

THE INTERNATIONAL RELATIONS
OF
THE REPUBLIC OF CHINA: 1979-1987 AND BEYOND

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In many respects, the year of 1979 represents a watershed in Asian international relations. In that year, the United States de-recognized the Republic of China (ROC) and established diplomatic relations with the People's Republic of China (PRC).¹ The PRC launched its Four Modernizations program, mounted a "punitive" military campaign against Vietnam, signaled its desire to terminate the 30-year Sino-Soviet treaty of alliance and friendship, and initiated at the

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same time a process of normalization with the Soviet Union.² Last but not least, the PRC opened a new, peace offensive toward the ROC, beginning with the January 1, 1979 "Letter to Our Compatriots in Taiwan" urging "peaceful unification" and "Three Exchanges and Four Links."³

For the ROC, its diplomacy reached an all-time low in 1979. There were only 21 countries with which the ROC maintained formal diplomatic relations; and altogether the ROC had only 60 offices abroad.⁴ It was generally feared that more countries would follow Washington's lead and join the PRC bandwagon. Yet, as of 1986, the ROC has diplomatic relations with 23 countries — that is, 2 more than in 1979 — and 88 offices — 28 more than in 1979 — abroad to conduct its "substantive" relations with the outside world.⁵ As a matter of fact, more (e.g. Pakistan) are showing interest in forging some ties with Taipei.⁶

What are the factors that have contributed to the steady rise of the ROC's international status in the past eight years? Looking toward the year 2000, what may affect Taiwan's future position in Asia? What are the likely developments the ROC's relations with the U.S., Japan, the Republic of Korea, and the ASEAN countries? These are the questions to be addressed in this paper. Due to the fact that areas beyond Asia have very limited impact on the ROC, we shall con-

concentrate only on Asia and those countries directly related to it. And because the outline of the ROC's international relations is generally known, this paper will attempt to be analytical rather than descriptive.

I. The Post-1979 Success

Generally speaking, three sets of factors have worked to the ROC's advantage. In ascending order of importance, they are the actions and power balance of the major powers in Asia, the politics and policy of the PRC, and the growing weight and effort of the ROC.

The Asian power balance of the 1970s was once characterized by Professor Robert Scalapino as a "balance of weaknesses" rather than a "balance of power," because each of the four major powers (the U.S., the USSR, the PRC, and Japan) was found lacking in one or more power dimensions. During the 1980s the picture altered in favor of the democracies. With its economy stagnant and its leadership in rapid transition, the Soviet Union was in no position to pursue a more imaginative policy toward Asia.⁷ Its naval buildup and menacing presence in Cam Ranh Bay only reinforced Moscow's image as a uni-dimensional military power.⁸

The PRC on the other hand concentrated much of its energy on domestic economic development, and thus mellowed considerably in its international behavior. Not only was there no mention of "revolution" in its official rhetoric, but the theme of "anti-Soviet united front" has been quietly dropped. As part of its effort to build international support for its modernization program, Peking has sought to expand ties with the U.S., Japan and all the other neighboring countries, while playing down the differences with them.⁹ For many, this so-called "independent foreign policy of peace" has indeed contributed to peace throughout the region.

By contrast, both the United States and Japan have improved their position in Asia in the past eight years. With its defense budget exceeding one percent of its GNP, Japan has taken an important symbolic step forward. Though still constrained by a number of external and internal factors, Japan seems destined to play a greater role in Asia, and its influence may be felt beyond the economic realm.¹⁰

More importantly, a resurgent America came back to Asia in the 1980s with greater confidence and fewer hang-ups. After years of neglect, Washington finally appears determined to match the Soviet naval buildup in the Pacific.¹¹ The Asian nations, communist and non-communist alike, not only welcomed the strengthened security role of the U.S. But each

coveted and competed for access to the huge U.S. market as well as the benefits of technology transfer. Among the four major powers, the U.S. seems to be enjoying by far the most favorable position in Asia.

This power configuration provided a generally favorable environment for the Republic of China. The quest for peace and the stress on economic growth fit in well with Taiwan's overall strategy for development. The internal strifes in South Korea and the Philippines put Taiwan's political stability in favorable light internationally. Furthermore, an U.S. administration that is more confident of dealing with the Soviet Union from its own strength is less inclined to play the "China card," thus creating less uncertainties in the minds of the people on Taiwan. All of these environmental factors helped to sustain Taiwan's confidence in its own future.

The second set of factors has to do with the PRC's politics and policy. However favorable its international environment is, Taiwan is directly susceptible to the change of winds from the mainland. Luckily, the Cultural Revolution afforded a good ten-year period for Taiwan to transform its economy from an agriculture-based to industry-based one.¹² During the past eight years, the PRC has not ceased to put pressures on Taiwan, sometimes directly, other times via Washington and certain international organizations. But its

needs for Four Modernizations required that it maintain an image of, if not a peace-lover, a nation with peaceful intention. And the Peking leadership seemed to be painfully aware of the subtle linkage between the Hong Kong issue and the Taiwan issue: that is, a heavy-handed approach toward one will inevitably damage the prospects for successfully handling the other.¹³ Furthermore, with Taiwan's success story spreading farther and deeper into the Chinese mainland, Peking found it more difficult than before to justify a hard-line policy in the absence of a direct provocation from Taiwan. Hence, Peking's tone toward the ROC has softened. And its aim was not to coerce but to cajole Taipei into its fold with a variety of tricks, traps, and teasers. For the ROC, the threat from the PRC thus became less urgent,¹⁴ though no less real.

Quite conscious of the changing PRC policy and the international environment, the ROC took care not to provoke the PRC directly, nor to upset the evolving US-PRC relationship. On occasions deemed necessary, Taipei had often adopted a flexible approach, walking the thin line between legitimacy and practicality. For instance, the ROC participated in the 1984 Olympic Games held in Los Angeles under the name "Chinese Taipei." It protested Peking's entry into the Asian Development Bank of which the ROC is a founding member, but has refrained from withdrawal.¹⁵ When a China

Airlines (CAL) cargo plane was forced to land in Kwangchou, the CAL representatives met with their counterparts from Peking to negotiate a safe return of its crew, plane and cargo.

Meanwhile, the ROC has worked quietly to strengthen bilateral ties with the U.S. and many Asian countries. In 1979, the ROC had only 9 offices in U.S.; now there are 11. As of 1986, roughly half of the Japanese Diet's Liberal Democratic Party members join the Association of the Japanese-Sino Parliamentary Relations, a pro-ROC organization, a 50% increase from the previous years. Besides, some of the Democratic Socialist Party's Diet members have formed a similar organization. In more recent years, the ROC and the ROK, as longtime trade competitors, have also begun to coordinate trade strategies, seeking to reduce their respective imports from Japan while increasing purchases from each others. In 1984, the ROC diplomats in the Philippines, with which the ROC enjoyed no diplomatic relations, were granted diplomatic immunity. In 1981, the then ROC Premier Sun Yun-suan visited Indonesia, and greatly expanded bilateral trade and investment relationship. Ties with Singapore, Thailand, and Malaysia have also been strengthened. Malaysia's "Look East" policy (i.e. learn from the NICs) matches especially well with many Taiwanese businessmen's desire for joint ventures. In fact, Taiwan's developmental experience

is valued so highly by the ASEAN countries that quite a few dignitaries from countries with no diplomatic relations with the ROC (e.g. S. Laurel, Vice President and Foreign Minister of the Philippines, and Ginandjar S., Minister of Investment of Indonesia) visited Taipei in an attempt to encourage greater flow of capital and technology from Taiwan to their countries.¹⁶ It seems highly likely that following the lifting of foreign exchange controls and other liberalization steps, the ROC will become a exporter of capital as well as goods, thus further strengthening its economic ties with Asia.¹⁷

II. The Future Milieu

Given the current situation, what does the future portend for the ROC? It appears that Taiwan's future position in Asia will continue to depend indirectly on its international environment and more directly on the PRC's policies and Taiwan's own effort.

In all likelihood, the power structure in Asia during the next decade will be different and vastly more complex than what it was in the past years. For one thing, Soviet diplomacy will be far more active and imaginative.¹⁸ To be sure, Moscow will not — and cannot be expected to — abandon its acquired

security interests in Asia (e.g. the base in Cam Ranh Bay). Nor will it pass any opportunity to advance its interests at the expense of the U.S. (e.g. the South Pacific) or the PRC (e.g. North Korea). But under Mikhail Gorbachev's leadership, the Soviet Union is likely to translate its newfound interest in Asia into policies. It will attempt to improve relations with as many Asian countries as possible by dealing with specific problems separating them. To the extent possible, Moscow will also seek to supplement its military power with other policy instruments.

One should not be too surprised if all three "obstacles" now claimed by Peking to be existing in Sino-Soviet relations were to be removed one by one in the next 15 years. To the north, the riverine islands around the Chinese Northeast offer an ideal point for initial breakthrough.¹⁹ To the south, a political solution of the Kampuchea problem, if accepted by the new leadership in Hanoi, is likely to be endorsed by Moscow, with obvious benefits attendant vis-a-vis the PRC and the Southeast Asia.²⁰ To the west, there is already less resistance in Moscow to a compromise. All of these possible developments will not change the fundamentally competitive relationship between the PRC and the Soviet Union. But should they materialize, repercussions will be felt throughout Asia. Gorbachev has shown considerable skill in his dealings

with Western Europe. In his July 1986 speech in Vladivostok — a masterpiece indeed — he reached out and touched practically everyone in the Western Pacific, appealing in each case to the Asians' self-interest.²¹ For the rimland Asian countries, the age of benign neglect of Soviet involvement may be rapidly drawing to a close.

By contrast, a number of developments may complicate Washington's task in Asia. Its assertive economic nationalism may continue to clash with the developmental needs of the Asian countries for some time to come. The internal troubles in some allied nations will create painful policy dilemmas for Washington. Above all, the U.S. is likely to face uncertainties growing out of the complexities of the Sino-Soviet rapprochement and the internal PRC politics. Add these uncertainties may enlarge the range of debate within Washington's policy circles. Under these circumstances, it is not inconceivable that a new U.S. administration would move to accommodate PRC's demands at the expense of the ROC, for fear of setting back the vitally important U.S.-PRC relations, as was done in the 1982 communique.

As for the impact of the PRC's policy on the ROC, several things are certain. First, the PRC will not abandon its desire for reunification. After Hong Kong and Macao agreements were signed, it seems natural that Taiwan should

be the next. Second, given the increasingly divergent political trends in Taiwan and the mainland, the ideological gap between them will widen.²³ In the near and mid-term, this will create more pressure for the Peking leaders to pursue an active policy toward Taiwan by either mixing greater amount of sticks with carrots or demanding a forceful intervention on the part of the U.S., or both.²⁴ The danger of this course of events for Taiwan is obvious. But as long as the democratization process in Taiwan continues apace, the domestic cost for any U.S. administration bending toward Peking will also increase, though not to the extent of totally offsetting its perceived strategic benefits.

Third, the economic gap in terms of per capita income between Taiwan and the mainland will also widen. This will give the ROC greater confidence in weathering through the vicissitudes of international life in the future. To some extent, it will also help the ROC build its defense base and strengthen its economic ties with other Asian countries.

If it appears certain that the PRC will step up its pressure on the ROC, what is less certain is where the battlefield will be and how the pressure is to be exerted. Short of a direct provocation from Taipei (e.g. declaration of independence, playing the "Soviet card," or production of nuclear weapons) or serious internal turmoil, it seems unlikely that the PRC

would launch an invasion or institute a blockade against Taiwan. The main form of pressure would thus be diplomatic. And due to Taipei's special relationship with Washington, the main battlefield will continue to be the U.S..

III. The ROC-US Relations

But the Sino-U.S. relations have improved considerably since President Ronald Reagan took office in 1981. Not only has the Reagan administration jettisoned some of the undiplomatic practices adopted by its predecessor, but it has acknowledged the de facto existence of the ROC as a simple reality and sought to deal with it on a realistic basis. As a result, Washington-Taipei relations have flourished in virtually every respect and to the benefit of both sides.

Politically, although there is no official diplomatic relations between Taipei and Washington, the Taiwan Relations Act passed by the U.S. Congress in 1979 and the "six-point pledge" issued by President Reagan in 1982 (i.e. the U.S. would not set a final date on arms sales to Taiwan, would not consult with Peking prior to any such sales, would not serve as a mediator between Taipei and Peking, would not revise the Taiwan Relations Act, would not force Taipei to negotiate

with Peking, and has not changed its position on the issue of Taiwan's sovereignty) provided a solid foundation to carry on substantive relations between the two governments and peoples.²⁵ The PRC has made several attempts to undermine one or another of the six pledges, only to meet resounding negative responses from Washington. Besides, the ROC and the U.S. have upgraded the level, number and from of "unofficial" but substantive contacts. As mentioned earlier, new offices of consular nature have been established in the U.S.

The trend on the military front is also satisfactory. To be sure, the US-PRC communique of August 17, 1982 imposed a ceiling on the quantity and quality of arms sales to Taiwan. But the total volume of arms sales in 1986 still amounted to 740 million U.S. dollars, exceeding the nominal or actual arms transfer of any year prior to 1983.²⁶ It is also an open secret that some U.S. private corporations have been assisting the ROC in its defense modernization effort. The PRC leaders, notably Hu Yao-pang, the former Party General Secretary, have loudly protested, accusing the U.S. of circumventing the restrictions on arms sales via the back door of technology transfer.²⁷ But, again, the U.S. dismissed the PRC claim as groundless.

The economic and trade relationship between the ROC and the U.S. has advanced in strides in the past years.²⁸ In

fact, it has grown, to the consternation of many in the U.S., both before and after the ROC government adopted many a liberalizing measure in 1986-1987 and despite a steep appreciation of the new Taiwan dollar. Suffice it here to say that the bilateral trade volume of 1986 is two and half times greater than that of 1980. And the trade officials of both sides have shunned any pretense of "unofficiality" in meeting each other in order to find solutions to their common problems.

In the cultural field, the bond has also grown tighter. The number of visits increased by 50 percent from 1980 and 1985.²⁹ The number of students from Taiwan studying in the U.S. surpassed that of any other country by 1987.

While the current state of relations between the ROC and the U.S. is healthy, there is always a danger in projecting the past and present into the future. Of all the conceivable problems lurking behind the current scene, three stand out as the most likely to cast a shadow on future Sino-U.S. relations.

First, exactly because there is no formal diplomatic relationship between the ROC and the U.S., much of the burden falls on the unofficial ties and the good will and understanding each side harbors toward the other. As such, the atmosphere of the relationship, the psychological inclination and style of the policy-makers often count as much

as the substance of that relationship. Thus, with Ronald Reagan in the White House, the floor in the Sino-US relations, as represented by the Taiwan Relations Act and the "six-point pledge," is not likely to fall. But farther beyond, one cannot be certain. In all fairness, it appears highly unlikely for any future U.S. administration to sell out Taiwan in total disregard of its domestic and international public opinion. Nonetheless, some in the U.S. with good intention but driven either by strategic considerations or by personal career ambitions may attempt to nudge Taiwan and the Chinese mainland further toward the final goal of reunification. The problem is not that reunification is not a desirable goal for the Chinese on Taiwan, because it indeed is. But there is a genuine danger in expediting the process, in pressing ahead toward the right goal at the wrong time. As the ROC is moving cautiously to transform its political and economic structure and reshape its policy toward the Mainland at the same time, any precipitate step taken by the U.S. without proper consideration of Taipei's sensitivities may jeopardize the precarious balance now existing between the ROC and the PRC, thus destabilizing the Taiwan Strait.³⁰ Should this take place, the ROC would suffer most directly, but would not be the only victim.

Second, the U.S. may find it more difficult than before

to resist pressures from the Peking leadership on the so-called Taiwan issue, for a variety of reasons. In the first place, when and if Washington and Moscow reach an accord on the intermediate-range nuclear forces (INF), the U.S.-Soviet rivalry in Europe may be attenuated, whereas the superpower competition in Asia may intensify. The premium placed on the balance of conventional forces in the wake of INF reductions would help revitalize the argument in some Washington circles that the PRC could serve as useful counterweight of the Soviet power. Furthermore, Moscow's new Asian policy and Mikhail Gorbachev's "new thinking" have so far found some sympathetic ears in Peking.³¹ It is not inconceivable that a more flexible and "independent" foreign policy line is being urged on the post-Thirteenth-Party-Congress leadership of the PRC. If so, Washington's vulnerabilities on the Taiwan issue would be exploitable and, most probably, exploited.³² Last but not least, the sense of urgency in Peking regarding Taiwan may grow in the face of accelerating trend toward democratization on that island. If the PRC seeks to put more pressure on Taiwan via Washington, the U.S. would be torn between strategic interests and democratic ideals. The choice would be painful, to say the least.

The third potential source of troubles in U.S.-ROC relations is their bilateral trade imbalance. The reasons for

this imbalance are manifold. Some are structural, while others are not. The point is that the ROC has enjoyed favorable trade balance with the U.S. since 1968, and it may take years before the gap is meaningfully narrowed. Until then the ROC will have to deal with the psychological impact of this trade gap on the American public. So far much of Washington's ire is directed at Japan, and the Reagan administration has sought to contain the protectionist tide on the Capitol Hill. But in 1988 the issue of trade deficit, which impinges on U.S. economy and foreign relations simultaneously, would be a perfect campaign issue. Its politicization thus seems inevitable. Beyond 1988, should the U.S. economy take a downward turn and Taiwan continues to enjoy favorable balance, tension is bound to arise with adverse effect on the overall US-ROC relations.

All of this is not to say that the ROC is heading toward troubled waters in its relationship with Washington, but that it will take greater skills to finesse the complexities of this relationship; and the ROC will have to tread more gingerly. There will be more players in the game, more issues on the table; and most certainly the stakes will be higher. But at the same time the ROC may have greater experience and more resources at its disposal to cope with the new situation.

IV. The ROC and Asia

Other than undermining U.S.-ROC relations, Peking may seek to tighten its noose around Taipei by isolating it diplomatically, particularly in Asia. In this regard, the Republic of Korea appears to be a prime target of Peking's offensive. The ROK is the only country in East Asia that still maintains diplomatic relations with the ROC. But since 1973, it has adopted a more flexible approach toward North Korea.³³ And following the hijacking incident of 1983, the ROK and the PRC began to have official contact and have since greatly increased the volume and level of exchanges. In 1985 the two sides even started direct trade. Furthermore, beginning in 1984, North Korea also began to tinker with its own version of "open door" policy in the hope of bringing in more capital and technology from Japan and the United States. At the same time, to Peking's dismay, Pyongyang warmed up its relations with Moscow.

While the trend appears worrisome to the ROC, three factors would set distinct limits to the prospects of Peking's offensive toward the ROK. First, as long as North Korea continues to insist on the principle of "one Korea," Peking is unlikely to establish formal diplomatic relations with Seoul. During the last decade, the ROK and North Korea had some

official contacts. But so far nothing has indicated that either side has changed its fundamental policy toward the other. From Peking's perspective, nothing it can obtain from or via Seoul can compensate for the possible loss of its strategic interest in Pyongyang. Even with a Sino-Soviet rapprochement, a North Korea sided with the Soviet Union would be nightmarish for any planner in Peking. Whether North Korea would abandon its "one Korea" principle in the next 15 years is difficult to say. But the chances appear slim.

Second, both China and Korea are divided nations. So far the PRC recognizes that there is only one China and the PRC represents the China and that there is only one Korea and North Korea represents the Korea. Should Peking recognize the ROK under the "cross-recognition" or other schemes, it may successfully cause the diplomatic tie between the ROC and the ROK to break, but it may also undermine its own "one China" policy. The existence of "two countries, two systems" in the Korean Peninsula – and Germany – will only reduce the appeal of Peking's "one country, two systems" formula internationally as well as to the people on Taiwan.

Third, while the ROK, like many other countries, hope to expand ties with Peking, political stability in the PRC resulting from its convoluted power struggle would constantly serve as a reminder of the pitfalls in such a relationship.

This may not deter many from trying, but it will cause them to move gingerly.

If it is unlikely for the PRC to deal a diplomatic blow at the ROC through Korea, it would also be difficult to downgrade further the existing relationship between the ROC and Japan. There is already no diplomatic relations between them. Japan enjoys a comfortable surplus in its trade with Taiwan. There are few problems that may divide them in the future. Taiwan sits astride the sealanes important to Japan's commerce. And the two countries enjoy a flourishing people-to-people relationship. As long as the U.S. continues to bear the responsibilities for the security in East Asia, including Japan and the Taiwan Strait, Japan will simply trade with everyone to its heart's content. Even with greater Soviet involvement in the Pacific and a more fluid Sino-Soviet relationship, Japan is unlikely to cater to Peking's every wish on Taiwan.³⁴ In fact, there is reason to believe that a stronger and more assertive Japan would also seek to protect the status quo in the Taiwan Strait, and insist that the China issue be resolved peacefully.

As for the ASEAN countries, Peking would also be disappointed, if it hopes to increase its influence and decrease the ROC's role there.³⁵ Understandably, the ASEAN countries have always been wary of their big neighbor to the north.

Vietnam's occupation of Kampuchea temporarily created a united front between them, but some, notably Indonesia and Malaysia, remain suspicious of Peking's ultimate intentions. Should a political solution to the Kampuchea problem be found, the glue that have bound them together would be dissolved. After Hong Kong comes under communist control in 1997, the ASEAN countries would probably grow even more worried about Peking's utilizing its Hong Kong connection to penetrate their economies and societies.

The ROC, on the other hand, poses no such threat. Instead, it is a convenient source of capital and technology. While political necessity and the lure of the mainland market may justify diplomatic ties with Peking – thus it is conceivable that Singapore and Brunei may establish and Indonesia may restore diplomatic relations with the PRC – this will not be done at the expense of the ROC. As long as Taiwan's economic and political experiences remain attractive, the ROC will be considered by the ASEAN to be relevant to its own development.

V. Conclusion

In conclusion, the international environment may

become less favorable to Taiwan in the coming years. And Taiwan's future may be determined largely within the Taipei-Washington-Peking triangle. But in the secondary battlefield, Asia, the ROC stands a much better chance of maintaining the status quo, even strengthening the current "substantive" relations with other Asian nations.

Recently, Kuwait allowed the ROC to establish on its soil the Republic of China Trading Office. It is the ROC's first foreign office that bears its official name in a country with which the ROC has no formal diplomatic relations. The PRC protested, recalled its ambassador, but later quietly sent back a new ambassador.³⁶ More recently, Pakistan, a close friend of Peking's, indicated some interest in a Taiwan relationship. If Taiwan's economy remain vibrant into the 21st century, there is every reason to believe that this trend will continue, and that the existence of the ROC will be respected within the family of nations. Whether the ROC's achievements in low politics will spill over into high politics, whether the quantitative changes will indeed lead to qualitative changes of the ROC's international status remain to be seen. But looking into the future, there is ample room for optimism.

NOTES

1 For a detailed analysis of the "normalization" process, see Jaw-ling Joanne Chang, *United States – China Normalization: An Evaluation of Foreign Policy Decision Making* (Denver, Colorado: Monograph Series in World Affairs, Volume 22, Book 4, Graduate School of International Studies, University of Denver, 1986).

2 On the post-1979 Sino-Soviet relations, particularly the year of 1979 as the beginning of Sino-Soviet rapprochement, as contrasted to 1982, which is favored by most Western scholars, see Chi Su, "China and the Soviet Union: 'Principled, Salutary and Tempered' Management of Conflict," in Samuel Kim, ed., *China and the World: Chinese Foreign Policy in the Post-Mao Era* (Boulder, Colorado: Westview Press, 1984).

3 *Beijing Review*, No. 1, January 5, 1979.

4 See "Premier Sun's Report to the Legislative Yuan," *Central Daily News*, February 25, 1981, p. 3.

5 See "Premier Yu's Report to the Legislative Yuan," *Central Daily News*, February 25, 1987, p. 2.

6 A private source.

7 For detailed, country-by-country studies of Soviet policy toward Asia during the 1980s, see GERAL SEGAL, ed.,

The Soviet Union in East Asia: Predicaments of Power (London: Heinemann, 1983) and Jae Kyu Park and Joseph M. Ha, eds., *The Soviet Union and East Asia in the 1980s* (Seoul: Kyungnam University Press, 1983).

8 The most comprehensive study of Soviet military buildup in Asia can be found in Richard H. Solomon and Masataka Kosaka, eds., *The Soviet Far East Military Buildup* (Dover, Mass.: Auburn House Publishing Co., 1986).

9 See Steven I. Levine, "China and the United States;" Donald Klein, "China and the Second World;" and Samuel Kim, "China and the Third World" in Sam Kim, *op. cit.*

10 For detailed analyses of Japanese defense and foreign policies, see the sections on "Japan" in the annual series, *Asian Security*, compiled by Research Institute for Peace and Security, Tokyo, and published by Brassey's Defense Publishers.

11 See Caspar W. Weinberger, "U.S. Defense Strategy," *Foreign Affairs*, Spring 1986.

12 One of the most comprehensive studies of Taiwan's economic development is Shirley W.Y. Kuo, *The Taiwan Economy in Transition* (Boulder, Colorado: Westview Press, 1983).

13 On the linkage between Taiwan and Hong Kong, see John Burns, "The Process of Assimilation of Hong Kong and

Implications for Taiwan” and Denis Fred Simon, “Taiwan’s Political Economy and the Evolving Links between the PRC, Hong Kong and Taiwan,” papers presented at the Conference on Key Issues and Trends in China’s Foreign Policy, sponsored by the American Enterprise Institute in Hong Kong, March 13-14, 1986.

14 Michael Y.M. Kao, “Beijing’s Campaign for Unification,” a paper delivered at the Third International Congress of Professors World Peace Academy on “China in a New Era: Continuity and Change,” Manila, Philippines, August 1987.

15 Yang Li-yu, “Examining the Problem of the Asian Development Bank,” *Pai-hsing* (Hong Kong), No. 120, May 16, 1986, pp. 17-19.

16 On Laurel’s visit, see *Central Daily News*, January 10, 1987, p. 2. On Ginandjar’s visit, see *Economic Daily News*, October 31, 1986, p. 3.

17 See Yuan-li Wu, “Taiwan and the Regional Economy of the Pacific Basin,” a paper delivered at the Third International Congress of Professors World Peace Academy on “China in a New Era: Continuity and Change,” Manila, The Philippines, August 1987.

18 Chi Su, “Recent Development in Peking-Washington Relations,” *Issues and Studies*, Volume 22, Number 9, September 1986, pp. 8-12.

19 Chi Su, "Sino-Soviet Border Negotiations: 1969-1978," a paper delivered at the National Cheng-chi University Conference on the Chinese Borderlands, May 1985.

20 Chang Pao-min, "Kampuchean Conflict: The Continuing Stalemate," *Asian Survey*, Vol. XXVII, No. 7, July 1987.

21 For the text of Gorbachev's Vladivostok speech, see the *Current Digest of the Soviet Press*, Vol 38, No. 30, August 27, 1986, pp. 1-8.

22 See Thomas W. Robinson, "On the Further Evolution of the Strategic Triangle;" and Richard C. Thornton, "Strategic Change and the American Foreign Policy," in Ilpyong J. Kim, ed., *The Strategic Triangle* (New York: Paragon, 1987).

23 Thomas B. Gold, "The Status Quo Is Not Static: Mainland-Taiwan Relations," *Asian Survey*, Vol. XXVII, No. 3, March 1987.

24 For instance, Hu Yao-pang, then General Secretary of the Chinese Communist Party, threatened to use force against Taiwan in "eight or ten years," in an interview with a Hong Kong journalist. See Lu Keng, ed., *Hu Yao-pang Fang-wen-ji* (An Interview with Hu Yao-pang), (New York: Sino Daily Express, 1985).

25 For the full text of the Taiwan Relations Act, see Lester L. Wolff and David L. Simon, eds., *Legislative History of the Taiwan Relations Act* (New York: American Associa-

tion for Chinese Studies, 1982), pp. 288-295. The "six-point pledge" was first reported in *New York Times*, August 18, 1982, p. A13.

26 Dennis van Vranken Hickery, "U.S. Arms Sales to Taiwan: Institutional Ambiguity," *Asian Survey*, December 1986.

27 *Washington Post*, April 25, 1986, p. A32.

28 Chung-li Wu, "On the ROC-US Bilateral Trade Gap and Balance," *Wen-ti yu Yan-jiu* (Issues and Studies), Vol 27, No. 2, November 1987.

29 Martin L. Lasater, "Honoring the Taiwan Relations Act Strengthens East Asian Stability," *Asian Studies Center Backgrounder*, No. 47, May 27, 1986.

30 That the development on Taiwan has much to do with the Washington-Peking relations is an aspect not given adequate consideration by Washington, Peking and many analysts, but treated very well in Lucian W. Pye, "Taiwan's Development and Its Implications for Beijing and Washington," *Asian Survey*, Vol XXVI, No. 6, June 1986. As he put it, "increasingly the 'Taiwan problem' is inability of thinking in Beijing, and to a lesser degree in Washington, to keep up with the pace of change in Taiwan." (p. 611).

31 For example, Chang Ye-pai, the Director of the U.S. Foreign Policy Study Group of the U.S.A. Institute of the

Chinese Academy of Social Sciences (Peking) gave a talk on Soviet Asian strategy in the Conference on Pacific Asian Security," sponsored by National Defense University of the U.S., in Hawaii, February 6, 1987. Chang's remarks on Gorbachev's new offensive, though still restrained in tone, were quite receptive to Moscow's newfound interest in Asia, and in China in particular.

32 Washington's susceptibilities to Peking's exploitation is plainly revealed in Chi Su, "An Interview with John Holdridge, former Assistant Secretary of State for Asian Pacific Affairs," *Mei-kuo Yue-kang* (American Monthly), May 1987, when Holdridge explained the decision-making of the August 17, 1982 communique.

33 For a brief but sound analysis of the two Koreas and their relationship, see Bruce Cumings, *The Two Koreas*, (New York: Foreign Policy Association Headline Series, No. 269, 1984).

34 Allen S. Whiting presented an interesting account of the underlying reasons for discord in PRC-Japanese relation, based on a series of extensive interviews in Japan and the Chinese mainland in summer 1986. See Allen S. Whiting, "The Politics of Sino-Japanese Relations," a paper prepared for the Third International Congress of Professors World Peace Academy, Manila, The Philippines, August 1987.

35 For a good account of the ROC-ASEAN relations, see Chen Hurng-yu, "The ASEAN in Taiwan's Perspective," *Taiwan-seng Chan-lue Hui-kang* (Journal of the Society for Strategic Studies in Taiwan Province), No. 16, July 1986, pp. 3-18.

36 A private source.

