ACROSS THE TAIWAN STRAIT: 
EXCHANGES, CONFLICTS, AND NEGOTIATIONS
(ISBN: 0-9648979-5-4)
Edited by Winston L. Yang and Deborah A. Brown

In the 1990s, the world has witnessed expanding trade and exchanges between Taiwan and China; however, there have been growing tensions on the diplomatic and military fronts. Because of the prospects for cooperative prosperity, but also for military havoc, it was fitting to organize a scholarly conference to examine the cooperation, exchanges, discord, and negotiations between the mainland and Taiwan.

St. John's University, therefore, held its Sixteenth International Conference on Asian Affairs to foster discussions of the major problems, hopes, and fears in cross Strait relations. Prominent Western and Asian American scholars were invited to deliver papers on major issues Between Taiwan and China.

The conference papers, revised by their respective authors after delivery, are collected in this book. They examine important developments in Taiwan's relations with mainland China, as the ROC and PRC Governments prepare to address the unresolved social, economic, and political challenges between them that now carry forward into a new century.

Designed to enhance our understanding of the growing yet increasingly difficult relationship between the two sides of the Taiwan Strait during the 1990s, these papers make significant contributions to the study of a major area of international concern and will prove a valuable reference source in the future.

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BILL CLINTON'S "THREE NOES" AND TAIWAN'S FUTURE
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Diplomatic historians and political scientists have warned that when great powers make war or love, the smaller countries nearby feel the tremors.¹ As they look back, President Bill Clinton's 1998 summit visit to China marked the emergence of a new world order: With the end of the Cold War, China is poised to become a potential superpower, and its future evolution will have great implications for the U.S. "For better or worse, the U.S.-Chinese relationship seems destined to be one of the principal pivots in international relations well into the 21st century," as Walter Russell Mead asserts.² That much is clear, but what is not clear is how to deal with this rising power.

1. Summit in Context: Is Engagement Actually a Realist Strategy?

Historically, coping with a rising great power has seldom been easy, and conflicts have often occurred during periods of "power transitions."³ And unfortunately students of world politics have not come nearer a consensus on this perennial issue. Their differences reflect more fundamental disagreements about the basic forces in international relations.

The current debate on how to deal with a rising China (or what David Shambaugh calls "The Great China Debate") epitomizes this quandary.⁴

From one perspective [realism], China's ascent is the latest example of the tendency for rising powers to alter the global balance of power in potentially dangerous ways, especially as their growing influence makes them more ambitious. From another perspective [liberalism], the key to China's future conduct is whether its behavior will be modified by its integration into world markets and by the (inevitable?) spread of democratic principles. From yet another viewpoint [constructivism], relations between China and the rest of the world will be shaped by issues of culture and identity: Will China see itself (and be seen by others) as a normal member of the world community or a singular society that deserves special treatment?⁵

¹ An Indian saying has a slightly different twist: "When two elephants make wars or love, the grass gets hurt. But when one elephant falls down, it still lands on the grass." This saying had been used to describe the superpower relationships during the Cold War: the two elephants were the two


Evidently, the Clinton Administration embraced liberalism, seeking a "comprehensive engagement" with China and rejecting either containment or isolation. Attempts to isolate or contain such an important (but often difficult) country are admittedly neither desirable nor feasible. However, critics contend that Clinton's China policy seem to mistakenly treat "engagement" as a policy, rather than a strategy (for carrying out a yet-to-be defined policy); an end in itself, rather than a means. They also argue that the Clinton Administration has failed to attach consequences to its engagement policy i.e., reward cooperative behavior and punish uncooperative behavior. One perceptive writer thus calls for "destructive engagement":

American policy toward China must honor and balance mix . . . strategy; morality, and economy . . . [S]trategic . . . and moral considerations must override economic considerations. As a consequence of China's determined pursuit of military hegemony in Asia, and its mischievous diffusion of missile technology and its systematic violation of human rights, the United States, in the name of its values and interests, must engage China adversatially (emphasis added).6

Clinton's approach to China seems fundamentally incompatible with his overall foreign policy orientation, which anchors on "democratic enlargement."7 Some scholars thus argue that the Administration continues to deal with Beijing following the realpolitik pattern established in the 1970s, without a companion policy of effectively promoting democratization in China.8

Political scientist Arthur Waldron explains Beijing's behavior and its challenge to the U.S.:

As long as the Soviet Union existed, its menace was enough to keep Peking from doing anything that would endanger the relationship with the United States. But once the threat disappeared, no consensus governed any aspect of mainland Chinese security behavior . . . . The result was the reemergence of all the border and other disputes that Peking had put in deep freeze while

the Russian bear still prowled - involving Japan, Taiwan, the South China Sea, and India.9

The stakes are high for the United States, as it has vital interests in the Asia-Pacific region. It is thus understandable that Clinton sought to incorporate China into the international community as a responsible great power. However, his eager courting of Beijing also caused unintended consequences: confusion and anxiety among those Asian countries that had delicate relationships with Beijing.10

The geopolitical ramifications of Clinton's trip prompted commentators to compare it with Nixon's 1972 trip to China, which he called "the trip that changed the world."11 Some analysts argue that Clinton's trip took place under conditions mostly dictated by Beijing.12 Undoubtedly summits are important political events between major powers, especially for a rising power such as China, which eagerly seeks respect and recognition. The summit did achieve notable results. However, the goodwill generated by the summit, in particular the live TV broadcast of the post-summit joint news conference showing Clinton debating with his host, Jiang Zemin, seems to have dissipated as a result of China's recent crackdown of democracy movement and U.S.'s plan for a missile defense system.13

Meanwhile, the geopolitical reverberations from the summit kept unfolding. Some analysts say that Clinton's policy of treating China as a "strategic partner" risked upsetting the delicate balance of power in the Asia Pacific, alienating America's democratic allies in the region,14 and aggravating the security quandary in South Asia.15

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9 Waldron, "Framers."
12 William Safire, President Nixon's speechwriter, criticized President Clinton for agreeing to "eight yeses" as the price for his China trip: (1) Yes to the purification of Tiananmen Square; (2) Yes to China's insistence on exclusivity in the presidential itinerary; (3) Yes to giving China a veto over the American President's visiting party; (4) Yes to China's pretense of being an "emerging" country that deserves special treatment in entering the World Trade Organization; (5) Yes to China's harsh treatment of dissidents; (6) Yes to Jiang's need for superpower support of his new cult of personality; (7) Yes to China's decision to delay joining the Missile Technology Control Regime; and (8) Yes to the "strategic partnership" desired by the Chinese leadership. "The Eight Yeses," The New York Time, op-ed (9 July 1998): A27. See also Robert Kagan and William Kristol, "Stop Playing by China's Rules," The New York Time, op-ed (22 June 1998): A19.
14 William Pfaff argued, "Mr. Clinton suddenly - implicitly, but unmistakably - declared China the United State's principal ally in Asia, at the
Only history can judge whether this "strategic partnership" will portend peace or war in Asia. But an increasingly powerful China that is assertive on issues that it considers crucial to its sovereignty and territorial integrity will clearly test America's resolve, tactic, and capability. Of central importance is the delicate balancing act on Taiwan:

China is not in warlike mood, but it is . . . determined to establish its sovereignty over Taiwan, whatever the wishes of the Taiwanese. China's rising nationalism will have an effect of raising the military cost to America of defending the island in any future crisis. This makes America's balancing act all the more vital but difficult to achieve: neither leaning too far towards Taiwan, and so provoking China's outright hostility or Taiwan's adventurism, nor tilting so far towards China that its leaders think they have a license to grab Taiwan.16

It is in this context one should understand Bill Clinton's now (in-)famous "three noes" remarks. This paper examines the background and effects of Clinton's "three noes" statement, and discusses its implications for U.S.-China-Taiwan relations.

2. The Three Noes: Plus c'est la mine chose, plus ca change? Or "Much Ado About Nothing"?

By responding to a question from a Chinese professor added in at the last minute with a few seemingly innocuous remarks at a "low-key" but clearly choreographed meeting with Shanghai intellectuals on 30 June 1998, Clinton became the first U.S. President to publicly state the so-called "three noes." He said,

I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or "two China" or "one China, one Taiwan." And we don't believe that Taiwan should be a member of any organization for which statehood is a requirement.17

Is this an old policy, or a new policy? Clinton's advisers and some analysts argued that the "three noes" remarks were merely to "reaffirm a longstanding policy."18 If this were true, it is hard to understand the subsequent political firestorm that these "harmless words" seemed to generate in the U.S. and Taiwan. The criticisms came from all sides of the ideological spectrum and appeared non-partisan. The Washington Post depicted Clinton's "three noes" statement this way:

In classic Clinton fashion, the White House tries to have things both ways, denying that U.S. policy has changed when in fact it has, and not for the better .... Mr. Clinton has sided with the dictators against democrats. To pretend this is no change only heightens the offense.19

The Wall Street Journal also faulted Clinton's choreographed "three noes" statement:

His kowtowing to China's "three noes" over Taiwan is likely to set off a cycle of reactions and counter-reactions that ultimately will damage rather than improve Sino-American relations . . . . That is to say, it was something the administration was rather ashamed of, despite the claim that it was no change in previous policy .... Anyone who reads English can see that this is miles beyond the careful language Richard Nixon and Henry Kissinger crafted in 1972.20

In addition to reactions from media and public opinions, Congress also quickly took actions, passing several resolutions to "reaffirm U.S. commitment to Taiwan" and "repair the damage that has been done" by President Clinton's comments in China, as Senate Majority Leader Trent Lott

15 Michael Yahuda, a British expert on Chinese foreign policy, points out two flaws in the new partnership: "First, it rests on an exaggeration of what was accomplished so as to excite expectations that cannot be realized. Disappointment . . . cannot be far away. Second, by placing engagement with China at the center of his strategic approach to Asia, Mr. Clinton has antagonized India without offering it a way into the Nuclear Nonproliferation Treaty except on Chinese terms that New Delhi can only find demeaning and threatening to its strategic interests." "Unrealistic Premises Will Sink this 'Beijing-Washington Axis,'" International Herald Tribune (4 July 1998): 6.
18 Mike McCurry, the White House spokesman, tried to downplay the importance of Clinton's statements. "The president himself had indicated prior to coming here that he would reaffirm longstanding U.S. policy, and he did so," Broiler, "Clinton Says," and Steve Chapman, "Fantasy vs. Reality on Taiwan," The Chicago Tribune, commentary (9 July 1998): 27.
(R-Miss.) put it. The nearly unanimous votes on these resolutions indicated that congressional support for Taiwan appeared bipartisan.

On July 10, barely days after Clinton returned from China, the Senate unanimously passed Sen. Con. Res. 107. This resolution affirms Congress' "long-standing commitment to Taiwan and the people of Taiwan in accordance with the Taiwan Relations Act," including "to make available such defense articles and defense services in such quantities as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Ten days later, the House of Representatives passed a similarly worded H. Con. Res. 301. Further, it affirms Congress' "expectation . . . that the future status of Taiwan will be determined by peaceful means, and that the people of both sides of the Taiwan Strait should determine their own future" and Congress' "strong support . . . of appropriate membership for Taiwan in international financial institutions and other international organizations."

Both resolutions also urged the President to seek a public renunciation by the People's Republic of China of any use of force, or threat of use of force, against "democratic Taiwan" (Senate version) or "the free people of Taiwan" (House version). This was a reiteration of congressional disapproval against China's using force against Taiwan. Before Clinton went to China, the House on June 9 unanimously passed H. Con. Res. 270. It urged him to "seek, at the June summit meeting this year in Beijing, a public renunciation by the People's Republic of China of any use of force, or threat to use force, against democratic Taiwan."

In Taiwan, Clinton's "three noes" remarks evoked a sense of betrayal, exasperation, and defiance - like a "second derecognition." A Foreign Ministry spokesman said, "the United States and mainland China are neither entitled nor in a position to negotiate issues concerning the Republic of China on Taiwan." "We also hope the United States will discuss with the ROC, not mainland China, any issues related to Taiwan or relations between our two countries." Foreign Minister Jason Hu criticized Clinton's decision to become the first American president to announce that the U.S. would not support Taiwan independence as "unnecessary." "We wish he did not have to say such a thing," he said. "We don't think it was necessary. It has no relevance to us."

To assuage concerns in Taiwan, Washington dispatched an envoy, Richard Bush, Managing Director of the American Institute in Taiwan (AIT) - the de facto U.S. embassy since 1979 - to Taipei. Bush reassured the Taiwanese government and people that U.S. policy toward Taiwan remained unchanged and that the U.S. would continue arms sales to Taiwan.

So has Taiwan overreacted? Or has the Clinton Administration understated? What has changed, and what has remained, in U.S. policy toward Taiwan? To answer these questions, one must study the evolution of U.S. policy toward Taiwan. A careful analysis of the key documents that have defined U.S.-Taiwan relations over the years - namely, the three joint communiqués between the U.S. and the PRC and the Taiwan Relations Act (TRA) - can clarify the confusion.

I choose to focus on such formal documents, instead of oral statements (or informal agreements) such as the "three noes" remarks. This is because informal agreements are chosen, as Charles Lipson points out, "to avoid formal and visible national pledges, to avoid the political obstacles of ratification, to reach agreements quickly and quietly, and to provide flexibility for subsequent modification or even renunciation." This is probably why Clinton selected a particular format - verbal answers to a question, rather than signing any formal document, such as a fourth communiqué, as Beijing originally had hoped. On the contrary, formal documents provide concrete yardsticks for evaluating compliance, thus limiting the signatories' freedom of actions by creating disincentives for violations.

The next section analyzes the evolution of U.S. policy toward Taiwan through a comparative interpretation of these formal documents' language on several key questions: "How many Chinas are there?", "Is Taiwan a part of China?", "Who are Taiwanese?" This comparison also takes into account the changing views of the U.S. executive and legislative branches and public opinions, as well as governments and peoples in Taiwan and the mainland.

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21 Senate Adopts Pro-Taiwan Resolution,” The White House Bulletin (10 July 1998), from LEXIS-NEXIS.
22 For the text of Sen. Con. Res. 107, see http://www.taiwaninformation.org/policy/uscong/conres107-070898.html
23 For the text of H. Con. Res. 301, see http://www.taiwaninformation.org/policy/uscong/301house0712798.html.
3. Evolution of U.S. Policy Toward Taiwan: Reviewing the Formative Documents

Methodological Remarks

To analyze the changing U.S.-Taiwan relations, including the "three noes," this paper develops a simple formal model. Table 1 summarizes the views of the three players regarding the status of Taiwan and its relationship with the mainland from 1949 (when the Communist government was established on the mainland and the Nationalist government moved to Taiwan) to 1972 (when Nixon visited the mainland and signed the Shanghai Communiqué). The focus for this period is on the three governments (in the U.S. case, the executive branch). Unlike in recent years when debates about Taiwan's identity and Taiwan's relationship with China can be freely and openly held, the authoritarian government of the Kuomintang (KMT) under Chiang Kai-shek during this phase vowed to return to China and banned any expression of Taiwan independence. Hence, neither public opinions that differ from the government's official lines nor the oppositions' viewpoints are included for this period, but will be included for later ones.

On the PRC side, since there has never been effective opposition parties and any viewpoints on China-Taiwan relations that differ from the Chinese Communist Party's (CCP) official line have never been tolerated, I will not include them for any period.

Because one of the purposes of this paper is to assess whether the U.S. policy toward Taiwan has changed over the years (i.e., whether it has moved away from Taipei and toward Beijing), I will use a simple heuristic device - a scoring model - to measure the direction and extent of change. There are several operational assumptions about this model.

Table 1. Model 1 - The Cold War Paradigm

<table>
<thead>
<tr>
<th>views on various issues</th>
<th>U.S. government/ executive</th>
<th>Taiwan government/ ruling party</th>
<th>PRC government/ ruling party</th>
<th>T</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many Chinas?</td>
<td>One</td>
<td>One</td>
<td>One</td>
<td>10</td>
<td>-10</td>
</tr>
<tr>
<td>s Taiwan a part of China?</td>
<td>Ambiguous (Truman: &quot;Taiwan's future status to be decided&quot;)</td>
<td>Yes</td>
<td>Yes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Where is China's capital?</td>
<td>Taipei</td>
<td>Taipei</td>
<td>Peking</td>
<td>10</td>
<td>-10</td>
</tr>
<tr>
<td>View of the governing authority on Taiwan</td>
<td>Recognizes it as the legal government of all China</td>
<td>The legal government of all China</td>
<td>Rebel group (&quot;The Chiang clique&quot;); ROC has ceased to exist</td>
<td>10</td>
<td>-10</td>
</tr>
<tr>
<td>View of the governing authority on the mainland</td>
<td>Does not recognize it</td>
<td>Rebel group (&quot;Communist bandits&quot;)</td>
<td>The legal government of all China</td>
<td>8</td>
<td>-8</td>
</tr>
<tr>
<td>what are Taiwanese ethnically speaking?</td>
<td>They are ethnic Chinese</td>
<td>They are ethnic Chinese</td>
<td>They are ethnic Chinese</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nature &amp; solution to the Taiwan question</td>
<td>Taiwan's undecided legal status (to be peacefully resolved?)</td>
<td>Internal affairs: military recovery (&quot;glorious recovery of the mainland&quot;)</td>
<td>Internal affairs: military conquest (&quot;bloody liberation of Taiwan&quot;)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>U.S. arms sales</td>
<td>Yes (mutual defense treaty)</td>
<td>No (adversary)</td>
<td>-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total score</td>
<td>T, = 48</td>
<td>C, = -48</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

First, I admit that the U.S. could and did have its own positions regarding those issues contested between China and Taiwan (e.g., sovereignty, recognition, territorial integrity, and arms sales) that did not correspond with either Taipei's or Beijing's. But since Beijing and Taipei had insisted upon their (exclusive) legitimacy (and Beijing still does), I will simply measure "U.S. policy" in terms of its distance from either Beijing's or Taipei's positions.

Second, for most of the time under my analysis, Taipei's positions and Beijing's were virtually the mirror image of each other. These two characteristics together helped define China-Taiwan relations as akin to a zero sum game. Since

29 In game-theoretical language, "A noncooperative game is zero sum, if the playoffs across all players sum to zero for every strategy n-tuple." Peter C. Ordeshook, Game Theory and Political Theory: An Introduction (New York: Cambridge University Press, 1995), p. 25.
both vied for U.S. recognition and support, one's gain could not be obtained without the other's loss - this is a hallmark of zero-sum games. Third, this model incorporates the strategic interactions between Beijing and Taipei.

For the sake of simplicity, this model employs a scale of 0 to 10. A party will get a score of 10 for an item (issue), if it can get the U.S. to agree with its position on that item completely. By definition, the other party will receive -10 for this item. If the U.S.'s position is neutral or non-committal on an item, a score of 0 is assigned. Scores between 10 and 0 indicate the declining convergence between the U.S. position and the party's position. Scores between minus 10 and 0 indicate the declining divergence between the U.S. position and the party's position. If we designate T as Taiwan's score (called payoff) -essentially how closely the U.S. position on a given issue is similar to Taiwan's - and C for China's payoff, then for each row (a given issue), the sum of T and C must equal zero (T + C = 0).

Finally, a composite score is obtained by performing a simple addition of all the scores from each row (issue). For example, TI and CI indicate the level of U.S. support for Taiwan and China, respectively, during Period 1. The higher this composite score, the more U.S. support - for a given period.

We further assume that the payoffs for each period are "normalized" - that is to say that 10 means "total agreement" in each period, thus allowing inter-temporal comparisons. This way by tracking the increase or decrease of either party's (Taiwan's or China) composite scores over different periods, we can trace the direction of change in U.S. policy and its magnitude. For example, if T2 < TI, it means that U.S. support for Taiwan declined from Period 1 to Period 2.

One caveat is necessary. Assigning these payoffs inevitably involves subjective evaluations. But this model is developed to facilitate our analysis of a complex foreign policy problem. If it sheds more light than impressionistic or journalistic statements or personal opinions, then it has some theoretical value. Rather than saying that U.S. policy has changed, and not for the better, it is more interesting to demonstrate to what direction has it changed, and by how much. As long as the assumptions are plausible and the deductive process is sound, the model can be accepted as a proper analytic tool.

With this model, I will now reconceptualize the evolution of U.S. policy toward Taiwan and China. I begin with the period before the signing of the Shanghai Communiqué.

The Cold War Era (1949-72)

To simplify history in a somewhat stylized fashion, the U.S. was "forced" to adhere to a "one China" policy from day one, because both Mao Tse-tung and Chiang Kai-shek maintained that there was only one China and that his government was the sole legal government of China (i.e., the mirror image). Bitter from the experience of "loss of China" in the late 1940s and the direct military conflicts against the newly established Chinese communist regime during the Korean War in the early 1950s, the U.S. decided to isolate Beijing and support Chiang Kai-shek's positions on various issues, by denying Beijing international legitimacy.

We can assign 10 to Taipei on each of the following issues: "How many Chinas?", "Where is China's capital?", and "view of the government in Taipei." The U.S. officially recognized only one China - the ROC, and recognized the government in Taipei as the legal government of all China but refused to recognize Beijing. Even though the U.S. did not recognize the PRC, the two nevertheless held ambassadorial-level talks in Geneva and Warsaw. This channel of contact warrants a score of -8, rather than -10, for the PRC. Also, the U.S. stationed troops, provided military assistance, and sold weapons to Taiwan under the 1954 mutual defense treaty. Meanwhile, the U.S. treated the PRC as a military adversary, to which the U.S. did not sell arms. 10 for T and -10 for C.

Perhaps the most interesting issue was U.S. position on whether Taiwan was a part of China. After North Koreans invaded South Korea in June 1950, President Harry Truman ordered the Seventh Fleet to prevent the Communist attack on Taiwan. But he also declared, "The determination of the future status of Formosa (Taiwan) must await the restoration of the security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."31

30 Some argue that Taiwan can only blame itself for its current diplomatic isolation (due to its insistence that there was only one China, of which Taiwan was a part). However, as John W. Garver points out, during the Cold War, the U.S. used Taiwan's official position to pursue the U.S.'s own strategy of isolating China, and Taiwan provided useful contributions to the U.S. See The SinoAmerican Alliance: Nationalist China and American Cold War Strategy in Asia (Armonk, NY: M.E. Sharpe, 1997). Hence, the U.S. bears an equal, if not larger, share of responsibility for Taiwan's current diplomatic limbo. The U.S. created one myth during the Cold War (one China that included Taiwan, with capital in Taipei), and created another myth after 1972 (one China that included Taiwan, with capital in Beijing). Further, Taipei in recent years no longer claimed that there was one China and that it was the legal government of all China, but Beijing still did not loosen its diplomatic stranglehold on Taipei. This proves that Taipei's diplomatic isolation had less to do with Taiwan's own "stubbornness" on certain positions than to do with great powers' changing needs (and Beijing's stubbornness).

The United Nations (U.N.) never did consider the question of Taiwan's legal status. The 1951 Japanese Peace Treaty merely renounced Japanese "right, title, and claim" to Taiwan, a Japanese colony from 1895 to 1945, but did not specify to whom the title was transferred. Nor did the 1952 ROC-Japan Peace Treaty explicitly provided for the return of Taiwan to China.\(^{32}\)

So a peculiar legal "reality" existed: That is, even though the U.S. at that time recognized Taipei as the legal government of China, it was silent on the issue of whether Taiwan was a part of China. As a veteran diplomat put it, "The last time the US made a statement about Taiwan's status was the Truman Administration, and that was that Taiwan's future status was undecided"\(^{33}\) - that is, arguably until Clinton's "three noes" statement. Because Truman's position on Taiwan was a neutral one, I assign a 0 to T, and hence 0 to C.

Adding up these payoffs, we obtain a composite score of 48 for the ROC and -48 for the PRC, indicating strong U.S. support for the ROC.

*The Shanghai Communiqué (1972-78)*

Motivated mainly by a strategy to court the PRC as an anti-Soviet counterweight by exploiting the split between Beijing and Moscow, President Nixon visited China in 1972 and signed the historic Shanghai Communiqué. His trip caused a major realignment in Cold War geopolitics.

The carefully drafted communiqué provided a framework for U.S. China policy (toward the PRC and Taiwan) for the next quarter century. So durable was this framework that it attained a status of a policy paradigm, resisting change.\(^{34}\) In hindsight, it helped pave way for the eventual normalization of relations between Washington and Beijing by allowing them to "agree to disagree." But it also presaged the steady erosion of U.S. support of Taiwan and the increasing U.S. acceptance of Beijing's position.

The viewpoints of the three parties established by the Shanghai Communiqué are summarized in Table 2, which I shall call it a paradigm in the Kuhnian sense.

The most important sentence of the communiqué is the famous brilliant "diplomatic lie":

\[\text{The U.S. acknowledges that all Chinese on either side of the Taiwan Strait maintains there is but one China, and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves (emphases added).}\]

### Table 2. Model 2 - The Shanghai Communiqué Paradigm

<table>
<thead>
<tr>
<th>Yews on various issues</th>
<th>US. government/ executive</th>
<th>Taiwan government/ ruling party</th>
<th>PRC government/ ruling party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>KMT (dominant-party system)</td>
<td>CCP (one-party dictatorship)</td>
</tr>
<tr>
<td>How many Chinas?</td>
<td>Ambiguous</td>
<td>One</td>
<td>0</td>
</tr>
<tr>
<td>Is Taiwan a part of China?</td>
<td>Ambiguous (see above)</td>
<td>Yes</td>
<td>0 &quot;(a province . . . )&quot; 0</td>
</tr>
<tr>
<td>where is China's capital?</td>
<td>Technically still in Taipei, but on the way to Peking</td>
<td>Taipei</td>
<td>2 Peking  -2</td>
</tr>
<tr>
<td>View of the governing authority on Taiwan</td>
<td>On the process of derecognition</td>
<td>The legal government of all China</td>
<td>-8 Renegade 8</td>
</tr>
<tr>
<td>View of the governing authority on the mainland</td>
<td>On the process of recognition/ normalization</td>
<td>Rebel group (&quot;Communist bandits&quot;)</td>
<td>-2 The sole legal government of all China</td>
</tr>
<tr>
<td>What are Taiwanese ethnically speaking?</td>
<td>They are Chinese on either side of the . . .</td>
<td>They are Chinese</td>
<td>0 They are Chinese 0</td>
</tr>
</tbody>
</table>

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\(^{32}\) These documents are reproduced in Hungdah Chiu, ed., *China and the Question of Taiwan Documents and Analysis* (New York: Praeger, 1973).

\(^{33}\) Harvey Feldman, personal interview, Washington, DC, 9 July 1997.


Nature & solution to the Taiwan question

<table>
<thead>
<tr>
<th>Nature &amp; solution to the Taiwan question</th>
<th>Internal affairs: from military reunification to political reunification</th>
<th>China’s internal affair - no other country can interfere</th>
<th>Still military approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Chinese matter (“peaceful settlement by themselves”)</td>
<td>-5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>with implications for Asia and Us</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

J.S. arms sales

<table>
<thead>
<tr>
<th>J.S. arms sales</th>
<th>Tapering off</th>
<th>2</th>
<th>No</th>
<th>-2</th>
</tr>
</thead>
</table>

Total score

| Tz = | -11 |
| C = | 11 |

The key word is *acknowledge*, which in diplomatic parlance means "take cognizance of" or "do not challenge but do not necessarily accept or endorse, either." It arguably allowed the U.S. and the PRC to normalize their relations, retained U.S. interests in a peaceful settlement of Taiwan’s status, and preserved Taiwan people’s right to self-determination.

Harvey Feldman argues that

The U.S. position was an easy call for President Nixon and Henry Kissinger to make in 1972, because this position was also that of the Chinese Nationalist government of Chiang Kai-shek, who dreamed of using the island as a base for recapturing the Chinese mainland. Of course, it was not the position of the ethnic Taiwanese, who made up about 90 percent of the island’s population and were living there before Chiang and his nationalist troops arrived .... But their view did not matter because Taiwan was then an authoritarian state.36

But what exactly is the meaning of "China"? Scholar John Copper argues that "the United States up to now had defined China as a historical or cultural concept. Thus America’s one-China policy did not refer to a Chinese State or government and therefore did not deny the legitimacy of the Republic of China on Taiwan."37

Continuing his line on "Taiwan’s undecided status," Feldman argues that "although we acknowledged that Beijing says that Taiwan is a part of China, we made and continue to make absolutely no formal statement of our own about Taiwan’s status."38

Because the U.S. positions on the number of (political) Chinas and whether Taiwan is part of China, as defined in the Shanghai Communiqué, were ambiguous, I assign a payoff of (0, 0) on the first question (the first number is T’s payoff, the second, C’s) and also a (0, 0) on the second question. The first two tables show an erosion of Taipei’s position, and hence an improvement of Beijing’s position.

Even though the U.S. still had diplomatic relationship with Taipei, it was preparing for the transfer of diplomatic recognition to Beijing. In fact, the U.S. started a "liaison office" in Beijing in 1974, with George Bush as the first envoy. This must also be seen as erosion of Taipei’s legitimacy. I assign an -8 to Taiwan for the rapidly disappearing diplomatic relationship, a -2 to Taiwan for the remaining days of U.S. keeping an embassy in Taipei, and a 2 to the PRC for its all-but-name diplomatic status accorded by the U.S.

U.S. arms sales to Taiwan, though still on-going, were tapering off. Indeed, one of the "three conditions" China demanded in return for normalization with the U.S. was withdrawal of American troops from Taiwan.

Finally, although the U.S. asserted an interest in the peaceful settlement of Taiwan’s status, it also basically ceded that the solution was mainly a Chinese matter. Although it stopped short of the Chinese position, which did not preclude force, it made no attempt to ensure that political negotiations between Taipei and Beijing would be more or less equitable. And because American policy caused Taiwan to negotiate a political settlement with Beijing from a very disadvantaged position, this must be seen as an erosion of U.S. commitment to Taiwan. I assign -5 to Taiwan, and 5 to China.

Conceptually, one can argue that the closer the two’s composite scores, the more likely the "peaceful settlement" will be more equitable. In fact, one can even argue that given the enormous size disparity between the two sides, a score for Taiwan that is slightly higher than China’s (i.e., empowering Taiwan) entails a better chance for achieving an equitable peaceful solution, rather than "peaceful surrender" by Taiwan or "peaceful annexation" by China.

Not surprisingly, the composite score for Taiwan during this period dropped 59 points to -11, and China’s rose 59 points to 11. This big swing of fortune was confirmed in real life: The ROC was essentially expelled from the United Nations in 1971 after Nixon announced his trip to China, and numerous states quickly derecognized Taiwan in favor of Beijing.

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The 1978 Normalization Communiqué and the August 17, 1982 Communiqué

The other two communiqués signed between the U.S. and the PRC - the 1978 normalization communiqué and the 1982 communiqué on arms sales to Taiwan - defined a third model, as shown in Table 3.

By the time Jimmy Carter switched diplomatic relations from Taipei to Beijing in January 1979, democracy was already an emerging force on Taiwan. The phrase, "all Chinese on either side of the Taiwan Strait," became no longer valid, because the majority of the people on Taiwan would dispute it.

So in the Joint Communiqué on the Establishment of Diplomatic Relations between the U.S. and the PRC, the U.S. simply replaced that sentence with "The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China (emphases added)." 39

Although one can argue that the U.S. still maintained a position of "acknowledging," rather than "recognizing," which would imply acceptance of PRC sovereignty over Taiwan, the change was, though subtle, nevertheless profound. The U.S. still "does not challenge," but moves closer toward Beijing's position, because the U.S. no longer mentions Taiwan's position (whether it "acknowledges" or opposes).

However, by 1982, the Chinese were pressing for more definitive concessions from the U.S., specifically U.S. promises to reduce arms sales to Taiwan over time and to deprive Taiwan's sovereignty. So a third communiqué was signed on August 17, 1982. In addition to repeating the language of the normalization communiqué, it set two precedents.

The first precedent was that the U.S. promised to gradually reduce arms sales to Taiwan. This was a Chinese demand. The United States Government states that

<table>
<thead>
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<th>Table 3. Model 3 - The 1979 and 1982 Communiqués Paradigm</th>
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<td>Views on various issues</td>
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<td>How many Chinas?</td>
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<tr>
<td>Is Taiwan a part of China?</td>
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<tr>
<td>where is China's capital?</td>
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<tr>
<td>View of the governing authority on Taiwan</td>
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<tr>
<td>View of the governing authority on the mainland</td>
</tr>
<tr>
<td>what are Taiwanese ethnically speaking?</td>
</tr>
<tr>
<td>Nature &amp; solution to</td>
</tr>
</tbody>
</table>

39 Harding, A Fragile Relationship, 380.
40 Harding, A Fragile Relationship, 384.
The Taiwan question ("peaceful settlement by themselves") with implications for Asia and us maintain the 21 million Taiwan people by shifting to peaceful approaches affair - but J.S. arms sales Gradually reducing -3 Some dumping Reagan 3 Total score T3 - -- C; - 04 44

Due to the vague wording of the document, the Chinese insisted that the U.S. had accepted their position: peaceful settlement would mean reunification of Taiwan under Beijing's sovereignty, and the U.S. would not forever arm Taiwan to hamper Beijing's reunification.

The U.S., on the other hand, insisted that reduction of arms sales would be linked to China's "fundamental policy of striving for a peaceful resolution of the Taiwan question." In recent years, the U.S. had employed various methods, such as inflation adjustments, technology transfer, and assessment of cross-strait military balance, to ensure that Taiwan had adequate capabilities to defend itself, as mandated by the Taiwan Relations Act (see below).

The changing viewpoints of various players are summarized in Table 3. Comparing this table with Table 2, one can see that clear distinctions between Taiwan's official positions and those of the opposition parties began to develop, therefore rendering the formula developed in the Shanghai Communiqué even more problematic. In this regard, to the extent that the more divergent Taiwan people’s positions were from Beijing’s and yet the more Washington’s were moving toward Beijing’s, it must be considered Taiwan’s further setback. This tilting is reflected in the drop of Taiwan’s payoffs on the first five issues, and the swings are large.

The only thing positive was on the issue of whether Washington continued to insist that the people in Taiwan were merely Chinese. To some extent, this can be seen as a necessary, but not sufficient, condition for U.S. support of self-determination by the people of Taiwan. Clearly, as the people of Taiwan continue to enjoy de facto independence, they are more likely to develop an identity that is separate from, or even antithetical to, the Chinese identity that was previously imposed by the mainland dominated KMT government. I give 1 to Taiwan, and -1 to China.

The composite scores show further erosions of Taiwan's positions and weakening of U.S. support for Taiwan's. Taiwan's score dropped another 33 points from the earlier period, and the PRC's gained 33 points. But the Taiwan Relations Act established another model.

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The Taiwan Relations Act (1979) and the Taiwan policy Review (1994)

Since 1979, U.S. China policy has operated under an unusual, and often uneasy, dual-track framework: U.S. relations with the PRC were handled diplomatically, whereas U.S. relations with Taiwan were handled domestically. Congress reacted against President Jimmy Carter's failure to consult with Congress before establishing diplomatic relations with the PRC and his poor treatment of Taiwan by enacting The Taiwan Relations Act (TRA). 41

The TRA was a legislative innovation. As Stephen Solarz, the influential former Chairman of the Subcommittee on Asian and Pacific Affairs of the House of Representatives, pointed out, "The TRA was enacted to solve an unprecedented diplomatic problem: how to continue U.S. substantive relations with the people on Taiwan even though the U.S. government

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terminated diplomatic relations with the government in Taipei, as a precondition for normalization of relations with Beijing.”

Consider the conventional wisdom in international law. The noted jurist Gerhard von Glahn argues that nonrecognition of an existing state is both a strange concept and an inefffectual political measure. Take Taiwan for example. Von Glahn argues that “from a factual point of view, the Republic of China continued to exist as an independent entity, even though it is recognized by only 23 (sic) members of the family of nations.” In theory, Article 3 of the 1933 Monevideo Convention on the Rights and Duties of the States enunciates: “The political existence of the state is independent of recognition by the other states.” Article 6 states that “recognition is unconditional and irrevocable.” However, in practice, states’ decisions to grant or withdraw recognition are based on their own political judgment on whether an entity merits recognition as a state.

As a general practice, an unrecognized state cannot have access to the courts of the state refusing recognition, but on the other hand, it is also immune from suit in those same courts. Legitimate interests of one's citizens cannot be protected adequately in the unrecognized state.

But the TRA created an exception to this general rule. Von Glahn argues that the TRA caused the United States to treat Taiwan as a state and its governing authorities as a government, despite the formal derecognition of both by the United States. The TRA provided:

Sec. 4(a) . . .

The absence of diplomatic relations or recognition shall not affect the application of the laws of the United States to Taiwan as they applied prior to January 1, 1979 . . .

Sec. 4(b) . . .

(1) Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments, or similar entities, such terms shall include and such laws shall apply with respect to Taiwan.

(7) The capacity of Taiwan to sue and be sued in the courts of the United States, in accordance with the laws of the United States, shall not be abrogated, infringed, modified, denied, or otherwise affected in anyway by the absence of diplomatic relations or recognition.

Sec. 4(d)

Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.

Therefore, judging from the letter of these provisions, it appears that in theory the TRA provided a framework for the U.S. to develop unofficial relations with Taiwan and to treat the latter as a de facto state. However, in practice, Taiwan was expelled from the International Monetary Fund and the World Bank in 1980 at China's insistence.

Meanwhile, Taiwan's political system quickly democratized. One notable development was the end in 1991 of the Period of Mobilization and Suppression of Rebellion, thereby formalizing the end of hostility toward the mainland and treating Beijing as a political entity that effectively exercised jurisdiction on the mainland. In other words, Taipei no longer claimed to be the legal government of all China; it only claimed the areas under its control. Instead, it championed "one country, two government" or "one (divided) China."

Pragmatism was also exhibited in President Lee Tenghui's "pragmatic diplomacy." The people in Taiwan demanded more international recognition. The government and the main opposition party, Democratic Progressive Party (DPP), seized the initiative of a popular cause, pushing for a seat in the U.N. every year since 1993. This generated much sympathy in U.S. Congress, which put forth several congressional hearings and resolutions to support Taiwan's participation in the U.N.

After the Republican victory in both houses of the Congress in 1994, the Clinton Administration made modest adjustments to upgrade relations with Taiwan. The resultant Taiwan Policy Review did not go as far as many had hoped. But it did permit Taiwan to change the name of its representative office to Taipei Economic and Cultural Representative Office (TECRO) from the old indistinct Coordination Council for North American Affairs (CCNAA), allow more direct contact between U.S. and Taiwan officials, and avow U.S. support of Taiwan's membership in suitable international financial institutions.


43 Gerhard von Glahn, Law Among Nations: An Introduction to Public International Law, 1" ed. (Boston: Allyn and Bacon, 1996), 82, 63.

44 Law Among Nations, 85.

international organizations (such as World Trade Organization, WTO, where membership would not require statehood).^{36}

Meanwhile, U.S. public support for China plummeted after the Chinese government's bloody crackdown of pro-democracy students in Tiananmen in 1989. China began to clash with the U.S. on a wide array of issues, including human rights, trade deficits, and weapons proliferation. Certain members in Congress wanted to punish China by rewarding Taiwan.

Moreover, China undertook a massive program of military modernization. China's acquisitions of advanced fighters, such as the Su-27, naval vessels, and ballistic missile technology worried China's neighbors in Asia, threatening to upset the delicate regional balance of power. Military strategists thus sought to increase the quantity and quality of arms sales to Taiwan. In addition, Section 2 of the TRA had already provided strong (but not automatic) U.S. commitment to Taiwan's security.\(^{47}\)

All these developments combined seemed to elevate Taiwan's status and increase U.S.'s support somewhat. The results are summarized in Table 4.

Taiwan's composite score increased by 15 points, and China's declined by 15. This was the first counterr trend against the steady decline of Taiwan's score since 1972 (see Tables 1-4).

Table 4. Model 4 - The Taiwan Relations Act and the Taiwan Policy Review Paradigm

<table>
<thead>
<tr>
<th>Views on various issues</th>
<th>US. government/t/ executive</th>
<th>Taiwan government/m</th>
<th>Taiwan people and opposition</th>
<th>PRC government/t/ ruling party</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multi-party democracy</td>
<td>DPP, NP</td>
<td>CCP (one-party dictatorship)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many Chinas?</th>
<th>De facto one China, one Taiwan</th>
<th>One divided China; one China, two governments</th>
<th>One China; One Taiwan</th>
<th>-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is Taiwan a part of China?</td>
<td>Not part of the PRC</td>
<td>Separate jurisdictions</td>
<td>No</td>
<td>-1</td>
</tr>
<tr>
<td>Where is China's capital?</td>
<td>Beijing</td>
<td>Taipei = ROC = China</td>
<td>Beijing; Taiwan's in Taipei</td>
<td>-8</td>
</tr>
<tr>
<td>View of the governing authority on Taiwan</td>
<td>Maintain unofficial but strong ties</td>
<td>Legal government of territories ruled by ROC</td>
<td>Legal government of Taiwan</td>
<td>-6</td>
</tr>
<tr>
<td>View of the governing authority on the mainland</td>
<td>The sole legal government of China</td>
<td>Government of mainland</td>
<td>Government of another state</td>
<td>-7</td>
</tr>
<tr>
<td>what are Taiwanese ethnically speaking?</td>
<td>Rising Taiwanese identity</td>
<td>They are Chinese and Taiwanese</td>
<td>They are Taiwanese</td>
<td>1</td>
</tr>
<tr>
<td>Nature &amp; solution to the Taiwan question</td>
<td>A Chinese matter</td>
<td>&quot;peaceful settlement by themselves&quot;)</td>
<td>Self-determination by the 21 million Taiwanese people</td>
<td>-6</td>
</tr>
</tbody>
</table>

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\(^{36}\) John W. Garver, Face Off China, the United States, and Taiwan's Democratization (Seattle: University of Washington Press, 1997), 40-41.

\(^{47}\) For example, Sec. 2(b) states that it is the policy of the United States...(2) to declare that peace and stability in the area are in the political security, and economic interest of the United States, and are matters of international concern; ... (4) to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and the grave concern to the United States. ... (6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic systems, of the people of Taiwan. Sec. 3(a). The United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self defense capability.
Understanding the nature of China-Taiwan rivalry,\(^48\) we can argue that improvement in Taiwan's payoffs, with or without improvement in China's payoffs, is likely to draw China to try to stop that trend, that is, to pressure the U.S. for concessions over Taiwan. This was indeed a game-theoretical clue to what was lying ahead - maneuvers to obtain Clinton's "three noes" remarks, which further augmented Beijing's bargaining power vis-a-vis Taiwan's.

From Military Showdown to "Three Noes"

After the U.S. allowed Taiwan President Lee Tenghui to visit to his alma mater, Cornell University, in 1995, China reacted furiously by launching several rounds of provocative military exercises aimed at what Chinese hard-liners called "separatists" and at intimidating Taiwan's voters. The missile tests in March 1996 before Taiwan's first direct presidential elections effectively closed off Taiwan's two major international ports. China's saber-rattling arguably "triggered" Sec. 2(4) of the TRA, becoming the first real test of U.S. commitment toward Taiwan, as mandated by the TRA.

The Clinton Administration managed to diffuse the immediate military crisis by dispatching two aircraft carrier battle groups - the largest assembly of naval power in the Pacific since the end of the Vietnam War - to waters off Taiwan. President Lee won the election by a landslide. China's coercive diplomacy backfired.

The 1996 Taiwan Strait Crisis was a turning point and a rude awakening for Washington, Beijing, and Taipei. A peculiar logic, which blamed the victims, evolved into a "mainstream" view. Some formal or informal advisors to the Clinton Administration concluded that Taiwan's "creeping independence" was the main cause of the crisis and Lee's Cornell visit was the immediate catalyst that almost dragged the U.S. into a potential war with China.

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\(^48\) China-Taiwan rivalry embodies elements of the spite game. In this asymmetrical game, the party with the stronger bargaining position may care more about relative gain margins over its rival than about larger absolute gains for both itself and its rival (i.e., difference-maximizer). Given the asymmetrical position favoring it, China has often sought to maximize its relative gain margin over Taiwan. For a formal presentation and explanation of the game of spite, see Henry Hamburger, Games as Models of Social Phenomena (San Francisco: W. H. Freeman, 1979); 84-88.

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\(^49\) Chas. W. Freeman, Jr., "Preventing War in the Taiwan Strait," Foreign Affairs 77(4) (July-August.1998): 6-11.

\(^50\) Joseph S. Nye, "A Taiwan Deal," The Washington Post (8 March 1998): C7. Consider how similar Nye's ideas are to Clinton's "three noes." He even preempted the critics in his article, "Critics might reject this proposal as amoral, since it ignores Taiwan's alleged right to self-determination."
I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or "two China" or "one China, one Taiwan." And we don't believe that Taiwan should be a member of any organization for which statehood is a requirement.

Clinton's choice of word was deliberate: "I had a chance to reiterate our Taiwan policy." This indicates that he had said the same (or similar) thing before, and the Q&A answer was not the first time he said it. When, to whom, and where did he say it before are important issues that he deliberately left out in the remarks. Presumably he first concurred in the private meetings with Jiang Zemin, when the latter visited the U.S. in 1997, and he would simply say it one more time while in China to please the host, Jiang.

The "three noes" were demands that the Chinese government repeatedly put forward after the 1996 Taiwan Strait Crisis, which, over time, appeared to be "internalized" or accepted by American officials. However, hearing it publicly from a U.S. president for the first time was viewed by the PRC side as a new commitment by the U.S. Beijing hence now routinely cites it along the three U.S.-China joint communiqués to "remind" the Americans. The fact that the PRC side wants to "lock in" their gain must be considered concessions made (or perceived by the Chinese to have been made) by the U.S. side, which, according to the logic of our model, means setback for Taiwan. Bill Clinton, indeed, became the first U.S. president to publicly address the "three noes," as many analysts justifiably criticized.

Robert Manning, a former State Department official, chided Clinton's using an offbeat "three noes" comment to pay back the Chinese side: "The apparent payoff for Clinton's media access was an unfortunate and unnecessary statement on Taiwan [kowtow No. 3] that infuriated Taipei, outraged Congress and likely will prove counterproductive to U.S. interests."51

It should be clear by now that publicly stating the "three noes" by the president was new. Now I will examine the substance of the "three noes."

The "three noes" raised four issues for Taiwan: (1) Taiwan's right to self-determination, (2) Taiwan's sovereignty, (3) Taiwan's international status, and (4) Taiwan's choice in its political relationship with the mainland. I will address each in turn.

Precluding Taiwan's Right to Self-Determination

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54 Feldman, "In Clinton's China Shuttle."
• Determine support for a self-determination movement by assessing its potential impact on the worldwide struggle with the Soviet Union.
• Avoid actions that risk a military confrontation with the Soviet Union.
• Preserve the existing state.
• Resist changes in the international boundaries established after World War II.
• Gauge the domestic political response

During the Cold War period, the rest of the international community was as reluctant as the U.S. to support secessionist demands. Indeed, prior to its recognition of the states emerging from the disintegration of the Soviet Union and Yugoslavia, the international community had accepted only one full-fledged secessionist claim since 1945: that of Bangladesh in 1971. The authors, however, point out that the old approach for dealing with self-determination after the Cold War proved inadequate.

Even though the U.S. in principle endorses self-determination, in practice it has found it very "inconvenient." This in itself, however, does not mean that the U.S. will not or should not support any future cases. But by saying that the U.S. does not support independence for Taiwan, or "two Chinas" or "one China, one Taiwan," Bill Clinton has virtually precluded even the possibility of American support of Taiwanese self-determination. This may be in the U.S. interests now, but may not be so in the future with different circumstances.

Furthermore, does the U.S. have the right or power to tell Taiwan voters what they can or cannot do? The U.S. may have the capacity to refuse to confer legitimacy on Taiwan's self-determination claim. But even that seems to contradict America's values.

Does China have the right to prohibit Taiwan people from selecting that course? No. Because today almost all landmass on earth is occupied by states, the creation of a new state can only come at the expense of an existing state's territory. This is where the principles of self-determination and territorial integrity clash. It is thus understandable why most major powers are reluctant to actively support secessionist claims.

However, if Taiwan should decide to declare de jure independence, does it come at the expense of PRC territory? An important distinction must be made here: what is now and what may be in the future. If Taiwan is now indeed a part of the PRC (in Beijing's view of "one China"), then Taiwan's self-determination will come at the expense of PRC territory, and major powers will have to weigh such aspirations against China's territorial integrity interests. This is clearly Beijing's position. Beijing wants the world to help it to stop Taiwan's independence. Beijing seeks to substitute what may be in the future (or what it desires to be, or what it thinks ought to be) for what is now, and forces the international community to accept its fantasy.

The current reality is that Taiwan is not and has never been a part of the PRC, and has been separate from the PRC for 50 years. In fact, the PRC has never ruled Taiwan for a single day. Thus, Taiwan's independence cannot and will not come at the expense of PRC territory.

The PRC has often accused, and more and more American officials echoed, that Taiwan is changing the status quo. What is the status quo? Beijing says that the status quo is one unified China, with capital in Beijing. Therefore, independence by Taiwan is illegal.

But the fact is that the status quo is two separate governments in a divided China. The ROC has all the elements of statehood as listed in the Montevideo Convention, but the world community chooses not to recognize that. The PRC has used its clout (and force) to compel the international community to say the ROC is not what it is - a sovereign state. The U.S. and other nations become accomplices in PRC's ludicrous "world order," in which the world's 19 largest economy and fourteenth largest trader with the third largest foreign exchange holding is barred from the World Bank, the International Monetary Fund (IMF), and the U.N. Who is really changing the status quo?

As a practical matter, whether Taiwan will exercise the right of self-determination is a quite different question than whether Taiwan does have that right. Taiwan voters and leaders will decide whether exercising this right is in their best interests. And if they do decide to go ahead, the international community, including the U.S. and the PRC, will then decide how to respond based on their own interests. For Clinton to deny Taiwanese people, who have proudly worked toward an American-style democracy, their democratic right of self-determination and to preclude their exercising this right is both ironic and groundless. This is precisely what the previous presidents from Nixon onward had carefully tried not to do. Clinton, in this regard, clearly broke new ground.

Downgrading Taiwan's Sovereignty

The second unfortunate effect of Clinton's "three noes" is to undermine Taiwan's sovereignty. In Clinton's scheme, if Taiwan can be neither "the Republic of China" ("two Chinas") nor "the Republic of Taiwan" (one China, one Taiwan), and

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56 Halperin and Scheffer, Self-determination, 13.
cannot be separate from the PRC, then what is Taiwan (or, what can it be)? The PRC again confuses what is for what ought to be. The only status for Taiwan that is acceptable to the PRC is for Taipei to be a local government that is subordinate to Beijing, the central government. The more lenient version of this unitary arrangement is "one country, two systems."

But Taiwan is not a local government under the PRC, and will not want to become that. Clinton's "three noes" statement, while not quite endorsing outright Beijing's preferred formula for the future, it rejects Taipei's current reality. Recall the Shanghai Communiqués carefully drafted formula: "the U.S. acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China." This is the diplomatic equivalent of "I heard what you guys are saying." At least the U.S. then managed to hear both sides. Clinton's statements show that the U.S. now hears only one side - Beijing's.

Consider how the PRC has perfected its peculiar one China "syllogism" that downgrades Taiwan's sovereignty: (1) There is only one China. (2) Taiwan is a part of China. (3) Now most states recognize the PRC as the sole legal government of China. It then follows that (4) Taiwan is a part of the PRC and Beijing is the legal government of Taiwan.

If Beijing has not insisted in equating China with the PRC, Taiwan can probably accept (1) and (2). In other words, politically, Taiwan used to be a part of China (that China was actually the ROC!) and Taiwan aspires to be a part of (democratic) China in the future; and culturally, Taiwan is part of the Chinese culture.

But since the PRC now says that China is the PRC, and that for Taiwan to be a part of China means Taiwan people are subjects of the PRC, Taiwan has moved away from either (1) or (2), or the "one China" principle. An increasing number of people say that they are Taiwanese, rather than Chinese, and that Taiwan is Taiwan and China is China. This is because as long as Beijing insists on its interpretations and the world accept Beijing's, for Taiwan, acceptance of (1) or (2), not to mention (3), would mean instant annexation of the ROC by the PRC, and instant imposition of an unelected dictatorship on Taiwan people.

After 1991, the ROC is no longer contesting with the PRC for exclusive legitimacy for all of China. It does not challenge the PRC's jurisdiction over the mainland. But the PRC's battle has moved beyond challenging the ROC's representation of all China to the ROC's representation of Taiwan! Virtually nobody in Taiwan considers that the PRC represent him/her. But the PRC does not even allow Taiwan people to say "You are not my ruler." And Clinton chose to ignore Taiwan people's voices.

Clinton's remarks have moved away from the "acknowledging both sides" model to "hearing one side (Beijing), ignoring the other (Taipei)" model. Again, he broke new ground.

Increasing Taiwan's International Isolation

Practically speaking, of the "three noes," the third no-no U.S. support of Taiwan's membership in international organizations where statehood is a requirement, is the most injurious of Taiwan's immediate interests. Clinton's statements have effectively barred Taiwan entry to the United Nations, and most if not all U.N. programs and affiliated organizations - at least not without Beijing's blessing.

The Clinton Administration cites the General Agreement of Tariffs and Trade (GATT) and its successor, the WTO, as an example of a proper organization for Taiwan, because GATT/WTO membership is also open to customs territories. The Asia-Pacific Economic Cooperation (APEC) forum, which calls its members "economies," is another example.

But most important intergovernmental organizations (IGOs) are related to the U.N., including those that can benefit from Taiwan's presence, such as the IMF and the World Banks.

Taiwan's alleged lack of statehood is a fabricated myth for the convenience of the major powers. Now for the U.S. to deny Taiwan membership in international organizations 'where statehood is a requirement' is ludicrous. This "no" will further Taiwan's international isolation. And the world community will pay for the price.

Even with the few "shining examples," such as the WTO, U.S. support has not been strong. It is widely known that China has insisted, and many WTO members acquiesced, that China must enter the WTO before Taiwan. This means that even for one international organization that Beijing says that Taipei can enter, Taiwan has to accept extra conditions: waiting until China has transformed its socialist economy into a market-worthy one eligible for WTO membership, and then joining as a "Chinese customs territory" - a second-class citizen.

Until recently, the U.S. did not actively support Taiwan's ascension to the WTO, partly to time it with China's. The U.S. claimed that its support alone would not get Taipei into the WTO before Beijing (i.e., not a sufficient condition). Yet without active U.S. support and willingness to stand up to the PRC, Taiwan will never get into any IGO (i.e., a necessary condition).

57 Hong Kong is a member of the IMF, World Bank, and the World Health Organization (WHO), among others, and obtained its seat in the GATT through British "sponsorship." This prompted some people to prescribe a Hong Kong-style solution for Taiwan's international living space: See, for example, James C. Hsiung, "Hong Kong as a Nonsovereign International Actor," Asian Affairs: An American Review 24(4) (Winter 1998): 237-51.
Finally, Bill Clinton during his trip also became the first American President to use the phrase "reunification" to describe the kind of political settlement between Beijing and Taipei that the U.S. had all along insisted must be peaceful. Although the PRE has always used the phrase peacefull reunification, the U.S. has always used peaceful settlement or peaceful resolution in all official documents and public statements.

In other words, the U.S. has always insisted on a peaceful process of resolving the political differences between Beijing and Taipei by themselves. But the PRC has always insisted upon a particular outcome, which can be reached peacefully, namely reunification (more precisely, a "one country, two systems" type of union under Beijing's sovereignty), and rejected any other outcomes that can also be peacefully reached, such as separation. Meanwhile, Beijing has never ruled out that this nonnegotiable outcome - reunification - can also be reached not peacefully - through force.

One cannot explain Bill Clinton's use of the term reunification by slippage in words. It signals a not-so-subtle and important shift of U.S. policy: The U.S. now agrees that "peaceful resolution" means peaceful reunification under Beijing's leadership. So the issue now is on the terms of reunification, namely how generous the deal Beijing is willing to present to Taiwan, not whether Taiwan and the mainland should be together at all. This has the practical effect of narrowing Taiwan people's list of choices for their political future and undermining Taiwan government's bargaining power. Again, Bill Clinton broke new ground.

Clinton Administration officials scrambled to assure Congress and Taiwan that U.S. policy toward Taiwan had not changed. In this respect, it is instructive to review the "six guarantees" that Ronald Reagan issued through certain channels to Taiwan before the signing of the August 17, 1982 communiqué that set limits on U.S. arm sales to Taiwan: The U.S. side

1. Has not agreed to set a date for ending arms sales to Taiwan.
2. Has not agreed to hold prior consultations with the Chinese side on arms sales to Taiwan.
3. Will not play any mediation role between Taipei and Peking.
4. Has not agreed to revise the Taiwan Relations Act.
5. Has not altered its position regarding sovereignty over Taiwan.
6. Will not exert pressure on Taiwan to enter into negotiations with China.58

Comparing Clinton's "three noes" and recent events with these six points, it is hard to believe that there has been no change in U.S. policy. On the first two points: Arms sales are now essentially linked to the PRC. The PRC has pressured the U.S. to reduce arms sales to Taiwan in exchange for its cooperation in weapons proliferation to Iran or Pakistan. An increasing number of American officials now call for a moratorium of arms sales to Taiwan, because they argue that Taiwan has enough advanced weapons that need time to fully integrate. The U.S. does not usually first take the initiative to discuss arms sales to Taiwan with Beijing. But because Beijing always raises this issue, it becomes a practical matter that the U.S. "consults" Beijing on arms sales to Taiwan.

On points 3 and 6. The U.S. avows not to pressure Taiwan to negotiate with Beijing or to play an intermediary role between the two. But numerous "track two" former officials, such as William Perry, Joseph Nye, and Anthony Lake, have gone to Taipei and "encouraged" Taipei to talk with Beijing numerous times. Repeated "encouragement" can turn into pressure. It should also be mentioned that it was Beijing that stopped in 1995 the dialogue channel established since 1992 with Taiwan.

In sum, Clinton's "three noes" represents a major diplomatic victory for Beijing. China's official media reported Jiang Zemin making this conclusion. After 1996, Chinese leaders discovered that the "closest road to Taipei goes through Washington." The "three noes" also further weakens Taiwan's international status, undermines its bargaining position, and calls into question the credibility of the residual U.S. commitment toward Taiwan.

In addition to debating in abstract terms whether there has been a change and whether the change is for the better or worse through a careful content or modeling, we can also ask how people perceive the policy. A poll of executives in ten Asian countries after Clinton's statement yields some interesting findings: First, 81.3% of all respondents said that Taiwan's criticism of President Clinton's Taiwan-related remarks in China was "fair," only 12.7% said Taiwan was "too harsh." Interestingly, a smaller percentage (69.3%) of respondents in Taiwan said that Taiwan's criticism was "fair," and 19.2% said it was "too harsh." In other words, other countries in the region were even more critical of Clinton's remarks. This implies that this poll is more credible than other polls that only survey "biased" executives in Taiwan. Second, 54.2% of all

58 The text was included in a statement of the spokesman of the Ministry of Foreign Affairs of the Republic of China, included in Harding, A Fragile Relationship, 389-390.
respondents said Clinton's statements would weaken, and 21.9% said they would strengthen, Taipei's drive for international recognition (figures for executive in Taiwan: 42.3% and 30.8%, respectively). Third, 80% of the respondents (and 80.8% the respondents in Taiwan) said that U.S. support for the Chinese formula helps China's negotiation position vis-a-vis Taiwan's. Fourth, more than 45% of all respondents (and 46.1% in Taiwan) said that U.S. support for China would make Taiwan more keen to seek independence.59

These findings are empirical confirmations of my thesis that Clinton’s "three noes" statement has caused negative consequences for Taiwan. Table 5 indicates the payoffs after the "three noes."

As can be seen, this is the worst payoff for Taiwan (69), and the best for the PRC (69), for all the periods under this study. Is such a lop-sided payoff structure conducive to peace and stability in the Taiwan Strait? The final section discusses the repercussions of Clinton's "three noes" and speculates the impact of his remarks on Taiwan's future relationship with China.

Table 5. Model 5 - The "Three Noes" Paradigm

<table>
<thead>
<tr>
<th>Issues on various issues</th>
<th>US, government/executive</th>
<th>Taiwan government/Taiwan people and opposition</th>
<th>PRG government/ruling party</th>
<th>View of the governing authority on Taiwan</th>
<th>View of the governing authority on the mainland</th>
<th>What are Taiwanese ethnically speaking?</th>
<th>Nature &amp; solution to the Taiwan question</th>
<th>U.S. arms sales</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many &quot;Chinas?&quot;</td>
<td>One China, no Taiwan</td>
<td>One divided China; one China, two movements</td>
<td>One China; One Taiwan</td>
<td>Maintain unofficial but strong ties</td>
<td>The sole legal government of China</td>
<td>Oppose Taiwanese self-determination</td>
<td>Peaceful reunification under Beijing</td>
<td>Contingent upon secur- its m the Strait but PRC leverage increases</td>
<td>TS = -69 CS = 69</td>
</tr>
<tr>
<td>s Taiwan a part of &quot;China?&quot;</td>
<td>Yes</td>
<td>Separate jurisdic- tions</td>
<td>No</td>
<td>Legal government of territories rules by ROC</td>
<td>Government of mainland</td>
<td>They are Taiwanese and Chinese; not PRC citizens</td>
<td>Maintain status quo; union after mainland democracies</td>
<td>Increasing military cooperation</td>
<td>69</td>
</tr>
<tr>
<td>Where is &quot;China's capital?&quot;</td>
<td>Beijing</td>
<td>Beijing; Taiwan's in Taipei</td>
<td>-10</td>
<td>Legal government of Taiwan</td>
<td>Government of another state</td>
<td>They are Taiwanese</td>
<td>Self-determination by the 21 mil- lion Taiwan people</td>
<td>&quot;China's in- nternal affair - pressuring &quot;Hong Kong model&quot;</td>
<td>9</td>
</tr>
</tbody>
</table>


5. Repercussions of the "Three Noes" and Taiwan's Future

Several important developments immediately after the "three noes" already augured the fallout from the "three noes." They have important implications for Taiwan's future.

First, Beijing began to quickly formalize the "three noes" diplomatic formula. A precedent set by the U.S. usually has a demonstration effect - as the effect of Nixon's China trip on Taiwan shows. Beijing succeeded in pressuring several
countries, including the Philippines and Russia, to follow suit with the new “three noes.” In late 1998, Jiang also sought to use his visit as a leverage to pressure Japan to include “three noes” in a new joint communiqué or to explicitly exclude Taiwan from the areas covered by the new guidelines of the revised U.S.-Japan mutual defense treaty. This effort was unsuccessful.

Second, Taiwan’s voters reacted with more distrust about China. The percentage of respondents that answered that they considered China to be hostile to Taiwan shot up. The proportions of voters who favored either immediate or eventual independence now exceeded those who favored either immediate or eventual union. A poll conducted by a Nationalist Party lawmaker Tsai Bih-hwang in early August 1998 found that 23% of the 902 respondents said they backed a formal break from the communist mainland, outstripping 13% who supported an eventual reunion with China. Another poll conducted by the Chinese Euro-Asia Society at the same time found that 61.2% of the 1149 respondents thought that a cross-strait military confrontation in the future would be “unlikely” or “very unlikely.” But the same poll found that 87.7% said they would stand up to fight for Taiwan if the mainland attacks the island.

These poll results show early indications of two clashing nationalism: Taiwanese and Chinese. This is a worrisome and potentially dangerous development. Clinton’s "three noes" seeks to thwart one nationalism (Taiwan’s) without curbing another (China’s). It will not serve as a recipe for peace.

In addition, Taiwan is unlike to stop, although it may scale down, its annual campaign to reenter the U.N. Increasing diplomatic frustration is likely to help the opposition party, DPP, in the presidential elections in 2000.

Meanwhile, Taiwan, feeling increasingly insecure, may become more inclined to seek military security. For example, Gerald Segal wrote about the ambiguous status of Taiwan’s nuclear programs, indicating that Taiwan might consider developing nuclear weapons as a trump card for its survival. Taiw Tian is also now more interested in being included in the deployment of the Theater Missile Defense (TMD) system. Neither development will please China.

But most importantly, the “three noes” have strengthened the PRC’s hand vis-a-vis China. Beijing will no doubt ride the wave of its diplomatic victory to further isolate Taiwan internationally. There exists a danger, namely the PRC may be misled to think that the international community will stand idly by if it decides to use force to bring Taiwan into the fold.

The “three noes” sought to construct a modus vivendi that will help prevent war in the Taiwan Strait - a “flashpoint” after the Cold War in the eyes of many analysts. However, it is an intrinsically unstable one, because it fails to involve Taiwan in the process and fails to take into account Taiwan people’s legitimate interests. This is especially deplorable, now that Taiwan is a democracy. It may have helped to mollify Chinese anger. But it has also sowed the seeds for instability for the region and danger for the United States.

Finally, I will use a simple game-theoretical model to examine the various scenarios of Taiwan’s future status vis-a-vis China. The distinctive contribution of this model is that it underscores the importance of China’s democratization for Taiwan’s future - a point few scholars have ever considered.

In Figure 1, the first key "decision," for the first player, China, is whether to democratize. The second key decision, for Taiwan, is whether to separate or unify with China - either peacefully or forcefully. We further assume the following preference-ranking:

For the PRC: union > status quo > separation;  
peaceful outcome > forceful outcome
For the KNIT: status quo > separation > union;  
peaceful outcome > forceful outcome
For the DPP: separation > status quo > union;  
peaceful outcome > forceful outcome

These strategic decisions result in six different outcomes (scenarios). We assign a payoff of 6 for the best outcome, 5 the second best . . ., and 1 the worst. In each bracket, the first payoff is PRC’s, the second the KMT’s, and the third the DPP’s. Figure 1 summarizes the results.

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60 A poll conducted by the National Chengchi University's Election Study Center in August 1998 (N = 1097) found 12.9% of respondents favored "maintain the status quo, and independence later," 14.9% "declare independence immediately," 14.9% "maintain the status quo, and unification later," 15.3% "maintain the status quo indefinitely," and 30.5% "maintain the status quo, and decide later." Data provided by Mainland Affairs Council, Taipei, May 1999.


Scenario 1 (1, 5, 6), "amicable separation," is for Taiwan to peacefully separate from China permanently after China becomes democratic. This is the best outcome for the DPP, but the worst for the PRC. Scenario 2 (5, 6, 4), "democratic confederation," is for Taiwan and China to peacefully form some type of political union after China becomes democratic. This is the KMT's best outcome (according to its official rhetoric), but second best for China. Scenario 5 (6, 3, 2), "one country, two systems plus," is for Taiwan to unify with China without China becoming democratic. This is the PRC's best outcome, but a bad one for the KMT and the DPP. But the worst outcome for the KW and the DPP is Scenario 4(4, 1, 1), "military conquest."

Although these three players' payoff structures differ, the outcome with the highest sum of payoffs is the one most acceptable to most players. The following ranking order emerges:

Democratic confederation > amicable separation > "one country, two systems" plus = spiteful separation > "democratic" conquest > military conquest

"Democratic confederation" is the best outcome for all at the aggregate level, and "military conquest" is the worst, with "one country, two systems" plus falling in between.

Herein lies an important lesson for China: the best hope for Taiwan to ever unify with China is for China to democratize ("democratic confederation"). However, by
democratizing, China also risks losing Taiwan without force. This is China's dilemma. On the contrary, acquisition of Taiwan through military conquest does not pay.

Clinton's "three noes" policy has ushered in a new era in Taiwan-China relations. Although it seems to preclude the option of separation to Taiwan, it also indirectly forces China to democratize by increasing the probabilities of certain scenarios (e.g., 2 and 1). Hopefully the shortened list of outcomes serves to clarify for all players the few good outcomes and encourage them to move toward these goals, rather than restricting their choices to clearly inferior ones.