

Leverage & Process

Deferral & Compromise

Normalizing Relations

In the early years of the Cold War, relations between the United States and the People's Republic of China were competitive and confrontational. Ideological and cultural differences exacerbated mutual suspicions. But eventually, through careful negotiations, they forged, in the words of Richard Solomon, "a relationship in which the two countries could eliminate the hostility of the Cold War era, manage continuing differences over the future of Taiwan in a non-confrontational manner, and cooperate in limited measure in dealing with shared international political, and security problems, primarily the military threat to both countries from the Soviet Union."¹ Broadly examined, these negotiations demonstrate many of the principles in this course.

Background

The U.S. recognized Chiang Kai-shek's Nationalists as the government of China throughout the Chinese Civil War, which began in 1927. After the 1949 victory of Mao Zedong's Communists, the U.S. did not recognize Mao's People's Republic of China (PRC), which controlled mainland China, and instead continued to support Chiang's Republic of China (ROC), composed of Taiwan and a few smaller islands. The ROC retained China's permanent seat on the U.N. Security Council. The Korean War (1950-1953) marked the low point for U.S./PRC relations, as the two countries fought in support of South and North Korea respectively. Meanwhile, the "Who lost China?" issue made any change in U.S. China policy explosive in the U.S. domestic context.

In the 15 years following the Korean War, the U.S. and PRC conducted mid-level discussions in Warsaw that made little progress on core differences.² By the late 1960s, the positions of the U.S. and PRC had changed little, particularly on Taiwan. The U.S. maintained that the legitimate government of China was the ROC, and continued economic, diplomatic, and military cooperation with it, including a defense treaty, a U.S. military presence, weapons sales, and trade. The PRC called Taiwan an unresolved internal matter, opposed all U.S. support for the ROC, and sought China's permanent seat on the U.N. Security Council.³

Nonetheless, the U.S. and PRC shared strategic interests in improving bilateral relations, especially to balance growing Soviet power.⁴ These shared interests grew in priority for the U.S.

¹ Solomon, Richard H. *Chinese Negotiating Behavior: Pursuing Interests Through "Old Friends"* (Washington, D.C.: United States Institute of Peace Press, 1999), 14.

² Solomon, Richard H. *Chinese Negotiating Behavior: Pursuing Interests Through "Old Friends"* (Washington, D.C.: United States Institute of Peace Press, 1999), 23.

³ Armstrong, Tony. *Breaking the Ice: Rapprochement Between East and West Germany, the United States and China, and Israel and Egypt* (Washington, D.C.: United States Institute of Peace Press 1993), 116.

⁴ Gaddis, John Lewis. *The Cold War: A New History* (New York: Penguin Press 2005), 114, 150-151.

after the Soviet invasion of Czechoslovakia in August 1968, and for the PRC after Sino-Soviet tensions nearly escalated into outright conflict in March 1969 near the Ussuri River.⁵

Laying the Foundation

In 1969, the new administration of President Richard Nixon began to act on this opportunity for change. The U.S. and PRC began sending public signals and opening private communication channels. Public gestures, including a Chinese invitation to the U.S. National Table Tennis Team, built some trust and created momentum for negotiations. Private messages were also exchanged between officials as part of the relationship-building process, or *guanxi* as it is known in Chinese.⁶ In Solomon's words, this combination of public and private gestures helped the two sides assure one another that they "did, in fact, share common political objectives," and started a process that would eventually lead to normalization of relations between the U.S. and PRC, although several years would pass before agreement on formal recognition.⁷

The U.S. held considerable economic, military, and political leverage, including its powerful position within the United Nations, which it had used to prevent the PRC from gaining entry into the U.N. system and from assuming China's Security Council seat. But, after more than two decades, the notion that the ROC in Taiwan should represent all of China in the U.N. had grown decreasingly credible. Recognizing its weakening position, the U.S. shifted focus to a "dual representation" proposal, which would have allowed the PRC to take the Security Council seat and the ROC to remain in the General Assembly.⁸ The PRC's momentum was too great and before the "dual representation" proposal could be considered, the GA voted to grant the PRC U.N. credentials. The U.N. vote was a setback for the U.S. and may have shifted some leverage toward the PRC in how Taiwan was addressed in bilateral negotiations. But both the U.S. and China continued to pursue an agreement, which would provide formal recognition of their new, more positive relationship, because that was in both countries' interests in the context of their strategic triangle with the Soviet Union.

Shanghai Communiqué

Thus, even though the two sides maintained contrasting positions on a number of issues, they continued working to find common ground. This resulted in two important steps to begin a high-level negotiation process: the mutual dropping of preconditions, and the setting of an agenda. These accomplishments cleared the way for senior engagement, initially through a secret visit to Beijing in July 1971 by U.S. National Security Advisor Henry Kissinger.

The PRC continued to seek full diplomatic recognition from the U.S. and an end to U.S. support of the ROC. The U.S., which had a strong interest in demonstrating that it would continue to support its allies in Asia and around the world, worked to formulate a stance that would allow Taiwan to control its own future, while also transforming its relationship with the PRC. During

⁵ Armstrong, Tony. *Breaking the Ice: Rapprochement Between East and West Germany, the United States and China, and Israel and Egypt* (Washington, D.C.: United States Institute of Peace Press 1993), 136.

⁶ Cohen, Raymond. "Negotiating Across Cultures," in *Turbulent Peace: The Challenges of Managing International Conflict*, ed. Chester Crocker, Fenn Osler Hampson, and Pamela Aall (Washington, DC: United States Institute of Peace Press, 2001), 470-471.

⁷ Solomon, Richard H. *Chinese Negotiating Behavior: Pursuing Interests Through "Old Friends"* (Washington, D.C.: United States Institute of Peace Press, 1999), 34.

⁸ Kissinger, Henry. *The White House years* (London: Phoenix, 2000), 770-774.

Kissinger's visit, the parties agreed on the following statement: "The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China. The United States Government does not challenge that position."⁹ This statement, along with a mutual commitment to normalize U.S./PRC relations and oppose Soviet hegemony, opened the door to Nixon's visit the following February, where the two sides negotiated and issued the joint Shanghai Communiqué.

In it, the U.S. reaffirmed "its interest in a peaceful settlement of the Taiwan question by the Chinese themselves," and noted "the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan."¹⁰ However, the U.S. also made clear that it would only reduce its military forces there as tensions diminished, and refused to address the question of its continuing arms sales to Taiwan. In fact, the U.S. argued that sudden removal of its security umbrella from the region would worry allies like Japan and South Korea, and could lead them to increase their own military capabilities in ways that would be worrying to China. Thus, while acknowledging that the Chinese on both sides of the strait must settle the Taiwan question themselves, the U.S. helped ensure that it would indeed be resolved peacefully and not as the result of PRC military action. The U.S. also enhanced its negotiating leverage with the Soviet Union in nuclear arms control and other issues. Overall, through a balanced arrangement of general agreement on long-term principles and deferral of their specific application, the Shanghai Communiqué opened the doors for trade, cultural exchanges, and informal diplomatic relations between the U.S. and PRC.

For a number of years after the Shanghai Communiqué, a variety of political and security factors prevented further progress in U.S./PRC relations. In 1978, as part of an effort to get negotiations back on track, U.S. President Jimmy Carter explicitly reaffirmed his commitment to the principles of the Shanghai Communiqué and sent his National Security Advisor, Zbigniew Brzezinski, to build on the work of Nixon and Kissinger.

In subsequent negotiations, the U.S. and China agreed that the U.S. would make a statement regarding the peaceful settlement of the Taiwan problem and that Beijing would not contradict that statement.¹¹ The U.S. would also maintain a "full range of relations with Taiwan on an unofficial basis."¹² The U.S. would withdraw from its defense treaty with the ROC within a period of one year, and would remove its remaining troops from Taiwan. China gained a commitment that the U.S. would withdraw from its defense treaty with the ROC within one year, and also remove its remaining troops from Taiwan. Again, as a way of helping deter any military action by the PRC, the U.S. refused to consider stopping the sale of weapons to Taiwan, but held out the future prospect of a negotiated resolution of the issue. Under these conditions, the U.S. and the PRC established formal diplomatic relations on January 1, 1979.

⁹ Kissinger, Henry. *The White House Years* (London: Phoenix, 2000), 1079.

¹⁰ *The Joint U.S.-China Communique, Shanghai, February 27, 1972 (Shanghai Communique)*. URL located at: http://usinfo.org/docs/basic/shanghai_e.htm (accessed November 25, 2009).

¹¹ Ross, Robert S. *Negotiating Cooperation: The United States and China, 1969-1989* (Stanford: Stanford University Press, 1995), 109.

¹² *Joint Communique on the Establishment of Diplomatic Relations Between the United States of America and the People's Republic of China*. URL located at: http://hongkong.usconsulate.gov/uscn_docs_jc1979010101.html (accessed on November 25, 2009).

Self-Study Exercise

Positions and Interests:

1. Describe opposing positions held by the two sides (the U.S. and the PRC) at the outset of negotiations.
2. Describe shared interests motivating the two sides to work towards an agreement.

Relationships and Confidence-Building Measures:

3. Describe the relationship between the two sides during the Cold War.
4. Describe the two sides' uses of confidence-building measures.

Leverage and Process:

5. Describe sources of leverage held by the two sides.
6. Describe elements of process apparent in the narrative.

Deferral and Compromise:

7. List difficult issues that the two sides deferred for a later date.
8. List areas where the two sides found compromise.

For answers, see Appendix B.

Now that you have completed the course, you may take the certificate exam online at:
<http://www.usip.org/training/online/negotiation/exam.php>.

Good luck with the exam!