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STUDY MISSION
TO
JAPAN, KOREA, AND TAIWAN

REPORT
TO THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

BY
Senator JACOB K. JAVITS



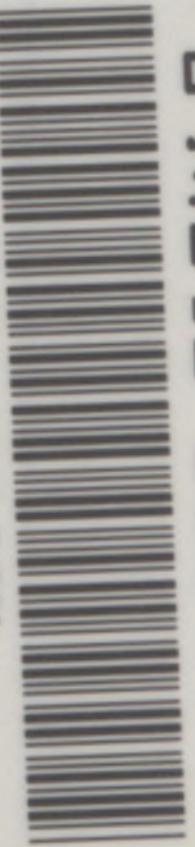
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(II)

LETTER OF SUBMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, December 21, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washing-
ton, D.C.

DEAR MR. CHAIRMAN: During the period of November 27 to December 6, 1977, I undertook a study mission in Japan, Korea, and Taiwan under the auspices of the Committee on Foreign Relations. While in Japan, I had the particular pleasure of meeting our eminent former colleague on this committee, Ambassador Mike Mansfield. A full report of my findings and recommendations based on my discussions in Japan, Korea, and Taiwan is enclosed. I was accompanied on this study mission by my executive assistant, Albert A. Lakeland, who assisted me in the preparation of this report.

My visit to Japan had two principal objectives: to inaugurate publicly in Japan the work of the Japan-United States Friendship Commission (established pursuant to Public Law 94-118, 94th Congress) and to study the economic problems—bilateral and multilateral—which currently figure so heavily in the United States-Japan relationship.

In Korea, my discussions focused on two subjects: the proposed withdrawal of U.S. ground troops from Korea and the issue of human rights in Korea; and the effect of these issues on the Tongsun Park case. I also received extensive briefings on the outstanding performance of the Korean economy.

In Taiwan, my discussions focused on the issues of "normalization" of relations with the Peoples Republic of China, the issues raised by the Shanghai Communique, and the Mutual Security Treaty. While in Taiwan, I also visited Kaoshuing, at the southern end of the island where much of the infrastructural basis is being laid for the perpetuation into the 1980's and 1990's of the economic miracle of the past two decades of sustained, rapid economic growth on Taiwan.

As is detailed more fully in the body of my report, I found an overriding interrelationship among developments in Japan, Korea, and Taiwan which form the bases of the U.S. security position in the northern Pacific basin.

With best regards,
Sincerely,

JACOB K. JAVITS.

LETTER OF SUBMITTAL

Submitted to the
Committee on
Education

John Doe

1234 Main Street
City, State, Zip

I am writing to you today to submit my application for the position of [Job Title] at your organization. I have been very interested in your company for some time and believe that my skills and experience make me a strong candidate for this role. I have a degree in [Degree] from [University] and have worked in the field of [Field] for [Number] years. I am confident that I can contribute to your team and help achieve your goals.

I have attached my resume and cover letter for your review. My resume provides a detailed overview of my education, work experience, and skills. I believe that my background in [Field] and my experience in [Field] make me a good fit for the position. I am also a member of [Organization] and have been active in its activities. I am very excited about the opportunity to join your team and contribute to your success.

I am confident that I can bring a lot of value to your organization. I am a hard worker, a team player, and a person who is always willing to learn and grow. I am also a person who is passionate about my work and who is committed to achieving the best results. I am very excited about the opportunity to join your team and contribute to your success.

I am very grateful for your time and consideration. I am confident that I can bring a lot of value to your organization. I am a hard worker, a team player, and a person who is always willing to learn and grow. I am also a person who is passionate about my work and who is committed to achieving the best results. I am very excited about the opportunity to join your team and contribute to your success.

STUDY MISSION TO JAPAN, KOREA, AND TAIWAN

BY SENATOR JACOB K. JAVITS

Under the auspices of the Committee on Foreign Relations, I undertook a study mission to Japan, Korea and Taiwan during the period of November 27 to December 6, 1977. I was accompanied by my executive assistant, Albert A. Lakeland.

In a security sense and in terms of lateral interrelationship and support, these three nations constitute a unit which forms the basis for the U.S. security position in North Asia and the western Pacific basin. Japan is, of course, the centerpiece of that unit and the Japan-United States alliance is the linchpin of the maintenance of peace and security in northern Asia. Accordingly, the three countries should be regarded collectively as constituting the key component of the western security border of the United States. This is essential to the security of the United States and is a vital element in the viability of the post World War II alliance system of the industrial democracies of the world.

The current problems in the economic arena affecting the United States-Japan partnership are preeminently the problems of success and should be addressed from that perspective. The problems affecting the relations of the United States with the Republic of Korea and Taiwan in large measure also are problems resulting from the success of previous policies. A weakening of any of the three elements of the Japan-Korea-Taiwan triangle separately, weakens the whole unit and could thereby undermine stability and peace in the whole of north Asia. Standing alone each of the three nations—even Japan, for historical psychological reasons—may be vulnerable to the application of pressures by the Peoples Republic of China and the Soviet Union. But, together, they appear quite capable of withstanding such pressures and, with intelligent and farsighted U.S. support, capable of continuing to be an essential stabilizing influence in north Asia and the world.

This requires the pursuit of a strategy of lateral support in our relations with Tokyo, Seoul, and Taipei, and for them with each other, to secure the objectives of peace and freedom on what is in reality the western frontier of the United States. The danger respecting Japan is one of isolation which could lead to a rudderless non-alignment; and the danger respecting the Republic of Korea and Taiwan is an erosion of self-confidence which could invite instability and disruption of the vital security system of north Asia.

Following the tragedy in Vietnam, we must define our interests in Asia and show that we are willing to defend them. Otherwise, we must accept the legitimacy of the doubts now entertained by our friends and by our potential adversaries alike that the United States either does not know what its interest are or has lost the will to defend those interests.

JAPAN

My visit to Japan had two principal objectives: To inaugurate publicly in Japan the activities of the Japan-United States Friendship Commission; and to study the economic problems which currently figure so heavily in the United States-Japan relationship.

Japan-United States Friendship Commission

The Japan-United States Friendship Commission is an independent agency of the U.S. Government created pursuant to legislation which I first introduced into the Senate in August 1972 and which was signed into law by President Ford on October 20, 1975, during the visit to the United States of Emperor Hirohito of Japan. I am a member of the Executive Committee of the Commission and, in this regard, I was accompanied in Japan by the Commission's Chairman, Prof. John Hall, of Yale University; Prof. Robert Walker and Mr. Issac Shapiro, members of the Commission, and by Dr. Frank Tenny, Executive Director of the Commission, and Mr. Ivan Hall, Deputy Executive Director of the Commission.

The Commission administers a \$30 million trust fund, consisting of some \$18 million representing an amount set aside for this purpose from the moneys paid to the United States by Japan in connection with the reversion of Okinawa to Japanese administration, and about \$12 million held in yen accounts from money paid to the United States by Japan at the termination of the postwar occupation. The mandate of the Commission is to promote scholarly, cultural, and artistic interchange between Japan and the United States to strengthen friendship, understanding, and the facilitation of communication between our two societies. A full explanation of the activities of the Commission is contained in a speech I delivered in Tokyo on November 28, 1977, reprinted as appendix A to this report. The Commission's representatives were warmly welcomed by the interested elements in Japan, including Prime Minister Fukuda, who was himself the moving figure in the establishment of the Japan Foundation which plays a counterpart role in Japan to the work of the Japan-United States Friendship Commission in promoting scholarly, cultural, and artistic interchange.

Economic problems

At the time of my visit to Tokyo in November-December of 1977, a severe trade imbalance had created a serious and urgent problem in United States-Japan economic relations—a problem having the potential to corrode and disrupt other elements of our relationship, if not promptly attended to. For the year 1977, the U.S. overall trade deficit is running at a projected annual rate in excess of \$24 billion. Concurrently, Japan is accumulating a favorable trade balance with the United States for 1977 in excess of \$8 billion, constituting a full one-third of the U.S. deficit, contributing to the problems of inflation and a weakening of the value of the dollar on international money markets. It is clear that the growing volume of Japanese exports to the United States has created problems of significant political as well as economic dimensions. This is especially true where unemployment has become a pressing issue, notably the steel industry.

In discussing economic problems with the highest authorities in Japanese Government and industry, I found no evidence of a desire on their part for confrontation. On the contrary, I found a keen awareness of the dimensions and seriousness of the issues and a disposition to work cooperatively through negotiations to achieve mutually acceptable solutions to the matters in contention.

In my discussion with Japanese Government and business leaders, I explained to them the concerns of the Congress which have been generated by the severity of the trade imbalance and the attendant problems of the U.S. economy—especially unemployment—which have been aggravated by the very high level of Japanese exports, especially in products like steel where the level of Japanese exports has increased at a dramatic pace. Recent layoffs of steel workers by Bethlehem Steel for instance, and continuing high levels of unemployment in steel and other industries have been attributed by labor and management to the influx of cheaper Japanese steel and other products, much of it allegedly sold in the United States below cost—giving rise to insistent pressure on the Congress to enact protectionist legislation.

In my discussions, I also brought to the attention of Japanese leaders the deep concern in Congress over the stagnant level of U.S. exports to Japan, and the related deep concern over continuing barriers to the expansion of the level of U.S. exports existing in the form of quotas, administrative restrictions, and other nontariff barriers maintained against imports by Japan.

While I was in Japan, Prime Minister Fukuda reshuffled his Cabinet for the stated purpose of strengthening his Government to deal with trade—especially with the United States—and other international economic problems. A notable feature of the Cabinet reshuffle was the naming of Nobuhiko Ushiba, former Japanese Ambassador to the United States, to the newly created Cabinet position of Minister in charge of International Economic Relations. By the second week of December, Mr. Ushiba had arrived in Washington to present the preliminary proposals of the Japanese Government to respond to the representations made earlier by U.S. Government officials to Japan to correct the trade imbalance.

From my discussions in Japan with Japanese and U.S. officials, I gained a clearer understanding of some of the structural problems which have led to the current aggravated trade imbalance, both as regards the high level of Japanese exports to the United States and the impediments to increased U.S. exports to Japan.

As a geographically limited and densely populated island country without significant natural resources, the whole structure of the Japanese economy is geared to enhance exports of manufactured goods. Moreover, despite the record pace of exports, the domestic Japanese economy is stagnant, a factor which further enhances the importance of the export sector, and which compounds the problems of increasing the level of imports.

In addition, the agricultural sector, which presents the most immediate possibility for increased imports from the United States, is one of particular political sensitivity to the Fukuda Government, as his Liberal Democratic Party enjoys only a razor-slim majority in the

Japanese Parliament and is politically dependent on agricultural constituencies which are insistent on maintaining the protectionist devices now enjoyed by the waning agricultural sector of the Japanese economy.

Thus, in seeking to respond expeditiously to the demands which have been presented by the United States to correct the aggravated trade imbalance, the Fukuda Government faces a number of internal dilemmas. It is politically dependent on the Japanese farm bloc for its slim parliamentary majority and must move cautiously in allowing significantly greater imports of U.S. beef and other agricultural products. Moreover, the Japanese domestic economy is relatively stagnant, with low consumer demand and a high rate of inflation (together with a high level of inventories backed up by Japanese manufacturers), all of which mitigate against significantly increased imports of manufactured goods. In addition, the Japanese system of guaranteed lifetime employment induces Japanese companies to maintain high rates of production at even marginal rates of profit, thereby enhancing the flow of products for export and even the backlog of inventories for domestic sale.

Despite the dilemmas which current international pressures to hold down exports and increase imports create for Japan. I found a very broad recognition by Government and business leaders there of the necessity to make adjustments. For there is an acute awareness in Japan of its extreme dependence upon the maintenance of an open system of international trade. A global trend toward protectionism and away from open trade would threaten the very foundations of Japan's economic well-being. I believe that first priority will be given by Japan to maintenance of an international trading system free of protectionist restrictions. It is to be expected, of course, that in the pursuit of that overriding goal, the Japanese Government will seek to escape from its current dilemmas with the least possible degree of domestic discomfort and political difficulty. In this context, a firm but realistic and understanding attitude on the part of the United States, in particular, will be an essential factor in navigating our two nations out of the shoals which presently endanger a relationship which has brought so much prosperity and security to each nation, and which is essential to continuing peace and security in Asia.

In Japan, I met with leading Government officials, including Prime Minister Fukuda, Minister for International Economic Relations Ushiba, Finance Minister Bo, Vice Foreign Minister Arita, Parliamentary Vice Minister for Foreign Affairs Okuda, Vice Minister of International Trade and Industry Masuda, Administrative Vice Minister of International Trade and Industry Wada, and Defense Agency Administrative Vice Minister Maruyama.

From the private sector, I met with former Fuji Bank Chairman Iwasa, Keidanren President Doko, Nissan Motors Chairman Kawamata, Industrial Bank of Japan President Ikewra, Japan Long-term Credit Bank President Sugiura, Nippon Kokan Kasha Ltd. Chairman Matsuo, Daiichi Kangys Bank Chairman Yokota, C. Itoh & Co., Ltd. President Tozaki, Nippon Steel Corp. President Saito, and Sony Corp. President Morita. From the cultural sector, I met with Japan Foundation President Kon, and International House President Matsumato.

Also, I met with a number of colleagues and assistants of these persons listed.

On the U.S. side, I had valuable discussions with Ambassador Mike Mansfield, Deputy Chief of Mission Sherman, Political Counselor Seligman, and Economic Counselor Peiz.

Recommendations

(1) The longer-term solution to the problems currently affecting the United States-Japan trading relationship, which is but one element of the overall crisis affecting the whole western trading system, is a concerted multilateral plan to expand world markets. As I have advocated in other forums, this should take the form of a master plan based on the precepts of the Marshall plan, to utilize the major capital pools represented by the OPEC surplus, and perhaps portions of the Japanese and German trade surpluses (with United States and European Economic Community and other industrialized countries contributing) for the accelerated development of cooperating nations among the LDC's to expand world markets and world trade. Only in this way can we escape from the intense competition among the industrial nations themselves for limited markets not presently able to absorb the full productive capacities of those same nations, while a large majority of mankind in the LDC's remains imprisoned in its present poverty and economic stagnation.

(2) With respect to the correction of the current United States-Japan trade imbalance, it must be recognized that an immediate turnaround is urgently needed, although major results will take time. However, despite the political sensitivities involved for the Japanese Government, the market for increased agricultural imports from the United States, including meat, should be undertaken promptly. In addition, nontariff barriers in the form of questionable health and safety specifications as well as administrative and financial measures and guidelines which militate against the imports of U.S. manufactured goods, should be removed by Japan. In addition, the United States and Japanese Governments should cooperate in providing assistance and encouragement to U.S. firms seeking to do business in Japan, including small and medium-sized U.S. companies which do not have the experience and credit facilities needed to establish and expand sales on the Japanese market.

(3) On the U.S. side, there is an urgent need for the U.S. Government and U.S. industry to become more export-minded and to take timely steps to prevent conditions which result in U.S. products becoming uncompetitive in world markets. Declining productivity in U.S. industry must be addressed by measures which enhance productivity and encourage new capital investments, rather than by measures to afford protection on the home market.

KOREA

I visited the Republic of Korea during the period of December 1-3 principally for discussions with U.S. and Korean officials of two important issues: The proposed withdrawal of U.S. ground forces from Korea and the human rights situation in Korea; and how the Tongsun Park case affected these issues. While there, I had meetings with President Park Chung-hui, Prime Minister Choe Kyu-ha, Deputy Prime

Minister and Minister of the Economic Planning Board Nam Tok-u, Foreign Minister Pak Tong-chin, Defense Minister So Chong-Chol, and National Assembly Speaker Chong Il-Kwon. In addition, I had a luncheon meeting with a group of six of the leading younger officials and technocrats of Korea as well as a meeting with a group of leading Korean human rights activists. On the U.S. side, I had most instructive discussions with Ambassador Richard Sneider, General John Vessey, CINCUNC, and the members of the U.S. Embassy Country Team. In addition, I had a meeting with a Swiss member of the Neutral Nations Observers Team.

The Korean peninsula is an area of considerable strategic significance in north Asia, constituting a point at which the active security interests of four of the world's major powers converge in uneasy rivalry: the Peoples Republic of China, the Soviet Union, Japan, and the United States. The peninsula is divided into militantly Communist and militantly anti-Communist halves by a fragile armistice line that has never been sanctified by an international political agreement among the parties. As periodic incidents, including the deliberate and brutal killing of two U.S. military officers last summer, indicate, the 38th parallel is one of the most volatile lines on a map anywhere in the world.

U.S. troop withdrawal

The announced decision of President Carter, in accordance with his position taken as a Presidential candidate, to withdraw American ground forces from Korea, is by far the most important issue in United States-Republic of Korea relations today. It is also an issue of major concern to Japan because Korea is widely acknowledged to constitute Japan's northwestern defense perimeter. A unified Korea, under either Soviet or Chinese hegemony, could expose Japan to extreme strategic pressure requiring a military response beyond the present restrictive parameters allowed by Japan's postwar constitution. Other nations in Asia bound to the United States by mutual security treaties, such as Taiwan, the Philippines, Australia, and New Zealand, have experienced considerable apprehension over President Carter's plan to withdraw U.S. ground forces from Korea.

While the Governments of the Republic of Korea and Japan have publicly acquiesced in the President's decision, they were "informed" of the decision rather than consulted in the decisionmaking process, and considerable uneasiness continues to be expressed in private in both countries over the meaning and consequences of the projected withdrawal.

South Korean and Japanese criticism focuses mainly on the failure of the United States to obtain a quid pro quo from the Communist powers in return for the U.S. drawdown. Moreover, as evidenced most conspicuously by the General Singlaub affair, elements of the U.S. military establishment are not convinced of the wisdom of the pullout decision.

As explained to the Congress by high administration officials, the withdrawal plan is to be a deliberately phased affair keyed to a plan for the compensatory strengthening of Republic of Korea forces to fill in for the departing Americans. In discussions with me, the Korean authorities expressed satisfaction with the contemplated build-up and modernization of R.O.K. forces to replace the loss of firepower

of the departing Americans (including a sufficient increment to match the major, ongoing buildup of North Korean forces). However, according to the R.O.K. view, a vital element of political and psychological deterrence will be lost by the departure of U.S. ground troops despite the achievement of adequate military firepower to be achieved under the plan to buildup R.O.K. forces. As one of them expressed it, "we will be left with the power to resist a new invasion but without the power to deter one."

Under the Constitution, the President, as Commander-in-Chief, has at least theoretically the power to carry out his withdrawal decision under his own authority. Nonetheless, since the execution of the President's plan, as explained to the Congress, entails congressional appropriations of funds to carry out transfers of existing U.S. equipment, and the provision of additional equipment under the military sales program, it is clear that the Congress will have a role in shaping the final decision.

In taking its decisions, the Congress undoubtedly will want to make an independent judgment not only respecting the requested appropriations (estimated to be some \$800 million for equipment now in Korea to be transferred to the R.O.K., and an annual \$1.5 billion in military credit sales over the 4 to 5 years phased U.S. drawdown/R.O.K. buildup period), but also as to the broader strategic and diplomatic consequences of the drawdown. The economy of the Republic of Korea is growing at a very impressive rate and the R.O.K. has substantial foreign exchange reserves, so the purely financial aspects of the drawdown/buildup plan may not be as important a consideration respecting this issue as the broader implications for the stability of the western defense system in north Asia.

The nature and leadership of the regime in North Korea must be a factor taken into account by the Congress in its deliberations. According to reliable observers with firsthand experience, the North Korea leader, Kim Il-sung, is dedicated to the belief that South Korea is ripe for "liberation" at the first sign of internal weakness or disturbance and believes wholeheartedly in his own "historic mandate" to unify the Korean peninsula under Communist rule. Moreover, the North Korean regime, while apparently continuing to be a source of apprehension and truculence for both the P.R.C. and the U.S.S.R. despite their continuing overt diplomatic and military support, has achieved considerable diplomatic success within the so-called non-aligned bloc at the United Nations in gaining support for the North Korean position on Korean unification.

Human rights

The Government of President Park Chung-hui undoubtedly has achieved a most impressive record of economic development in the Republic of Korea. It is probably the fastest growing economy in the world and its prospects for the foreseeable future appear equally good in that respect. Moreover, the fruits of economic development have been widely distributed among the various elements of the population. In addition, the Park regime has given the Republic of Korea a high degree of political stability which has been an important precondition to the achievement of its most impressive economic advancement.

Nonetheless, as understood by Americans, there is a conspicuous absence of politically-related human rights in South Korea. The suppression of virtually all forms of political dissent and self-expression is ruthlessly enforced by omnipresent Government security forces, particularly on college campuses. An American cannot help being shocked by tales of the experiences of even anti-Communist dissidents who have, on occasion, been brutalized and denied what Americans would regard as even the semblance of due process of law.

Korean adherents of the Park regime offer two defenses for the absence of political freedom in the R.O.K. They claim that an unrealistic standard is expected of them, given the turbulent history of Korea and the immediate, threatening proximity of the North Korean regime where a much more pervasive system of repression exists. In addition, it is argued that Kim Il-sung's professed belief that any significant indication of political unrest would require him to initiate a military "liberation" make it necessary to the R.O.K. to preempt any incidents or display of political unrest which would provide a pretext for North Korean intervention. Moreover, apologists for the Park government further contend that the absence of political freedom is offset by the real economic freedoms and opportunities which have been provided to virtually all elements of the South Korean population.

According to dissident sources, the number of political prisoners in the R.O.K. numbers only some 200. Under constant prodding from the United States, there is good prospect that this number will be significantly reduced over the coming year. Moreover, some degree of mobility and expression is permitted at least to the best known and most respected political dissidents who do have access to foreign observers and representatives of the international press.

Tongsun Park case

In some respects, the Tongsun Park case has come to overshadow the troop withdrawal issue as the preoccupation of relations between the United States and the Republic of Korea. In my discussions with the Korean leaders, including President Park himself, I expressed in clear terms the very grave view taken in the Congress of this case and the general dissatisfaction widely felt in the United States over the Korean Government's perceived lack of forthcoming cooperativeness in securing the return of Tongsun Park to the United States in connection with ongoing judicial processes and congressional inquiries in the United States. On the Korean side, the absence of an extradition treaty and Korean national dignity and integrity were put forward as major obstacles to the demands for cooperation by the Korean Government. Privately, I was given to understand that Korean Government anxieties that Tongsun Park would seek to implicate the Korean Government in his improper and illegal activities is the major reason for concern on the part of the Korean Government in forcing Tongsun Park's return to the United States.

While I was in Korea, negotiations between the U.S. Government and the R.O.K. Government appeared to be near fruition to secure the return of Tongsun Park in exchange for a limited immunity agreement for Tongsun Park. I urged the Korean authorities to make every effort to complete the negotiations as rapidly and as forthcomingly as possible, in order to remove the Tongsun Park case from centerstage in

U.S.-R.O.K. relations so that attention could again be focused on the issues, such as troop withdrawal, which are of greater lasting significance. In addition, I stressed the importance to the United States of Tongsun Park's testimony not only in the prosecution of U.S. wrongdoers but also to the clearing of the names of many Members of Congress who have been listed in the press as possibly involved or as being connected in some way with Tongsun Park.

Recommendations

(1) In view of the many potential adverse ramifications in Korea and beyond of the planned drawdown of U.S. ground forces, I strongly recommend that the Congress explore that plan in a deliberate and *de novo* fashion, weighing in its decision and recommendations the potential impact of the drawdown not only on the immediate military balance in Korea but also on the whole strategic and diplomatic equation in northern Asia and the western Pacific. In addition, the Congress should consider whether it should condition its approval of funds for the drawdown plan on the negotiation of some political or military quid pro quo from the North Koreans, Soviets, and Chinese.

(2) With respect to the human rights situation in the Republic of Korea, I believe that the United States must maintain pressure on the R.O.K. Government to liberalize the current repression of political freedom and expression in the R.O.K. to a significant and perceptible degree, without seeking to hold the R.O.K. Government to a standard which is unrealistic or unobtainable under present circumstances prevailing on the Korean peninsula as a whole.

(3) With respect to the Tongsun Park case, the United States must continue to press the R.O.K. Government to the limits feasible to obtain its cooperation in the return of Tongsun Park to the United States to permit the completion of judicial prosecutions of American wrongdoers, to facilitate a full congressional inquiry into relevant matters and to provide an opportunity for the clearing of the names of those who have been placed under a cloud of suspicion by rumor, hearsay, and unjustified guilt by association.

TAIWAN

I visited, from December 4 to 6, Taiwan for the second time in 21 years. While in Taipei, I had meetings with the head of state, President Yen Chia-Kan; the chief of government, Prime Minister Chiang Ching-kuo; Foreign Minister Shen Ch'ang-huan; Economic Minister Sun Yun-hsuan, and Education Minister Li Yuan-zu. I was accompanied on my calls by Vice Foreign Minister Chen; and I had an opportunity to meet and speak with additional ministers and other senior officials of the Government at a luncheon and two dinners given in my honor by Ambassador Unger and Foreign Minister Shen. Moreover, at an informal working dinner at Ambassador Unger's residence on the night of my arrival, I met with and was briefed by the members of the American Embassy "Country Team."

In addition to my meetings in Taipei, I visited Kaoshiung city at the southern end of Taiwan island to inspect several of the major, heavy industry and basic infrastructural projects being completed there in connection with the Government's plan to create a basis for a new stage of economic growth based on high technology and heavy indus-

tries. It was evident that these projects reflected intelligent planning, skillful construction, and efficient operation. The basis for continuing Taiwan's "economic miracle" into its third decade seems well laid.

Perhaps the most impressive aspect of the extraordinary economic achievements on Taiwan has been the Government's apparent success in reducing disparities in income levels between the richest and poorest segments of the population to one of the lowest ratios in the world. A corollary achievement of note is the success which the Government has had in balancing income levels in urban and rural areas, with the benefit of keeping urban blight problems within manageable levels, unlike the experience in most developing nations, even those which do not follow the market economy techniques so firmly entrenched on Taiwan.

Normalization and the Shanghai communique

The U.S. policy to "normalize" relations with the Peoples Republic of China within the framework of the Shanghai Communique (issued on February 22, 1972, at the end of President Nixon's visit to the Chinese mainland) is the overriding issue in relations today between the United States and the Republic of China on Taiwan. The policy of normalization and adherence to the framework of the Shanghai Communique has been reaffirmed by the Carter administration. Moreover, there have been indications that the Carter administration intended to seek to accelerate the process of normalization of relations with the Peoples' Republic of China.

The key phrase in the Shanghai Communique reads as follows:

The United States 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. The U.S. Government does not challenge that position. (Full text of the Shanghai Communique is enclosed as appendix B).

At the same time, the United States has in force a mutual defense treaty with the Government of the Republic of China on Taiwan, which entered into force on March 3, 1955. The crux of this treaty is contained in articles II, V, and VI which read as follows (full text of the Mutual Defense Treaty is enclosed as Appendix C):

ARTICLE II

In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack and communist subversive activities directed from without against their territorial integrity and political stability.

ARTICLE V

Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purposes of Article II and V, the terms "territorial" and "territories" shall mean in respect of the Republic of China, Taiwan and the Pescadores; and in respect of the United States of America, the island territories in the West Pacific under its jurisdiction. The provisions of Articles II and V will be applicable to such other territories as may be determined by mutual agreement.

Since the signing of the Shanghai Communique, both of the chief protagonists of the Chinese civil war—Mao Tse-tung and Chiang Kai-shek—have died. The transfer of power on Taiwan to Chiang Kai-shek's son, Premier Chiang Ching-kuo, has been accomplished without a hitch. Premier Chiang Ching-kuo and his colleagues profess fidelity to the policies and ideologies of the late Chiang Kai-shek including a duty to restore non-Communist government on the mainland, but without specifying the means by which this might occur.

Following its displacement in the United Nations by the Peoples Republic of China and consequent loss of diplomatic relations with all but a handful of governments, the R.O.C. attaches the highest importance to its diplomatic and security relationship with the United States.

In my discussions with the R.O.C. leadership, I expressed my personal support for the U.S. policy of normalization of relations with the Peoples Republic of China and conveyed my belief that this policy commanded very broad support in the Congress and among the American people generally. Accordingly, I advised the R.O.C. leaders that the policy of normalization of relations with the P.R.C. should be accepted as the settled policy of the United States.

At the same time, I made clear my own view—a view which I believe also to be widely shared in the Congress and by the American people—that the policy of normalization must be carried out in a manner which does not subject the people on Taiwan to subjugation against their will. In this connection, I expressed the view that the responsibilities of the United States to the people of Taiwan to assist them in resisting armed attack, which are embodied in the mutual defense treaty, continue to carry great weight in the Congress and among the American people. Accordingly, I expressed my judgment that the process of normalization of U.S. relations with the P.R.C. may take some time. I also stated my view that the supposed risk must be accepted in a deliberate pace for normalization—the risk being that normalization may be aborted by the P.R.C. deciding in the meantime to reestablish its military and political alliance with the Soviet Union, or denouncing the process of normalization with the United States.

The situation respecting Taiwan is filled with anomalies. China succeeded in establishing effective control on Taiwan only in the 17th century, very late in Chinese history. In 1895, sovereignty over Taiwan

was ceded to Japan following the Sino-Japanese war. In 1945, Chiang Kai-shek's forces were authorized to accept the Japanese surrender on behalf of the allies. Under the 1952 Peace Treaty with the United States, Japan relinquished sovereignty over Taiwan without any designation as to whom sovereignty thereupon passed. The official position of the U.S. Government from that time until the issuance of the Shanghai Communique was that the status of Taiwan was an unsettled question in international law which remains to be determined.

The government structure on Taiwan itself is an anomaly. There is a "national government of all China" which is a perpetuation of the remnants of the K.M.T. Government of Chiang Kai-shek on the mainland which fled into exile on Taiwan in 1949 when the Communists, under Mao Tse-tung, prevailed finally in the Chinese civil war. In addition, there is a provincial government of the province of Taiwan. The population of Taiwan consists of about 80 percent indigenous Taiwanese and about 20 percent "mainlanders" and their progeny, who came with Chiang Kai-shek in 1949. The role of the mainlanders is analogous in some respects to the Normans who came to England and dominated the local Saxon majority militarily, politically, and culturally only to be absorbed finally into the local population.

The "duty" of the R.O.C. Government to return to the mainland stems primarily from within the 20 percent population segment that came to Taiwan from the mainland with Chiang Kai-shek in 1949. The Taiwanese majority, some 80 percent of the population, are reported not to give any real support to the idea of a return to the mainland and in fact are reported to prefer strongly the perpetuation of some independent Taiwanese status. But in any event, certainly, opposition to the idea of Communist rule from the mainland is vigorously opposed by all elements of the population, mainlanders and Taiwanese alike.

The fact is that a highly successful society has been developed on Taiwan with considerable social and economic freedom and a small but growing element of political democracy, as we know it. The achievement of this success belongs in every sense to the people on Taiwan who have accomplished it through their own genius and hard work. Nonetheless, there is scarcely another country in the world which bears so conspicuously the "made-in-America" label in the eyes of the world community of nations.

If the United States was wrong in refusing to accept the victory of Mao Tse-tung in 1949 in the Chinese civil war, it would also seem wrong now to attempt to correct that error by any abandonment of the people on Taiwan to a forceful takeover by the P.R.C.

Resolution of the apparent contradictions between the Shanghai Communique and the U.S.-R.O.C. Mutual Defense Treaty will take time and some further evolution of the situations in Peking and Taipei. Human ingenuity, of which the Chinese peoples have more than their share, may be capable of squaring the circle of contradictions presently apparent in the situation shaped by the Shanghai Communique on one hand and the U.S.-R.O.C. Mutual Defense Treaty on the other hand.

Recommendations

(1) The United States should continue its policy of seeking to normalize its relations with the Peoples Republic of China. There are important reciprocal benefits to be derived by the United States and

the Peoples Republic of China from normalized relations which would permit closer cooperation on issues affecting Asia and world peace and stability in general. In pursuit of normalization, however, I believe that the United States must proceed in a deliberate manner which includes an honorable acquittal of the solemn responsibility which the United States has assumed for the safety and well-being of the people on Taiwan.

(2) While pursuing our policy of normalization with the P.R.C., the United States, in its relations with the R.O.C., should exercise the utmost sensitivity to the legitimate aspirations of the people on Taiwan to preserve the integrity of the highly successful society which has been built on that island over the past 30 years. In assisting the people on Taiwan in the realization of their long-term objectives, the United States should exert its influence at every stage to promote the expansion of political freedom on Taiwan, and the evolution of new thinking based on free discussion concerning Taiwan's longer-term role in the world.

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APPENDIX A

REMARKS BY U.S. SENATOR JACOB K. JAVITS, AMERICAN-JAPAN SOCIETY
LUNCHEON, TOKYO, NOVEMBER 28, 1977

THE JAPAN-UNITED STATES PARTNERSHIP

It is no exaggeration to say that since World War II, the Japan-United States partnership—encompassing but transcending a security alliance—has been the essential hinge supporting peace, security and economic prosperity in the northern Pacific basin. In recent years, this partnership has grown beyond its original regional significance and now is one of undeniably global significance.

The transition from a regional partnership to one of a global significance has produced major benefits as well as heavy new demands on both partners. The process of transition from regional and bilateral partnership to global collaboration has given rise to many new complications in the management of our relationship and has produced some quite nettling frictions in trade and monetary fields.

It is essential, in my judgment, that these problems be understood and responded to on both sides as problems of success. To appreciate the extraordinary dimensions of that success we have only to pause a moment to compare the experience of our post-war relationship to the history of the relationship between the Soviet Union and the Peoples Republic of China during the same years.

Our problems are specific and limited problems and, viewed in the broader perspective, are dwarfed by the surrounding penumbra of the success and ongoing benefits of our now global partnership. Nonetheless, there are real problems which cannot be ignored and which demand immediate attention so that they do not begin to corrode the essential foundations of the partnership which is of such vital direct importance to all the nations of the non-Communist world and must be a major factor in the evaluation of non-Communist strength by the Communist nations.

An accurate and objective definition of those problems is a first imperative, for it is clear that the matters in contention are seen in different perspective and through different lenses in the United States and Japan. Democratic governments have a natural propensity to give major importance to the domestic political imperatives circumscribing their own policy options, while heavily discounting the domestic political imperatives which bear upon the policy options of other—even partner—governments. This is a fact of life which cannot be exorcised by the incantation of magic words. The most we can expect is an attitude of mutual tolerance and comprehension. Squaring the circle of the contradictory demands of domestic politics and broader international imperatives is the heavy responsibility which challenges the leadership of each individual democratic government. Difficult and even politically risky decisions are unavoidable, both for Tokyo and for Washington. While I am in Japan, I will meet with the leaders of the government to convey to them how I see our relationship of partnership to be perceived and understood in the U.S. Congress in the light of the security, trade and financial problems which are elements of that partnership. At the same time, I will use this opportunity to gain a greater understanding and appreciation of the Japanese perception of these same issues which I can convey to my colleagues in the Congress and the people of the United States.

There is little doubt that we face a grave mutual problem in the U.S.-Japan trade relationship. I believe that the proper remedies are:

(1) Bilateral understandings to better balance Japan's imports from the United States with Japan's exports to the United States and to facilitate U.S. investment in Japan to balance the rising tide of Japanese direct investment in the United States.

(2) In multilateral understandings with our trading partners in the OECD countries, the CIEC Group of 8 developed countries and the Group of 10 heads of central banks to begin to work out with the OPEC countries and the non-oil LDC's a means to use the capital pool in the OPEC annual positive payments balance of \$40 to \$50 billion for a long term—perhaps 10 years—acceleration of development in the LDC's. Call it a world Marshall plan. Such a capital pool could feasibly come to \$250 billion in the next 10 years without in any way interfering with OPEC country domestic development and security needs. The developed world could stand behind such an investment and it could deal also with alternative energy sources and the needed increases in capital of the IDRB, the IMF, the IDA, and regional development banks. It could seek broader markets for our Japan-United States partnership as well as all other nations. It would be based on self-help by the recipient LDC's and mutual cooperation. Within it could be found a place for the communist economies if they will work with us for economic betterment, for they too are parched for long term credit. Our Japan-United States partnership needs an ever-expanding economic world, not a world three-fourths of whose people are so poor they are practically non-customers. Let us not fall to quarreling over a world of poverty when we can be part of a world of plenty.

If solutions along at least some of these lines cannot be achieved through mutual consultations and understandings, I must tell you that I worry greatly about our economic situation. For there are already increasingly, almost irresistible pressures upon the U.S. Government to take unilateral steps to correct the imbalance through restrictive measures which are not desired by either Japan or the United States, and which could have broader and detrimental repercussions on the whole international trade and monetary system.

As to a world Marshall plan, the times and the situation demand it and within it can be subsumed what is I understand the purpose of Japan materially to increase its foreign assistance program.

Because the trade imbalance is weighted so heavily towards Japan, the measures which are called for are not easy ones for the Japanese Government to take. They tend to impinge upon important domestic sensitivities and local vested interests. I understand that and I for one do not discount in the slightest the real difficulties which the Japanese Government—as a democratically elected Government responsible to a very lively parliament—must confront. And political wisdom and political courage of the highest order is required in both Tokyo and Washington, as the pressures on both Governments have many similarities which are common to democratic societies.

But the path will be made easier for each bilateral support and parallel solutions by the other Government. Solutions to these pressing problems of trade must be found. The solutions cannot be fully satisfactory to either side and we must help each other as much as possible because there is so much at stake—not alone for Japan and the United States but literally for the world trading system as a whole, for our partnership, as I said at the beginning, is now one of global significance. And that is why global development is as much a part of the solution as bilateral agreement.

Fortunately, the Japan-United States relationship has a strong history of success in surmounting problems quite similar to the urgent problems now clouding the atmosphere. In the trade and monetary field alone, we have found ourselves at a seeming impasse on occasion in the past, and each time goodwill, human ingenuity, and the knowledge that the Japan-United States partnership dare not fail, has triumphed and laid the basis for new success for our truly unique partnership which has brought so much prosperity and well-being to our respective peoples.

In the security area which perhaps continues to be the bedrock of our relationship, we have had to face and surmount many issues of great sensitivity and apparent insolubility. But each time we have found a viable solution.

A crowning achievement in this regard was the agreement under which Okinawa was returned to Japanese administration. So, too, the handling of the MIG-25 incident and the Tokai Mura nuclear reprocessing plant—a brilliant achievement—are other, more recent, examples of our joint capacity to reach agreement on difficult and sensitive questions.

The example of the reversion of Okinawa to Japanese administration is a particularly important milestone in my judgment and it provided the stimulus for a legislative initiative which I regard as one of the most important in terms of United States-Japan relations and of my own political career.

In August 1972, I introduced in the Senate a bill to establish the Japan-United States Friendship Commission to support educational, artistic, and cultural exchange activities to increase mutual understanding and friendship between Japan and the United States. My original conception was to set aside a portion of the funds to be paid by Japan to the United States in connection with the reversion to Japanese administration of Okinawa in a trust fund to finance the programs of the Japan-United States Friendship Commission. Eventually this legislation, with funds remaining in the GARIOA account added to the trust fund, was passed unanimously by both Houses of Congress. In October 1975, while Emperor Hirohito was in the United States, President Ford signed this legislation into law.

The Japan-United States Friendship Commission, supported by the trust fund initially amounting to some \$30 million, is unique in U.S. relationships with foreign countries. No comparable commission, dealing with our relationship to any other country exists, although there may be a need and justification for others too. It is a testament to the value which the U.S. Congress and the American people place upon our partnership with Japan. The Japan-United States Friendship Commission is an independent, autonomous agency of our Government created by law.

The Commission, which administers the trust fund, is composed of 18 leading figures selected from the fields of U.S. higher education, communications, business, and the congressional and executive branches of the Federal Government. This body has been deliberating over the past year on the most important uses for the income from the trust fund. We have determined that it is essential not only to further the development of more scholarly experts in each country, like the present Chairman of the Commission, Prof. John Hall, but also to foster a broader public understanding in each country of the cultural values and traditions of the other's society, in a variety of fields.

We start from the conviction that Americans and Japanese share common purposes and, as partners in great enterprises of global significance, require a greater in-depth understanding of each other. We recognize the differences in the historical experiences and different cultural traditions of the Japanese and American peoples and seek to create new bonds of understanding to help surmount economic competition that sometimes derives from the energy and productivity of our two societies, and which out of strength leads to frictions and misunderstandings. For this reason, the Friendship Commission has decided to emphasize at the outset programs that will increase the cultural appreciation that we Americans and Japanese have for one another and to facilitate cultural communication as well as to enhance possibilities for richer cultural collaboration and mutual appreciation.

The Commission also recognizes that the gap of ignorance may be even greater on the American side. It has therefore decided to put the larger part of our resources into the support of Japanese studies in U.S. education and into broader public impact programs that will increase the awareness and understanding of the American people at large for the Japanese people and their society. At the same time, the Commission believes that understanding is a two-way process, and intends to make a major contribution to the strengthening of American studies in Japan with grants of more than \$1 million over the first 3 years for this purpose alone.

In Japanese studies, the Commission is not only aiding existing programs, but we are emphasizing new fields of activity, such as teaching about Japan in U.S. professional schools of law and business. The Commission is making a major grant of \$150,000 over 2 years to Columbia University in New York to help them get started on their first full-time teaching position in Japanese law.

It is making possible the first nationwide standard test of the Japanese language for Americans, through the Educational Testing Service of Princeton, N.J., so that your Japanese universities will know what they are getting when they accept U.S. students in the future.

It is giving \$150,000 this year to several groups of U.S. universities for the purchase of Japanese books and periodicals for their libraries.

It is assisting Waseda University in Tokyo in their undergraduate training program for American students; and, it is helping the State of Pennsylvania in a training program to introduce teaching about Japan at the secondary school level; and there are additional activities in scholarship, publication, and education about Japan that it is supporting.

The Commission's million-dollar program in American studies will include major grants to develop the library resources and staff of the regional American Studies Centers at the University of Tokyo and at Doshisha University in Kyoto. It will aid Keio University in its plan to establish a new teaching position in American Cultural History; and, will assist at least six other Japanese universities outside of Tokyo and Kyoto in efforts to improve their library collections and other cultural resources.

Responding to the needs of individual Japanese scholars of America to travel and study abroad, the Commission will make opportunities available through programs of academic organizations such as the Japanese Association for American Studies and the American Council of Learned Societies.

In the cultural field, the Commission is planning to present the American Conservatory Theatre of San Francisco in Tokyo in July 1978. This is one of the finest American repertory companies; in 1976 it toured the Soviet Union. For the first appearance in Japan of an American theatre company, it will present two American plays, "Ah Wilderness," by Eugene O'Neill, and "All the Way Home," by Tad Mosel, which won the Pulitzer Prize and the New York Drama Critics Circle Award in 1960.

The Commission is currently talking with Japanese and U.S. museums about the possibility of bringing an exhibition of American art to Japan in 1978 or 1979. It is also cooperating with the Japan Foundation by adding its financial assistance to broaden an American tour in October 1978 by a troupe of "bugaku" dancers from Shitennoji Temple in Osaka, and to support a major exhibition of Japanese folk art in museums in Cleveland, New York, and San Francisco.

It is providing funds for another of America's major theatre repertory companies, this one in Milwaukee, Wis., to enable it to hold a festival of modern Japanese theatre activities, including the first professional American production in translation of a play, "Friends," by the modern Japanese playwright, Mr. Kobo Abe.

To provide opportunities for cultural enrichment of individual creative artists in both countries in fields such as architecture, dance, drama, and the visual arts, the Commission has reached agreement for a joint program of two-way exchange supported by the Agency for Cultural Affairs of Japan, and the National Endowment for the Arts of the United States.

Finally, turning to the area of public affairs and cultural communication for the American people, the Commission is supporting two major television series on Japan for public television and educational use. The first series, "Japan: The Living Tradition," is being produced under the leadership of a group headed by Prof. Edwin Reischauer, of Harvard, the former U.S. Ambassador here. The second, called "The Japanese," is currently being made in Japan under direction of Prof. John Nathan, of Princeton.

The Commission is supporting U.S. professional organizations in the establishment of exchange visit relationships with their Japanese counterparts in the fields of journalism, parliamentary affairs, and school administration, and is helping the American Chamber of Commerce in Japan in its commendable efforts to increase the American businessman's comprehension of Japanese society and institutions.

The Commission welcomes the advice and cooperation of all those many people, Japanese as well as American, who are engaged in similar efforts to broaden and strengthen mutual understanding, respect and friendship between Japan and the United States.

I trust that the people of Japan can agree that this is a noble enterprise of truly historic proportions. Its achievements and its contribution will be measured in decades of vital contributions to those most human endeavors—understanding and facility of communication.

As the author of the legislation which created the Japan-United States Friendship Commission, and as a member of the Commission since its establishment, you can see that I personally have expressed in deeds my confidence in the Japan-United States partnership, that our two nations have a continuing joint rendezvous with destiny. As partners, I am convinced that our even greater contributions to world peace and prosperity are still in our futures. It is this vision which gives both perspective and urgency to the need to find early solutions for the issues which currently trouble our close relationship.

APPENDIX B

(Public Papers of the Presidents)

JOINT STATEMENT FOLLOWING DISCUSSIONS WITH LEADERS OF THE PEOPLE'S REPUBLIC OF CHINA. FEBRUARY 27, 1972

President Richard Nixon of the United States of America visited the People's Republic of China at the invitation of Premier Chou En-lai of the People's Republic of China from February 21 to February 28, 1972. Accompanying the President were Mrs. Nixon, U.S. Secretary of State William Rogers, Assistant to the President Dr. Henry Kissinger, and other American officials.

President Nixon met with Chairman Mao Tse-tung of the Communist Party of China on February 21. The two leaders had a serious and frank exchange of views on Sino-U.S. relations and world affairs.

During the visit, extensive, earnest, and frank discussions were held between President Nixon and Premier Chou En-lai on the normalization of relations between the United States of America and the People's Republic of China, as well as on other matters of interest to both sides. In addition, Secretary of State William Rogers and Foreign Minister Chi P'engfei held talks in the same spirit.

President Nixon and his party visited Peking and viewed cultural, industrial and agricultural sites, and they also toured Hangchow and Shanghai where, continuing discussions with Chinese leaders, they viewed similar places of interest.

The leaders of the People's Republic of China and the United States of America found it beneficial to have this opportunity, after so many years without contact, to present candidly to one another their views on a variety of issues. They reviewed the international situation in which important changes and great upheavals are taking place and expounded their respective positions and attitudes.

The U.S. side stated: Peace in Asia and peace in the world requires efforts both to reduce immediate tensions and to eliminate the basic causes of conflict. The United States will work for a just and secure peace: just, because it fulfills the aspirations of peoples and nations for freedom and progress; secure, because it removes the danger of foreign aggression. The United States supports individual freedom and social progress for all the peoples of the world, free of outside pressure or intervention. The United States believes that the effort to reduce tensions is served by improving communication between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation or misunderstanding. Countries should treat each other with mutual respect and be willing to compete peacefully, letting performance be the ultimate judge. No country should claim infallibility and each country should be prepared to re-examine its own attitudes for the common good.

The United States stressed that the peoples of Indochina should be allowed to determine their destiny without outside intervention; its constant primary objective has been a negotiated solution; the eight-point proposal put forward by the Republic of Vietnam and the United States on January 27, 1972 represents a basis for the attainment of that objective; in the absence of a negotiated settlement the United States envisages the ultimate withdrawal of all U.S. forces from the region consistent with the aim of self-determination for each country of Indochina. The United States will maintain its close ties with and support for the Republic of Korea; the United States will support efforts of the Republic of Korea to seek a relaxation of tension and increased communication in the Korean peninsula. The United States places the highest value on its friendly relations with Japan; it will continue to develop the existing close bonds. Consistent with the United Nations Security Council Resolution of December 21, 1971, the United States favors the continuation of the ceasefire between India and Pakistan and the withdrawal of all military forces to within their own territories and to their own sides of the ceasefire line in Jammu and Kashmir;

the United States supports the right of the peoples of South Asia to shape their own future in peace, free of military threat, and without having the area become the subject of great power rivalry.

The Chinese side stated: Wherever there is oppression, there is resistance. Countries want independence, nations want liberation and the people want revolution—this has become the irresistible trend of history. All nations, big or small, should be equal; big nations should not bully the small and strong nations should not bully the weak. China will never be a superpower and it opposes hegemony and power politics of any kind. The Chinese side stated that it firmly supports the struggles of all the oppressed people and nations for freedom and liberation and that the people of all countries have the right to choose their social systems according to their own wishes and the right to safeguard the independence, sovereignty and territorial integrity of their own countries and oppose foreign aggression, interference, control and subversion. All foreign troops should be withdrawn to their own countries.

The Chinese side expressed its firm support to the peoples of Vietnam, Laos, and Cambodia in their efforts for the attainment of their goal and its firm support to the seven-point proposal of the Provisional Revolutionary Government of the Republic of South Vietnam and the elaboration of February this year on the two key problems in the proposal, and to the Joint Declaration of the Summit Conference of the Indochinese Peoples. It firmly supports the eight-point program for the peaceful unification of Korea put forward by the Government of the Democratic People's Republic of Korea on April 12, 1971, and the stand for the abolition of the "U.N. Commission for the Unification and Rehabilitation of Korea." It firmly opposes the revival and outward expansion of Japanese militarism and firmly supports the Japanese people's desire to build an independent, democratic, peaceful and neutral Japan. It firmly maintains that India and Pakistan should, in accordance with the United Nations resolutions on the India-Pakistan question, immediately withdraw all their forces to their respective territories and to their own sides of the ceasefire line in Jammu and Kashmir and firmly supports the Pakistan Government and people in their struggle to preserve their independence and sovereignty and the people of Jammu and Kashmir in their struggle for the right of self-determination.

There are essential differences between China and the United States in their social systems and foreign policies. However, the two sides agreed that countries, regardless of their social systems, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, nonaggression against other states, noninterference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence. International disputes should be settled on this basis without resorting to the use or threat of force. The United States and the People's Republic of China are prepared to apply these principles to their mutual relations.

With these principles of international relations in mind the two sides stated that:

Progress toward the normalization of relations between China and the United States is in the interests of all countries;

Both wish to reduce the danger of international military conflict;

Neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony; and

Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

Both sides are of the view that it would be against the interests of the peoples of the world for any major country to collude with another against other countries, or for major countries to divide up the world into spheres of interest.

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

The U.S. side declared: The United States 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. 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. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.

The two sides agreed that it is desirable to broaden the understanding between the two peoples. To this end, they discussed specific areas in such fields as science, technology, culture, sports and journalism in which people-to-people contacts and exchanges would be mutually beneficial. Each side undertakes to facilitate the further development of such contacts and exchanges.

Both sides view bilateral trade as another area from which mutual benefit can be derived, and agreed that economic relations based on equality and mutual benefit are in the interest of the people of the two countries. They agree to facilitate the progressive development of trade between their two countries.

The two sides agreed that they will stay in contact through various channels, including the sending of a senior U.S. representative to Peking from time to time for concrete consultations to further the normalization of relations between the two countries and continue to exchange views on issues of common interest.

The two sides expressed the hope that the gains achieved during this visit would open up new prospects for the relations between the two countries. They believe that the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world.

President Nixon, Mrs. Nixon and the American party expressed their appreciation for the gracious hospitality shown them by the Government and people of the People's Republic of China.

NOTE: The joint statement was released at Shanghai, People's Republic of China.

On the same day, the White House released a statement by Press Secretary Ronald L. Ziegler and the transcript of a news briefing on the joint statement. Participants in the news briefing were Henry A. Kissinger, Assistant to the President for National Security Affairs, and Marshall Green, Assistant Secretary of State for East Asian and Pacific Affairs. The statement and the transcript are printed in the Weekly Compilation of Presidential Documents (vol. 8 pp. 480 and 476).

On February 14, 1972, the White House released a statement by Press Secretary Ziegler on further relaxation of trade with the People's Republic of China. The statement is printed in the Weekly Compilation of Presidential Documents (vol. 8, p. 438).

On February 21, the White House released a statement and the transcript of a news briefing by Press Secretary Ziegler on the President's meeting with Chairman Mao Tse-tung. The statement is printed in the Weekly Compilation of Presidential Documents (vol. 8, p. 466).

APPENDIX C

10. MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA

(Signed at Washington December 2, 1954; Ratification advised by the Senate of the United States of America February 9, 1955; Ratified by the President of the United States of America February 11, 1955; Ratified by the Republic of China February 15, 1955; Ratifications exchanged at Taipei March 3, 1955; Proclaimed by the President of the United States of America April 1, 1955; Entered into force March 3, 1955.)

The Parties to this Treaty,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments and desiring to strengthen the fabric of peace in the West Pacific area,

Recalling with mutual pride the relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side by side against imperialist aggression during the last war,

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the West Pacific Area, and

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the West Pacific Area,

Have agreed as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international dispute in which they may be involved by peaceful means in such a manner that international peace, security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II

In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack and communist subversive activities directed from without against their territorial integrity and political stability.

ARTICLE III

The Parties undertake to strengthen their free institutions and to cooperate with each other in the development of economic progress and social well-being and to further their individual and collective efforts towards these ends.

ARTICLE IV

The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty.

ARTICLE V

Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purposes of Articles II and V, the terms "territorial" and "territories" shall mean in respect of the Republic of China, Taiwan and the Pescadores; and in respect of the United States of America, the island territories in the West Pacific under its jurisdiction. The provisions of Articles II and V will be applicable to such other territories as may be determined by mutual agreement.

ARTICLE VII

The Government of the Republic of China grants, and the Government of the United States of America accepts, the right to dispose such United States land, air and sea forces in and about Taiwan and the Pescadores as may be required for their defense, as determined by mutual agreement.

ARTICLE VIII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE IX

This Treaty shall be ratified by the United States of America and the Republic of China in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them at Taipei.

ARTICLE X

This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

EXCHANGE OF NOTES

DEPARTMENT OF STATE,
Washington, December 10, 1954.

His Excellency GEORGE K. C. YEH,
Minister of Foreign Affairs of the Republic of China

EXCELLENCY: I have the honor to refer to recent conversations between representatives of our two Governments and to confirm the understandings reached as a result of those conversations, as follows:

The Republic of China effectively controls both the territory described in Article VI of the Treaty of Mutual Defense between the Republic of China and the United States of America signed on December 2, 1954, at Washington and other territory. It possesses with respect to all territory now and hereafter under its control the inherent right of self-defense. In view of the obligations of the two Parties under the said Treaty, and of the fact that the use of force from either of these areas by either of the Parties affects the other, it is agreed that such use of force will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense. Military elements which are a product of joint effort and contributions by the two Parties will not be removed from the territories described in Article VI to a degree which would substantially diminish the defensibility of such territories without mutual agreement.

Accept, Excellency, the assurances of my highest consideration,

/s/ JOHN FOSTER DULLES,
Secretary of State of the United States of America.

DECEMBER 10, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honor to refer to recent conversations between representatives of our two Governments and to confirm the understandings reached as a result of those conversations, as follows:

"The Republic of China effectively controls both the territory described in Article VI of the Treaty of Mutual Defense between the Republic of China and the United States of America signed on December 2, 1954, at Washington and other territory. It possesses with respect to all territory now and hereafter under its control the inherent right of self-defense. In view of the obligations of the two Parties under the said Treaty and of the fact that the use of force from either of these areas by either of the Parties affects the other, it is agreed that such use of force will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense. Military elements which are a product of joint effort and contribution by the two Parties will not be removed from the territories described in Article VI to a degree which would substantially diminish the defensibility of such territories without mutual agreement."

I have the honor to confirm, on behalf of my Government, the understanding set forth in Your Excellency's Note under reply.

I avail myself of this opportunity to convey to Your Excellency the assurances of my highest consideration.

GEORGE K. C. YEH,
Minister for Foreign Affairs of the Republic of China.



