

NEW CHALLENGES CONFRONT FIFTEEN YEARS OF U.S. - CHINA TIES

INTRODUCTION

U.S. Secretary of State George Shultz will travel to Beijing next week in what may be one of the most important diplomatic missions of his career. After fifteen years of leaning toward the U.S. in its relations with the superpowers, the People's Republic of China (PRC) may be in the initial stages of evaluating whether it should adjust its foreign policy toward friendlier relations with the Soviet Union.

Shultz's visit comes at an opportune time, for exactly fifteen years ago this week the U.S. itself dramatically reversed a quarter-century of policies toward China. In Shanghai, on February 28, 1972, after a long series of meetings with Chairman Mao Zedong and Premier Zhou Enlai, President Richard Nixon ended formally Washington's attempt to isolate and its refusal to deal with the communist regime ruling the People's Republic of China, then usually called Mainland China. With the Shanghai Communique the U.S. began the process of normalizing U.S.-PRC relations. This culminated on January 1, 1979, when President Jimmy Carter broke U.S. relations with the Republic of China (ROC) on Taiwan and the same day established full diplomatic relations with the PRC. Three years later, on August 17, 1982, the Reagan Administration agreed to reduce gradually U.S. arms sales to the ROC, on the condition that Beijing continue its policy of seeking peaceful reunification with the Nationalist government.

Together, Nixon's Shanghai Communique, Carter's Communique on Establishment of U.S.-PRC Diplomatic Relations and Reagan's 1982 Communique set out the principles upon which Washington-Beijing relations are built. Essentially, these are: 1) a shared sense of the

importance of PRC-American relations, despite differing internal systems; 2) a determination to conduct bilateral relations on the basis of mutual respect and peaceful coexistence; 3) an acknowledgment that both the PRC and ROC agree that there is but one China and that Taiwan is part of China; 4) a U.S. affirmation of its interest in seeing the Chinese themselves peacefully resolve the Taiwan reunification issue; 5) the recognition of the PRC government as the sole legal government of China; 6) an implicit assurance from Beijing that it will pursue reunification in a peaceful manner; and 7) based upon that, a U.S. promise to limit future arms sales to the ROC.

A fourth document is of equal importance to U.S.-China policy. It is the 1979 Taiwan Relations Act (TRA). This governs what technically are unofficial U.S. relations with Taipei and sets forth important policy guidelines, committing the U.S. to assuring Taiwan's security and to continue U.S. commercial, cultural, and other ties with the ROC.

Adhering strictly to these four documents has enabled the U.S. to cultivate cooperative, friendly relations with both Beijing and Taipei. American interests are well served by this balanced arrangement and the policy is strongly supported by a wide majority of Americans.

Current U.S. China policy, however, is now coming under pressure. Most significant is the substantial Soviet military buildup in East Asia, accompanied by a sophisticated Kremlin foreign policy to improve Sino-Soviet relations and limit U.S. influence in the region. Second, the dramatic political developments in the PRC and ROC may strain Sino-American relations in the future. In the case of the PRC the recent campaign against "bourgeois liberalism" threatens to limit free market reforms in China and perhaps close somewhat the PRC's open door to the West. On Taiwan the new Democratic Progressive Party (DPP) is calling for "self-determination," a thinly disguised appeal for Taiwan independence. This is a development Beijing has promised to prevent by force.

A third source of pressure on U.S. policy comes from such regional developments as the threat to U.S. bases in the Philippines and the spread of nuclear free zone movements in the South Pacific and Southeast Asia. Since both would affect U.S. naval deployments in the region, American strategists are beginning to reconsider building a closer military relationship with Beijing or Taipei.

Fifteen years of Sino-American relations suggest that Beijing's leaders have generally adopted a power politics point-of-view in their assessment of relations with the superpowers. If the U.S. appears weakened in either its resolve or ability to defend its interests in Asia, then Beijing can be expected to push Washington more aggressively on the Taiwan issue and to shift a bit toward closer ties

with Moscow. Recent trends toward central planning in the Chinese economy might also receive a boost.

For several years the U.S. has enjoyed the benefits of close ties with both Beijing and Taipei. These benefits include substantial trade with the PRC and ROC, a generally peaceful environment in East Asia, and a united political front against Soviet expansion in Asia. Clearly, it is in the U.S. interest to continue a balanced approach toward the two Chinese governments. To do so, the Reagan Administration and the Congress must ensure that their consensus on China policy not unravel. To do this, Congress should hold hearings on U.S. China policy that would probe the fundamental principles on which the policy rests and demonstrate that these principles remain sound. For its part, the Reagan Administration must recognize that the Iran-Contra controversy is weakening the Administration in the eyes of Asia. The White House can counter this by reaffirming the American commitment to Asian peace and security and by resuming its leadership role in regional affairs.

The best message that Secretary Shultz can give to the Chinese during his trip to Beijing is that American interests in its current China policy transcend domestic political differences at home. He should emphasize in Beijing that U.S. China policy is sound and will not be changed.

FOUR PILLARS OF U.S. CHINA POLICY

There are four pillars to U.S. China policy: the February 28, 1972, Shanghai Communique; the Communique on the Establishment of U.S.-PRC Diplomatic Relations on January 1, 1979; the August 17, 1982, U.S.-PRC Joint Communique; and the 1979 Taiwan Relations Act. Each document sets forth principles that underlie current U.S. policy toward the PRC and ROC.

The Shanghai Communique established that both the U.S. and PRC, despite their differing social, political, and economic systems, would "conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence." The U.S. acknowledged "that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China." The U.S. also reaffirmed "its interest in a peaceful settlement of the Taiwan question by the Chinese themselves" and affirmed "the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan."

In the Joint Communique on Establishment of U.S.-PRC Diplomatic Relations on January 1, 1979, the Carter Administration recognized

"the Government of the People's Republic of China as the sole legal Government of China" and again acknowledged "the Chinese position that there is but one China and Taiwan is part of China." The Communique stated that in the future "the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan." As part of the price demanded by Beijing for agreeing to the Communique, Carter had to break U.S. diplomatic relations with the ROC, void the 1954 U.S.-ROC Mutual Defense Treaty, and withdraw all remaining American military personnel from Taiwan.

In the August 17, 1982, U.S.-PRC Joint Communique, the Reagan Administration stated that it "attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of 'two Chinas' or 'one China, one Taiwan'." The Reagan Administration in the communique expressed its appreciation of "the Chinese policy of striving for a peaceful resolution of the Taiwan question" and in view of that policy stated that "it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied [since 1979], and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution."

As the pace of normalizing relations with the PRC quickened, many American lawmakers began fearing that the U.S. would abandon the ROC. To prevent this, Congress in 1979 overwhelmingly passed the Taiwan Relations Act (TRA),^o which Carter signed into law April 10. This reaffirmed the substantial U.S. security, economic, and cultural interests in the ROC.

The TRA linked U.S. national security interests with peace in the Taiwan Strait and authorized American intervention should the ROC's security or social and economic systems be threatened. It further authorized continued sale of "such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." As a substitute for the U.S. Embassy which had to be closed after the U.S. broke official relations with Taipei, the TRA created the American Institute in Taiwan as a nonprofit corporation to handle U.S. unofficial relations with Taipei. The TRA specifies that, despite nonrecognition, Taiwan would be treated legally as it had been prior to January 1, 1979. In effect, the Congress created through domestic legislation a mechanism whereby substantive U.S. relations with Taipei would continue indefinitely.

The three communiques and the TRA allow Washington to maintain friendly ties with both Beijing and Taipei. This arrangement, although delicate, helps preserve stability and peace in East Asia and maximizes opportunities for American businessmen, scholars, and

government officials to monitor developments in China and to promote individual and national interests. The fact that American politics have been largely devoid of China-related issues since 1983 attests to the ability of the Reagan Administration to carve out a workable consensus over China policy among the various foreign policy interest groups.

THREATS TO U.S. CHINA POLICY

There are a number of international challenges to U.S. policy toward China. Among the most important is the Soviet military in Asia which, in effect, has built a wall around the PRC. At the same time, Moscow has launched a campaign of conciliation toward China. In a speech in Vladivostok last July, Soviet Communist Party General Secretary Mikhail Gorbachev announced the withdrawal of some Soviet troops from Mongolia and Afghanistan, accepted China's demand that the disputed Sino-Soviet border be divided along the main channel of the Amur River, and stressed that Moscow sincerely wanted to improve relations with Beijing.

Moscow's carrot-and-stick approach is forcing leaders in Washington and Beijing to reassess the U.S.-USSR-PRC strategic triangle. Unlike previous Soviet leaders, Gorbachev may be willing to move a bit on what Beijing has called the "three obstacles" to a closer PRC relationship with Moscow. The three obstacles, reflecting Beijing's concerns over the Soviet threat to China's security, are: 1) the large Soviet military presence along the Sino-Soviet and Sino-Mongolian borders, 2) the Soviet occupation of Afghanistan, and 3) Moscow's backing of the Vietnamese invasion of Cambodia.

PRC leaders have said repeatedly that Sino-Soviet relations would improve greatly if these obstacles were removed. Said senior Chinese leader Deng Xiaoping on CBS-TV last September: "If Gorbachev takes a solid step towards the removal of the three major obstacles in Sino-Soviet relations, particularly urging Vietnam to end its aggression in Kampuchea and withdraw its troops from there, I myself will be ready to meet him."¹

Deng's statement was a sharp reminder to Washington that it cannot assume that the PRC automatically will lean toward the U.S. and away from the USSR. Warns former Secretary of State Henry Kissinger:

For all their charm and ideological fervor, the Chinese leaders were the most unsentimental practitioners of

1. Embassy of the People's Republic of China, "Deng Xiaoping on Sino-Soviet Relations," Press Release, September 6, 1986, p. 3.

balance-of-power politics I have encountered. From ancient times Chinese rulers have had to contend with powerful non-Chinese neighbors and potential conquerors. They have prevailed, often from weakness, by understanding profoundly--and exploiting for their own ends--the psychology and preconceptions of foreigners.²

The history of Sino-American relations confirms Kissinger's observation. What apparently prompted the PRC to begin normalizing relations with the U.S. in 1969 was the growing Soviet threat to China's security. This mounting threat probably is what made Deng Xiaoping not insist that the U.S. stop selling arms to Taipei as a condition for the 1979 U.S.-PRC normalization. At that time, the Soviet Union was rapidly improving relations with Vietnam on China's southern flank. As Soviet global power seemed to swell and U.S. power shrink in the late 1970s, Beijing began calling for a strategic alliance with the U.S. It dropped this, however, after the U.S. at last demonstrated that it would take a stand to block further Soviet expansion in Asia following the 1979 Soviet invasion of Afghanistan. Especially after Ronald Reagan took office, Beijing evidently concluded that the U.S. would be tougher in opposing the Soviets. This apparently gave the PRC the luxury of safely pursuing an "independent" foreign policy, aligning with neither superpower but friendly to both.

Huan Xiang, director of the PRC's Institute for International Affairs, explained this shift to the West German weekly Der Spiegel in 1983. Asked why Beijing had adopted an independent foreign policy in 1982 when three years earlier Deng Xiaoping was calling for an alliance with Washington, Huan said:

What has changed is the international situation. In the early seventies the Soviet Union had very strongly expanded toward the outside militarily and had become a threat to everybody. For this reason China offered cooperation to each state that felt threatened by the Soviet Union.

Near the end of the Carter administration's term and at the beginning of the term of the Reagan administration, the Americans determinedly and energetically put up a front against the Soviet Union politically and militarily....

2. Henry A. Kissinger, White House Years (Boston: Little, Brown and Co., 1979), pp. 1087-1088.

This stopped the Soviet Union....In our view, a certain balance between the two has emerged, especially in the military field.³

Given the PRC's proclivity to base its relations with the superpowers upon strategic considerations, a major change in Moscow's policy toward Beijing might well result in a change in Beijing's policy toward the USSR. How the PRC responds to Gorbachev's initiatives will no doubt effect the U.S. view of the PRC.

Greatly complicating the strategic environment in Asia are other important developments. These include uncertainty over the future of American bases in the Philippines, particularly in view of the renewed fighting between the Philippine Armed Forces and the communist New People's Army; the growing anti-nuclear movement in the South Pacific, which may limit U.S. naval access in the region; and possible instability on the Korean peninsula, with the U.S. supporting South Korea and the PRC backing North Korea. In addition, the growing role of Japan in Northeast Asian security, the rising national power of India in South Asia, and the pending changes of leadership in the PRC, ROC, and other countries in the region suggest that U.S. assessments of China may have to be reexamined.

POLITICAL REFORM IN THE PRC AND ROC

One development with major potential impact on U.S. China policy is the movement for political reform underway in the PRC and ROC. Last December and January thousands of students in major cities throughout the mainland, including Shanghai and Beijing, demonstrated in favor of faster PRC economic and political reform. A few even called for Western-style democracy. The Chinese Communist Party (CCP) apparently perceived the demonstrations as a threat to its rule and thus clamped down forcefully on the demonstrators. The party then launched a major campaign against "bourgeois liberalism" and "total Westernization." In the wake of the turmoil, Communist Party General Secretary Hu Yaobang was forced to resign, while several leading political and economic reformers were expelled from the Party or from their important posts.

Perhaps most significant, the PRC's official media fell into the hands of more orthodox Marxists. As a result, the Chinese press once again attacks the evils of Western culture, praises Maoist virtues such as austerity, and offers elaborate rationales for the "four

3. Der Spiegel, December 26, 1983, in FBIS-China, December 29, 1983, pp. A7-A8.

cardinal principles" as essential to "carrying out reforms and the open door policy."⁴ These principles are: 1) the leadership of the Communist Party; 2) adherence to Marxism-Leninism and Mao Zedong's thought; 3) adherence to the people's democratic dictatorship; and 4) adherence to socialism.

Though Deng Xiaoping and other top leaders insist that China's economic reforms and open door to the West will continue, the campaign against "bourgeois liberalism" may alter significantly the nature of the PRC's economic modernization and liberalization begun in 1978. While the reforms yielded high economic dividends, they also diminished Communist Party control over the lives of the Chinese people.

If the political costs of introducing the Western economic model are seen as too great, then the alternative chosen may be an attempt to design a more "efficient" socialist system. This will benefit those PRC leaders who have been arguing for more central planning, closer ties with Soviet bloc countries, and stricter controls on access to and interaction with the West. This in turn would force Washington to reexamine its expectations from Sino-American relations.

Equally far reaching political developments have been occurring on Taiwan. This was triggered in December 1985 when ROC President Chiang Ching-kuo declared that neither his family nor the military would play a role in the future political direction of Taiwan. In April 1986 the ruling Kuomintang (KMT) party created a high-level commission headed by former President Yen Chia-kan to look into lifting the ban on new political parties. Not waiting for official sanction, the opposition announced in September the formation of the Democratic Progress Party (DPP) to challenge the KMT in the December 6 legislative elections. Although the DPP was not formally recognized, the government allowed its candidates to run in the election. They won 21 percent of the votes and 23 seats in the National Assembly and Legislative Yuan. The KMT won 70 percent of the vote and 127 seats. Within the next few months, the Legislative Yuan is expected to pass a National Security Law and formally end martial law.

The movement toward democracy on Taiwan should be applauded by the U.S. The problem is that the DPP calls for the "self-determination" of the 19 million people on Taiwan. DPP leaders privately admit that their aim is a Taiwan independent of the mainland. This would conflict with the adamant insistence by both Beijing and Taipei that there is but one China and that Taiwan is part of China. By accepting this position, Washington has maintained friendly relations with Beijing and Taipei. This has given PRC leaders

4. Beijing Review, January 26, 1987, p. 6.

the flexibility to set aside the Taiwan issue to normalize relations with the U.S.

The DPP call for Taiwan's "self-determination" poses a major potential challenge to U.S. China policy. Beijing frequently has warned that it would use force against Taiwan to block a move toward independence. Under the Taiwan Relations Act, the U.S. correctly would feel compelled to prevent such use of force. PRC officials, meanwhile, privately have reminded Americans that Moscow always has supported Beijing on the Taiwan issue--an implicit warning that U.S. support for Taiwan's independence might lead to a realignment of PRC foreign policy.

Expressing concern that the Taiwan independence movement will increase, PRC officials are urging the U.S. to convince Taipei to establish trade, mail, and other links with the mainland to ensure that peaceful reunification will eventually occur. The Reagan Administration wisely is balking because such U.S. involvement in China's reunification would 1) undermine the confidence of the people of Taiwan in their future well-being and tend to promote radical political solutions; 2) undermine U.S. credibility around the world in its determination to defend non-communist governments; and 3) cause a major political uproar in the U.S. American liberals would charge the U.S. with interfering with the right of self-determination of 19 million people separate from China since 1895, while American conservatives would charge that Washington was taking steps to push the ROC into the hands of the communists.

EFFECTS OF A WEAKENED PRESIDENCY

One of the most notable achievements of the Reagan Administration has been to restore Asian confidence in the U.S. as a reliable and strong partner. If Washington once again appears to be weak, divided, or indecisive--as it was during much of the Nixon, Ford, and Carter Administrations--then Beijing and other Asian nations could reassess the Asian strategic environment. Beijing, for example, could conclude that, in an era of uncertain U.S. involvement in the region, China's immediate interests could be served best by greater rapprochement with the Soviet Union.

The PRC also could decide that the time would be right to step up pressure on the U.S. regarding Taiwan. Beijing knows that within the U.S. there are those who favor cooperative PRC-American relations over U.S. support for the ROC. As the Soviet military and political challenge to the U.S. in East Asia increases, and if Sino-Soviet political and economic relations improve, arguments could mount in the U.S. for Washington to make concessions over Taiwan to prevent the PRC from moving too close to Moscow and thus unravel a keystone of the U.S. strategic posture in Asia.

Historically, however, the PRC has adjusted its relationships with the superpowers on assessments of the current correlation of forces in the region, not on U.S. policy toward Taiwan.

CONCLUSION

By and large, the normalized relations between the United States and the People's Republic of China begun 15 years ago this week have served the interests of both countries. Most important, they have not damaged U.S. ties with the ROC, even though the manner in which the Carter Administration broke ties with Taipei in 1979 was shabby and perhaps illegal. Without question, the U.S. goal in its China policy should be to continue the U.S.-PRC-ROC triangular relationship.

To do so will require some innovative policy. There is little, of course, that the U.S. can do to limit Soviet military expansion in Asia or to modify Gorbachev's diplomatic offensive in the region, or to direct the course of Sino-Soviet relations. Nor can the U.S. control political movements underway on the mainland and on Taiwan. But Washington can and should attempt to influence these developments. In the case of the Soviet military buildup, the U.S. needs to maintain and modernize its own military forces in the region. Washington also should be encouraging increased regional military cooperation between free Pacific rim nations. Perhaps most important, the Reagan Administration, with the clear backing of Congress, must take steps to assure Asian nations that the U.S. commitment to the region remains firm and dependable. These steps include high-level visits from Washington to carry the message that U.S. interests in the region far outweigh domestic political squabbles and, further, that the U.S. is determined to retain its leadership role in the Asia-Pacific region.

A strong U.S. presence in Asia is the best way to limit the expansion of Soviet political influence. This may slow Beijing's drift toward the Soviet bloc and improve the chances for market reforms to take hold inside the PRC.

Political developments in the PRC and ROC pose a complex problem for the U.S. On the one hand, the U.S. must encourage democratic movements throughout the world, including those in both parts of China. On the other hand, direct U.S. support for reformers on the mainland likely would lead to their arrest, while support for Taiwan's self-determination might lead to political instability on the island and tension in the Taiwan Strait.

The Taiwan issue, meanwhile, which has been largely ignored since the signing of the August 17 Communique in 1982, shows signs of reemerging with new intensity. During his trip to the PRC next week,

Shultz no doubt will hear renewed appeals for the U.S. to help convince Taipei to establish links with the mainland. He should respond by pointing out that U.S. policy on this issue remains unchanged. Explained Assistant Secretary of State Gaston Sigur last December in San Francisco:

Some have urged the U.S. Government to become involved in efforts to promote peaceful resolution of the differences between Beijing and Taipei. However, there is a real danger that American involvement would be counterproductive. For at least two decades, we have viewed this issue as an internal matter for the PRC and Taiwan to resolve themselves. We will not serve as an intermediary or pressure Taiwan on the matter. We leave it up to both sides to settle their differences; our predominant interest is that the settlement be a peaceful one.

Shultz should point out to the Chinese that the recent campaign against "bourgeois liberalism" may have set back the cause of reunification. The best prospects for peaceful reunification, he should explain, remain the success of the PRC's economic reforms and the marked improvement of the lifestyle of its people. In achieving these objectives, the U.S. is willing to help.

Despite the challenges to its current China policy, the U.S. can best ensure the continuation of the status quo by executing faithfully the three U.S.-PRC joint communiques and the Taiwan Relations Act. The problem faced by the U.S. today is not with the policy itself, but rather the degree of commitment to that policy in a time of increased pressure abroad and a troubling political environment at home.

This is an issue on which the Congress and Administration must cooperate in the larger national interests. The Congress, for its part, should signal that it continues to support the current China policy by holding a series of in-depth hearings to examine the wide-ranging U.S. interests involved in relations with both Beijing and Taipei.

The Administration bears the responsibility of ensuring that its foreign policy does not appear rudderless. It is vital that Secretary Shultz go to Beijing with the full confidence that he speaks for the President, the Congress, and the American people when he tells the Chinese that they can depend on a strong U.S. presence in Asia and continuity in its China policy.

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5. Gaston J. Sigur, Jr., "China Policy Today: Consensus, Consistence, Stability," U.S. Department of State Current Policy No. 901, p. 4.