involved in the dispute of Taiwan Strait and would not intervene in the event of an attack by the PRC, there were still the statements indicating that President Truman prepared to abandon Chiang's government on Taiwan and to deal with Mao Zedong's the PRC regime.<sup>17</sup> Nevertheless, when North Korea launched a surprise invasion of South Korea on June 25, 1950, the situation was changed.

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<sup>16</sup> Lasater, pp. 12-14.

<sup>17</sup> On January 5, 1950, for example, President Truman announced the United States "would not provide military aid or advice to [Chiang's] Chinese forces" on Taiwan. On June 7, 1950, Secretary of State Dean Acheson said in a news conference that while the United States did not support transferring Chinese representation in the United Nations to the PRC, it would not use its U.N. Security Council veto to block a move to do so. According to Kerry Dumbaugh, "Taiwan's Political Status: Historical Background and Ongoing Implications," *Congressional Research Service (CRS) Reports and Issue Briefs*, [http://assets.opencrs.com/rpts/RS22388\\_20060223.pdf](http://assets.opencrs.com/rpts/RS22388_20060223.pdf) (accessed September 25, 2007).

President Truman, prompted by concerns that the Korean War might expand and Beijing might use the ROC to threaten the US position in Japan, decided to order US air, naval, and ground forces to go to help South Korea and to order the Seventh Fleet of the US Navy to prevent any attack on the ROC and also began providing economic and military aid. Despite the fact that in January 1950, the US Secretary of State Dean Acheson had definitely excluded the ROC and Korea from the US defense perimeter in Asia.<sup>18</sup>

The US support for the ROC was substantial by the entry of the PRC forces into the Korean conflict in support of North Korea in October 1950 and the US hostility towards Beijing had become firm policy until the occur of Vietnam War. While the US started the strategy to contain the PRC by imposing an embargo on US trade with mainland China, on the other hand, the US political, economic, and military ties to Taiwan were dramatically increased. Total US aid from 1949 surpassed US\$5.9 billion, including US\$1.7 billion in economic assistance and US\$4.2 billion in military assistance.<sup>19</sup> In April 1951, the US resumed direct military aid to the ROC and also appointed a Military Assistance Advisory Group for Taiwan. Nonetheless, although the US support of the ROC was prominent as the ROC became an important element of US global strategy to contain communism, President Truman turned down Chiang Kai-shek's offer to send Nationalist troops to help fight in Korea and rejected to allow Chiang to attack Chinese positions on the mainland.<sup>20</sup>

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<sup>18</sup> Dobson and Marsh, p. 79.

<sup>19</sup> Lasater, p. 14.

<sup>20</sup> Ibid.

### 3. The Quemoy Crisis

Truman's China policy was one of the reasons he lost the presidential election to Dwight D. Eisenhower from Republicans in 1953. President Eisenhower removed the Seventh Fleet that was sent into the Straits to prevent any attack on the island and also prevent the Kuomintang forces from attacking the mainland China. The lift of US blockade of Taiwan allowed Chiang Kai-shek to move 58,000 troops to Quemoy & 15,000 to Matsu in August 1954. In response, the PRC premier and foreign minister Zhou Enlai declared that Taiwan must be liberated, followed by an artillery bombardment of Quemoy and the Tachen Islands.<sup>21</sup> Due to domestic political pressure, the Mutual Defense Treaty between the US and the ROC was signed on December 2, 1954. And a Formosa Resolution was passed, both houses of Congress, on January 29, 1955 authorizing the president to employ armed forces to defend Formosa and the Pescadores Island against armed attack. And the ROC, in an exchange, assured the US that it would not attack the mainland without prior consultation with Washington.

Importantly, the ROC territory, defined under the Mutual Defense Treaty, included the islands of Formosa (Taiwan) and the Pescadores (Penghu) but did not include the offshore islands of Quemoy (Kinmen) and Matsu (Mazu). This reflected the US's reluctance to go to war with the PRC over Quemoy.<sup>22</sup> Although the US appeared to avoid the war with the mainland over Quemoy, in practice, the US seemed to

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<sup>21</sup> Global Security, "First Taiwan Strait Crisis: Quemoy and Matsu Islands," [http://www.globalsecurity.org/military/ops/quemoy\\_matsu.htm](http://www.globalsecurity.org/military/ops/quemoy_matsu.htm) (accessed September 25, 2007).

<sup>22</sup> Lasater, pp. 15-16.

deteriorate the conflict. In the 1955 Bandung conference, the PRC once demonstrated its willing to communicate with the US by implying that it would not use forces to liberate Taiwan, but the US appeared unaware. Still, the US restated firm American support for the KMT in 1957 and objected to recognition of the PRC. Missiles that could carry nuclear warheads were provided to Taiwan in 1957.

In 1958, the PRC resumed a massive shelling the Islands of Matsu and Quemoy and the ROC also mounted raids on mainland China in return. When the number of killed ROC troops increased, President Eisenhower granted the ROC's request for aid according to its obligations in the 1954 US-ROC defense treaty by reinforcing US naval units and ordering US naval vessels to help the ROC protect Quemoy's supply lines. Subsequently, the ROC and the PRC commenced shelling each other on alternate days of the week. President Eisenhower also expressed his determination to use nuclear weapons if necessary.<sup>23</sup>

After Eisenhower, it was John F. Kennedy. Although Kennedy administration seemed to be less hostile to the PRC and might not has been sympathetic to the ROC, it still did not want to risk domestic political stability in attempting to abandon the ROC and recognize the PRC. Then the Vietnam War occurred. At the beginning of the war, the relations between the US and the ROC were drawn closer than before.

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<sup>23</sup> Global Security, "First Taiwan Strait Crisis."

#### 4. The Vietnam War: A Turning Point of US China Policy

The US regarded the Vietnam Conflict as the key to stop communist expansion in Asia by which for the ROC solidity of the US anticommunism was the best guarantee of security and stability. The ROC became an important logistics and recreation and rehabilitation center for the US war effort. In the Korean War, President Truman had cleverly avoided Chiang Kai-shek's participation, but with different priorities, President Johnson gave the offer of Nationalist forces for the Vietnam theater serious consideration.<sup>24</sup> As the US help the Chinese Communists responsible for the aggression of North Vietnam, it took Taiwan as a key staging area for operations in Vietnam by lengthening runways, stationing C-130 transport squadrons, KC-135 tankers, 13<sup>th</sup> Air Force fighter aircraft, and two fast-reaction F-4 nuclear bombers, and establishing repair facilities.<sup>25</sup>

Due to the Vietnam War, the ROC created a Committee on Overseas Economic Promotion specifically designed to increase the ROC's share of the US financed commercial import program for Vietnam. The ROC technicians in agricultural, medical, and public works served in South Vietnam, including contribution of a power substation, textbooks, fertilizer, and over US\$800,000 of commodity assistance in which these programs helped tighten bonds between Washington and Taipei and also provided the ROC greater visibility in world affairs. Nevertheless, the rapid military build up in

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<sup>24</sup> Nancy Bernkopf Tucker, *Taiwan, Hong Kong, and the United States, 1945-1992* (New York: Twayne Publishers, 1994), p. 97.

<sup>25</sup> *Ibid.*

Indochina and the increasing involvement in Vietnam conflict stimulated domestic criticism of US policy in Asia that the government sacrificed domestic reform to a foreign crusade.<sup>26</sup> In March 1966, the Senate Foreign Relations Committee held hearings on US China Policy mainly to find solution to the conflict. During the hearings, Secretary of State Dean Rusk also listed key elements of US China policy which including: firmness in assisting allied nations against Chinese aggression, honoring commitments to defend the ROC, prevention of the expulsion of the ROC from the UN and opposition to the PRC membership, assurance to Beijing that the US did not intend to attack the mainland, enlargement of possibility for unofficial contact between the US and mainland China.

In response to increased pressure for a change in China policy, the idea of a “two china” policy of dual diplomatic recognition and dual representation in the UN was proposed, but completely rejected by the ROC. However, in 1969 President Richard Nixon decided to withdraw soldiers from Vietnam to reduce American casualties and tried another way to end the Vietnam War. Therefore, seeking to open relations with the PRC seemed reasonable at that time because the US thought that the PRC could be a keystone to compel North Vietnam to negotiate seriously. There were still other factors made President Nixon interested in the PRC. The increasing of Soviet power from a regional to a global superpower at the end of 1960s became trouble. President Nixon and National Security Adviser Henry Kissinger proposed to use the PRC to reduce USSR

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<sup>26</sup>Tucker, p. 134.

strength.<sup>27</sup> The PRC also saw the advantage of improving relations with the US in order to resist the USSR threats that directly posed to the PRC since the mid-1960s.<sup>28</sup>

The shift in relations between the PRC and the USSR, from friends to foes, made another shift in relations between the PRC and the US that they could be drawn together by their antagonism to the USSR. This trend of US-PRC reconciliation created the most concern to the ROC which it came true very soon. In an attempt to improve relations with the PRC, President Nixon lifted restrictions on trade and travel in July 1969, followed by the termination of operations of the US Seventh Fleet in the Taiwan Straits. Moreover, in early 1971 President Nixon firstly referred to Communist China by its official name, the People's Republic of China, saying that the US would welcome a constructive role played by the PRC in the international community.<sup>29</sup>

However, the critical barrier to constructive relations between the US and the PRC continued to be on the ROC. The US insisted that there would be no progress if the PRC refused to renounce the use of force in the Straits, while the PRC stated that no breakthrough on any issue could be considered until the ROC situation was resolved. Thus, a surprise invitation to an American table tennis team to visit the mainland China was submitted in April 1971. Then in July 1971, Henry Kissinger made a secret trip, accompanying the ping pong team from Pakistan, to negotiate with Zhou Enlai in the

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<sup>27</sup> Tucker, p. 98.

<sup>28</sup> Beginning in the mid-1960s, The USSR moved nuclear-capable military units to the Far East and increased troops concentrations along the border from roughly 12 divisions to almost 40 by 1969. That March sporadic incidents developed into serious armed clashes, which continued into August.

<sup>29</sup> Tucker, p. 99.

PRC after President Nixon announced that he would visit Beijing at the invitation of the PRC government in early 1972.<sup>30</sup>

Zhou Enlai presented China's three conditions for settlement with the US which were: acknowledgment that Taiwan was a province of China, withdrawal of American forces from Taiwan by a fixed deadline, and abrogation of the 1954 Mutual Defense Treaty. Kissinger readily agreed to the first demand, hedged on the third, and asserted that troop reductions could begin once that war in Vietnam ended.<sup>31</sup> Nonetheless, Kissinger returned to Beijing in October 1971, at the same time that the UN General Assembly voted to expel the ROC and seat instead the PRC. As the result of the UN vote and trends towards improved US-PRC relations, most nations switched recognition from the ROC to the PRC. Many countries followed the British model of 'acknowledging' rather than 'recognizing' the PRC position that Taiwan is part of China. Another model of Japan created private offices staffed by regular diplomats on temporary leaves of absence to take care unofficial Japan-Taiwan relations.<sup>32</sup>

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<sup>30</sup> Bernice Lee, *The Security Implications of the New Taiwan* (Oxford: Oxford University Press, 1999), p. 16.

<sup>31</sup> Tucker, p. 104.

<sup>32</sup> Richard Moorsteen, *US Policy Options: One China-but Not Now in Taiwan and American Policy: The Dilemma in US-China Relations* (New York: Praeger, 1971), pp. 163-165.

## 5. The Switch of US Recognition: The Loss of Taipei UN Seat to Beijing

During Nixon's February 1972 trip to mainland China, both the PRC and the US finally signed the Shanghai communiqué that contained of their respective positions without any attempt at compromise.

The Chinese side reaffirmed its position:

*The Taiwan question is the crucial question obstructing the normalization of relations between China and the United States; the Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The Chinese Government firmly opposes any activities which aim at the creation of "one China, one Taiwan" "one China two governments," "two Chinas," an "independent Taiwan" or advocate that "the status of Taiwan remains to be determined."*<sup>33</sup>

The US only acknowledged that both Taipei and Beijing agreed that there was only one China and reaffirmed its interests in a peaceful settlement of the Taiwan Straits by Chinese themselves. The US also stated that it would reduce forces and military installations on Taiwan as the tension in the area diminished. China, on the other hands, requested all US forces and military installations must be withdrawn from Taiwan.

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<sup>33</sup> Lasater, pp. 25-26.

Although reconciliation between Washington and Beijing did not move ahead easily, the two governments established liaison offices in each other's capitals and provides officials diplomatic immunities and privileges. The ROC strongly protested improving relations between the US and the PRC, but the ROC's political position both in the US and in the international community rapidly eroded following Nixon's visit to the PRC.<sup>34</sup>

Moreover, the Communist threat stimulated increasing of normalization of US-PRC relations. The US worried about the USSR involvement in Africa and expansion of its military forces, while the PRC concerned a growing role of the USSR in Vietnam especially in January 1978 when Vietnam invaded Cambodia, the PRC's ally. In June 1978, President Jimmy Carter decided to allow Western nations to sell military equipment to Beijing. Afterwards, he boycotted a plan to sell several more sophisticated defense weapons needed to update Taiwan's aging arsenal: advanced jet fighters intended to gradually replacing existing F-104s, F-5As, and F-5Bs; naval Harpoon missiles; Standard air defense missiles; and armored personnel carriers.<sup>35</sup> Although the ROC held that the jet fighters and the missiles were necessary for controlling the air and the sea over the Taiwan Strait and for the defense of the island itself. It was believed that the Carter administration's reluctance to approve these weapons was largely due to its concern with the unpleasant reaction of the PRC.<sup>36</sup> Moreover, four months later,

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<sup>34</sup> Lasater, p. 27.

<sup>35</sup> Robert L. Downen, *The Tattered China Card: Reality or Illusion in United States Strategy* (Washington, D.C.: Council for Social and Economic Studies, 1984), pp. 75-76.

<sup>36</sup> David S. Chou, "ROC-US Political Relations As Seen from the Implementation of the Taiwan Relations Act," in *ROC-US relations under the Taiwan Relations Act: Practice and Prospects*, ed. King-Yuh Chang (Taipei: Institute of International Relations, 1988), pp. 32-33.

President Carter also rejected the ROC's request for F-5G fighter planes, leaving Taiwan no way to upgrade its air force.

Although the US Congress shared the anxiety of Nationalist government officials about President Carter's China policy, the president announced that diplomatic relations with the PRC would be formally established on January 1, 1979. Both sides affirmed the principles of the 1972 Shanghai Communiqué which involving the end of officially US-ROC relations and withdrawing the remaining troops and giving the required one year's notice of termination of the Mutual Defense Treaty. Regarding to the ROC, accompanying official statements of the normalization communiqué, the US further stated that *"The United States is confident that the people of Taiwan face a peaceful and prosperous future. The United States continued 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."*<sup>37</sup>

In consequence of the communiqué, an understanding was reached that while Beijing would not renounce the use of force, the US would continue arms sales to Taiwan.

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<sup>37</sup> DuPre Jones, ed., *China: U.S. Policy since 1945* (Washington D.C.: Congressional Quarterly, 1980), p. 342.

## **D. US Foreign Policy towards Taiwan from 1979 to 2000**

### **1. The Enactment of the Taiwan Relations Act and the Six Assurances**

According to the establishment of official diplomatic relations between the PRC and the US, many Americans felt uncomfortable that the government abandoned normal ties with the ROC, a longstanding friend and ally. The government, however, confirmed that Taiwan's security was not in danger and the normalization with the PRC would help resolve Taiwan issue by peaceful means. Afterwards, the US Congress, in an unprecedented expression of bipartisan cooperation, crafted the Taiwan Relations Act (TRA) which was signed into law by President Carter on April 10, 1979.<sup>38</sup>

The TRA is a unique domestic law of the US which establishing itself as the principle legal framework for US-Taiwan relations up to now. The TRA specifically links the future of Taiwan with the US security interests in the Far East. Under section 2 of the TRA, the policy of the US is in particular designed to provide Taiwan with arms of a defensive character and to consider any effort to determine the future of Taiwan by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States. And section 3 of the TRA gives specific instructions on the implementation of the policy in section 2. Especially important are the provisions for arms sales to Taiwan. The TRA also enables the US and Taiwan to set up offices on

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<sup>38</sup> Chien-jen Chen, "Relations between the Republic of China and the United States: Twenty Years under the Taiwan Relations Act," Taipei Economic and Cultural Office in New York, [www.taipei.org/other/tra20/eact.htm](http://www.taipei.org/other/tra20/eact.htm) (accessed December 10, 2007).

each other's territory to handle substantive relations between the two sides. As a result, the United States established the American Institute in Taiwan and also the ROC government established the Coordination Council for North American Affairs (CCNAA), with its main representative office in Washington, D.C. and in other states. These offices were tasked with performing most of the functions that had previously been carried out by the ROC embassy and consulates general.<sup>39</sup> The PRC strongly opposed the TRA, particularly the US arms sales to Taiwan. Nonetheless, the USSR invasion of Afghanistan in December 1979 made both the US and the PRC decide to maintain cordial relations.

At the beginning of the Reagan administration's first term in office in January 1981, the US appeared to give favor of Taiwan over the PRC, as during the presidential campaign Reagan declared for the restoration of "official relations" between the US and Taiwan. But as the USSR invasion of Afghanistan, confirming the Soviet infringement in Asia, the Reagan administration determined to counter strongly the growing Soviet threat. Therefore, though American commitments to Taiwan were considered sustainable, the strategic reason made the US narrow those commitments in order to secure China's strategic cooperation.<sup>40</sup> This was followed up by the August 17 Communiqué of 1982 that imposed the limitation of future weapons transfers to Taipei.

The 1982 Communiqué was attacked by many members of Congress but the administration insisted that, "*no change in US longstanding position on the issue of*

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<sup>39</sup> Taipei Economic and Culture Representative Office in the US, "Taiwan-US relations," <http://www.roc-taiwan.org/US/ct.asp?xItem=11444&CtNode=2297&mp=12&xp1=12> (accessed December 18, 2007).

<sup>40</sup> Lasater, p. 34.

*sovereignty over Taiwan, and that there were no plans to seek revisions to the TRA.*”<sup>41</sup>

The government assured that the new agreement was completely consistent with the TRA and US arms sales to Taiwan would be carried on in accordance with the TRA. Moreover, on July 14, 1982, a month before the communiqué was announced, Taiwan was given the “**Six Assurances**” regarding American policy towards Taiwan that the US:

- Had not agreed to set a date for ending arms sales to the Republic of China;
- Had not agreed to hold prior consultations with the PRC regarding arms sales to the Republic of China;
- Would not play a mediation role between the PRC and the Republic of China;
- Would not revise the Taiwan Relations Act;
- Had not altered its position regarding sovereignty over Taiwan; and
- Would not exert pressure on the Republic of China to enter into negotiations with the PRC.

The US also clarified the communiqué that it did not mention restrictions on the transfer of technology, and the designs for weapons and delivery systems were made available.<sup>42</sup>

The fundamental American interests in Asia were peace in the Taiwan Strait. Until a peaceful resolution of the Taiwan issue could be found, the US interests would be served by helping Taiwan field a minimal but effective deterrence against the PRC. A practical demonstration of this interest was the high level of military equipment sold to

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<sup>41</sup> Anthony James Gregor, *The China Connection: U.S. Policy and the People's Republic of China* (Stanford: Hoover Press, 1986), p. 148.

<sup>42</sup> James C. P. Chang, “US Policy toward Taiwan,” Weatherhead Center for International Affairs, <http://www.wcfia.harvard.edu/fellows/papers/2000-01/chang.pdf> (accessed December 19, 2007).

Taiwan immediately after the signing of the August 17 Communiqué. And the US sales of advance technology to Taiwan had continued ever since.<sup>43</sup>

Still, the US policy towards the security of Taiwan was ambiguous. According to the TRA, the US would consider any hostile actions directed against the ROC as “a threat to the peace and security of the Western Pacific area and of grave concern to the US;” however, the US was not committed to Taiwan’s defense. In the Six Assurances, the US also stated that it would take no position on the sovereignty of Taiwan. And the status of Taiwan under international law, as the US State Department lawyers put it, remained to be determined.<sup>44</sup>

These, including the word “acknowledge” not “recognize” the Chinese position in the three communiqués with China, displayed a strategically ambiguous framework in which the US can freely adapt and adjust to practically any eventuality, regarding the politically sensitive Taiwan issue.<sup>45</sup> “Strategic ambiguity” remained the basis of US Taiwan policy throughout the 1980s and into 1990s. In the late 1980s, the emergence of a Taiwanese democracy has increased US interest in seeing Taiwan preserve sufficient autonomy for democracy to flourish there. As in the post – Cold War era, the US has promoted democracy abroad, believing that the spreading of democracy is conducive to

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<sup>43</sup> Martin L. Lasater, *U.S. Interests in the New Taiwan* (Oxford: Westview Press, 1993), p. 159.

<sup>44</sup> Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Commitment* (Westport, CT: Praeger Publishers, 1994), pp. 36-37.

<sup>45</sup> Brett V. Benson and Emerson M. S., “Comprehending Strategic Ambiguity: US Policy Toward Taiwan Security,” Taiwan Security Research, <http://taiwansecurity.org/IS/IS-Niou-0400.htm> (accessed 19 December 2007).

a more prosperous, stable world order.<sup>46</sup> The US support of Taiwan since Lee Teng-hui became the president of the ROC, had arose China to become impatient with Taiwan issue as president Lee Teng-hui steadily distanced himself from the One-China principle and came to advocate a much broader role in world affairs for Taiwan. Subsequently, it led to the serious tensions across the Taiwan Strait in 1995 and 1999.

## **2. The Taiwan Policy Review in 1994 under the Clinton Administration**

As long as a strategic alliance with the PRC was important to counter the USSR, the US was willing to downgrade its relations with the ROC. But the reconciliation between the PRC and the USSR after the 1982 Communiqué reduced China's strategic value to America. As US strategic interest in China declined, the enhancing of engagement with Taiwan seemed favorable.

During the 1983-1991 periods of the Reagan and Bush administrations, the US sought to preserve its interests in both China and Taiwan through a carefully balanced “dual track” policy of maintaining friendly official ties with Beijing and friendly unofficial ties with Taipei.<sup>47</sup> Still, internal developments in Taiwan were in US favor more than China side. Beginning around 1986, Taiwan started to make tremendous progress in liberalizing its economic and political system. Especially in political system that had experienced dramatic changes, including a transition from a one-party

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<sup>46</sup>Daniel S. Papp, *American Foreign Policy: History, Politics and Policy* (New Jersey: Pearson Education, 2005), p. 217.

<sup>47</sup> Lasater, p. 203.

authoritarian state under martial law to democratic political pluralism. The combination of these developments led to slight changes in US-Taiwan ties, as well as deepening economic, military, social, and other contacts. While the PRC faced the Tiananmen Square incident in June 1989 which it was viewed with great concern by the US as the retreat of Beijing in more conservative political, economic and social policies.<sup>48</sup>

By the early 1990s, after the demise of the USSR, Taiwan was a flourishing democracy and became America's sixth-largest trading partner. American corporations were rushing to Taiwan to compete with European firms for the contracts in a US\$300 billion public works program. US defense contractors also hoped that the George H. W. Bush administration's approval of F-16s sales to Taiwan would open the way for more arms sales. The business interest in Taiwan grew stronger year by year.

Under the Clinton administration, taking into office in 1992, the large expansion of economic ties between the US and Taiwan provided the good reason for the US to improve relations with Taiwan, but the US still had particularly important interests in China, especially on trade and investment. The US, therefore, carefully balanced its policy towards both Taiwan and China, as well as made it clear that it did not want the improved US-Taiwan relations to undermine the US relations with China. The significance of US interests in China was obvious. Although emphasizing on human rights and democracy, the US was willing to set aside Beijing's human rights record to preserve US-China trade benefits through MFN. The US's sensitivity on this issue was

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<sup>48</sup> Steven M. Goldstein and Randall Schriver, "An Uncertain Relationship: The United States, Taiwan and the Taiwan Relations Act," in *Taiwan in the Twentieth Century: A Retrospective View, The China Quarterly Special Issues New Series* no.1 (2001): 155.

also apparent in the State Department's refusal in May 1994 to allow Taiwanese President Lee Teng-hui to stay overnight in Los Angeles en route to a state visit to Latin America. Instead President Lee was permitted a ninety-minute refueling stop in Hawaii.<sup>49</sup> In response, the Senate passed the amendments to the TRA in ways favorable to Taiwan but the amendments were not retained by the administration at first. However, under intense pressure from Congress, President Clinton finally signed the Foreign Relations Authorization Act for the FY 1994-1995, the revised amendment, on April 30, 1994. In addition to the arms sales provision that asserted the "primacy" of the section 3 of the TRA over the US-PRC joint communiqués, the new law contained language urging high-level US official visits to Taiwan and the US support for Taiwan in bilateral and multilateral relationships.

Consequently, the review of US policy towards Taiwan was undertaken, due to several factors, including growing congressional pressure for better treatment of Taiwan, strong public approval of Taiwan's democratization, business demands to make it easier to deal with Taiwan, and widespread concern that Clinton was leaning too much in Beijing's favor while ignoring Taiwan's rapid progress towards becoming a market democracy.<sup>50</sup> Regarding to the policy review in July 1994, in addition to approving the change in name for Taiwan's representative office in the US, from the Coordination Council for North American Affairs (CCNAA) to the Taipei Economic and Cultural Representative Office (TECRO), limitations on visiting officials were relaxed in order to

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<sup>49</sup> Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan* (Boulder: Westview, 1995), p. 138.

<sup>50</sup> *Ibid.*, p. 145.

permit high – ranking US officials concerned with trade and other technical matters to visit Taiwan and to meet with senior ROC officials in which it led to the visit of President Lee Teng-hui to the Cornell, US afterwards.<sup>51</sup>

### **3. The Taiwan Strait Crisis during 1995 to 1996**

On May 2, 1995, the US House of Representatives voted 396 to 0 granting President Lee Teng-hui an entry visa and the Senate also voted 97 to 1 to permit Lee to make a visit to Cornell as he was the Cornell alumnus. After the announcement of granting President Lee visa, US State Department tried to assure the PRC that fundamental US policy had not changed and the Clinton administration China policy remained constructive engagement. Still, the PRC's response was aggressive. After the visit of President Lee to Cornell, the US and the PRC opened their tough negotiations about US Taiwan policy. When negotiation reached a climax in March 1996, after the PRC had performed military exercises and missile tests targeted near Taiwan since 1995, the US responded with a deployment of two aircraft carrier battle groups, regarding its pledge to defend Taiwan. This confrontation was the closest the US and the PRC had come to war since the early 1950s.<sup>52</sup>

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<sup>51</sup> Chang.

<sup>52</sup> Mike Shi-chi Lan, "US Foreign Policy and the Changing Dynamics between China and Taiwan, 1995-2005," in *Ensuring Interests: Dynamic of China-Taiwan relations and Southeast Asia*, eds. Ho Khai Leong and Hou Kok Chung (Malaysia: Institute of China Studies, 2006), pp. 78-80.

The Taiwan Strait crisis led to a critical modification in the US policy of ambiguity towards cross-Strait relations. From 1971 on, the US had refused to say how it would react if the PRC-Taiwan conflict occurred. But in Taiwan Strait crisis, it was broadly acknowledged that the US military exercise was intended to show both “the resolve and the capability” of the US to deter and to resist China’s potential use of force against Taiwan.<sup>53</sup>

Nevertheless, the US interest would be served by regional stability, the Taiwan issue and the US-PRC relations should be placed within a larger, comprehensive strategic framework. When the PRC President Jiang Zemin paid a visit to the US in October 1997, President Clinton affirmed that the US:

- (a) Did not have a “one China, one Taiwan” or a “two Chinas” policy;
- (b) Did not support Taiwanese independence; and
- (c) Did not support Taiwan membership in the UN or in other international organizations requiring sovereignty for membership.

President Clinton’s three pledges, known as the “three nos,” were repeated in public by himself in Shanghai on June 30, 1998. The “three nos” resulted in criticism of Clinton administration’s shift in US Taiwan policy.

Subsequently, Congress passed a resolution in July affirming the US commitment to Taiwan’s security and the House of Representatives also called on President Clinton to urge the PRC to renounce the use of force against Taiwan. After that, Chairman Richard Bush of American Institute in Taiwan went to Taipei and stated in a press conference in

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<sup>53</sup> Lan, pp. 80-83.

July 1998 that “President Clinton did not change policy towards Taiwan and did not damage Taiwan’s interest. Whatever achievements occurred in US-PRC relations did not have a negative effect on Taiwan. This is not a zero-sum game.”<sup>54</sup> However, the 1999 release of “two states theory,” which held that Taiwan was a separate entity and that negotiation between Beijing and Taipei should occur under the rubric of “special state-to-state relations,” provoked China to release a white paper that accused Lee Teng-hui of promoting Taiwan independence and announced the possibility to use military force against the island. Subsequently, in early 2000s, Taiwan’s new government began to advance more openly a pro-Taiwan Independence agenda in which happened at the same time the United States had the new president from the Republican.

### **E. Conclusion**

Since the establishment of diplomatic relations between the United States and Taiwan in 1844 (represented China at that time) to the year 2000 under the Clinton administration, the US had adjusted and adapted its foreign policy several times in order to preserve American interest. For thirty years after the end of Chinese civil war in 1949, the US extended official diplomatic recognition to the ROC and also established a formal alliance with the ROC in 1954. By the 1970s, the US sought a more constructive relationship with Beijing, corresponding to the US strategy of anticommunism and especially of containment the Soviet power expansion in Asia under the Cold War period.

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<sup>54</sup> Chang.

However, the US-Taiwan relations remained a barrier to the formation of official diplomatic relations between the US and the PRC as Beijing would not agree to official relations unless the US first terminated its official ties with the ROC. Therefore, Washington cut official ties to Taiwan in exchange of the establishment diplomatic relation between the US and the PRC. Still, the US, with pressure from Congress, confirmed that Taiwan security would not in danger after the US-PRC normalization by enactment of the TRA, providing continued security guarantees to Taiwan. During the 1983 to 1991 periods of the Reagan and Bush administrations, after the US-PRC 1982 Communiqué that limits future weapons transfers to Taipei, the US sought to preserve its interest in both China and Taiwan through a carefully balanced “dual track” policy of maintaining friendly official ties with Beijing and friendly unofficial ties with Taipei.

However, internal developments in Taiwan, especially in political system, had increased the US support of Taiwan rather than China. Especially after the demise of USSR indicating the end of the Cold War, the promotion of democracy and human rights had prevailed in the US foreign policy, Washington had developed more supportive policy toward Taiwan than in the last decade through the 1994 Taiwan policy review under the Clinton administration which provided the improvement of the framework to accommodate the growth of mutually beneficial exchanges. One reason of more encouraging policy toward Taiwan received from the decline of China strategic value to the US as a result of the end of the Cold War. This trend of policy led to the Taiwan Strait Crisis during 1995 to 1996 and ended up with the Clinton’s “three nos” which was

criticized for the US shift in Taiwan policy to be in favor of China throughout the remaining Clinton's presidency.