

Chinese Political Negotiating Behavior

A Briefing Analysis

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PREFACE

This report presents an assessment of the political negotiating style that senior U.S. officials are likely to encounter in dealings with their counterparts from the People's Republic of China (PRC). It is based on the experience of U.S. negotiators who participated in efforts during the past decade to normalize America's relations with the PRC.

The author of this study is a China specialist who was involved in negotiations with the People's Republic of China between 1971 and 1976 as a member of the National Security Council staff.

Other Rand publications relevant to the subject of this report include:

Lucian W. Pye, *Chinese Commercial Negotiating Style*, Cambridge, Mass.: Oelgeschlager, Gunn & Hain Publishers, Inc., 1982.

Jonathan D. Pollack, *The Lessons of Coalition Politics: Sino-American Security Relations*, The Rand Corporation, R-3133-AF, February 1984.

Norman D. Levin and Jonathan D. Pollack, *Managing the Strategic Triangle: Summary of a Workshop Discussion*, The Rand Corporation, N-2125-USDP, April 1984.

Richard Moorsteen and Morton Abramowitz, *Remaking China Policy: U.S.-China Relations and Governmental Decisionmaking*, Cambridge, Mass.: Harvard University Press, 1971.

SUMMARY

This analysis assesses Chinese negotiating behavior on the basis of the experience of U.S. negotiators who participated in efforts during the past decade to normalize America's relations with the People's Republic of China (PRC).

GENERAL CHARACTERISTICS

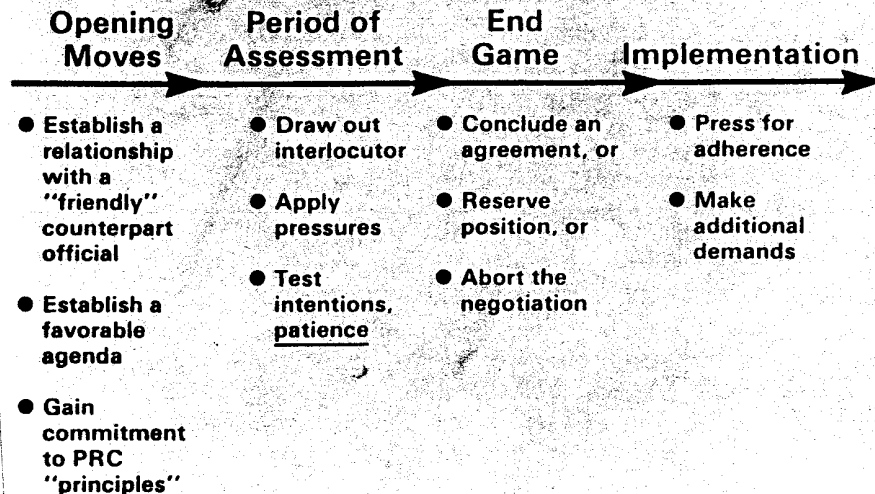
Beijing's negotiators are highly disciplined in pursuing PRC interests, reflecting their Marxist-Leninist training. Yet, as Chinese, they are distrustful of impersonal or legalistic negotiations. *A fundamental characteristic of Chinese negotiating style is the effort to identify a sympathetic counterpart in a foreign government, to cultivate a personal relationship—a sense of “friendship”—and then to manipulate feelings of goodwill, obligation, guilt, or dependence to achieve their negotiating objectives.* “Friendship,” to the Chinese, implies the obligation to provide support and assistance to one's “friends.”

The Chinese view political negotiation as reconciling the principles and objectives of the two sides and testing the counterpart government's commitment to a relationship with the PRC. They do *not* see it as a highly technical process of haggling over details in which the two sides initially table maximum positions and then seek to move to a point of convergence through incremental compromises.

To establish a framework for a relationship, a PRC official will press his counterpart at the outset of a negotiation to accept certain general “principles.” Such political ground rules will then be used to constrain the interlocutor's bargaining flexibility and to test the “sincerity” of his desire to develop and sustain a relationship with China. Experience shows, however, that when a PRC negotiator wants to reach an accord, he can set aside the stress on “principles” and reach a concrete agreement that may seem to have little relation to the principles stressed early in a negotiation.

Senior U.S. officials describe political negotiations with the Chinese as a “linear” or sequential process of relatively discrete stages:

PRC POLITICAL NEGOTIATING BEHAVIOR: A "LINEAR" PROCESS



OPENING MOVES

PRC officials make a determined effort to establish a sympathetic counterpart as an interlocutor, cultivate a sense of personal relationship ("friendship") with him, and then press for acceptance of their principles as the basis of the relationship. They also seek to structure a negotiating agenda favorable to their objectives.

PERIOD OF ASSESSMENT

Chinese officials are skilled in protracting a negotiation to explore the limits of their adversary's views and flexibility. They will resist exposing their own position until their counterpart's stand is fully known and his patience well tested.

Facilitating Maneuvers. Chinese officials seek to establish a positive ambience for a negotiation through meticulous orchestration of hospitality (cuisine, sightseeing, etc.), press play, toasts, and the official mood. They may seek to minimize confrontation or differences of view through subtle and indirect presentation of their position. They may communicate through trusted intermediaries. And when they seek to

prevent the breakdown of a negotiation, they may resort to stalling tactics or reach a partial agreement while reserving their position on important issues where they do not wish to compromise.

Pressure Tactics. PRC negotiators resort to a variety of maneuvers to put an interlocutor on the defensive. They are skilled at making a foreign counterpart appear to be the supplicant or *demandeur*. They play political adversaries against each other; and they may alternate hard and accommodating moods by shifting from "bad guy" to "good guy" officials. They may urge a foreign negotiator to accommodate to their position with the argument that if he does not, his "friends" in the PRC leadership will be weakened by failure to reach agreement. And they tend to focus pressure on a sympathetic negotiator, on the assumption that a "friend" will work with special effort to repair problems in the relationship. They may present themselves as the injured party and seek to shame an interlocutor with recitation of faults on the part of his government or his failure to live up to past agreements or to the "spirit" of mutually accepted "principles." They may try to use the press to create public pressures on a foreign negotiating team. And they will seek to trap a negotiator against a time deadline.

END GAME

When PRC officials believe that they have tested the limits of their adversary's position and that a formal agreement serves their interests, they can move rapidly to conclude a deal. They may let a negotiation appear to deadlock to test their interlocutor's patience and firmness, and then have a senior leader intervene at the last moment to "cut the knot" of disagreement. Once Chinese leaders have decided to reach an agreement, their negotiators can be quite flexible in working out concrete arrangements which may seem to have little relation to "principles" that were stressed early in a negotiation. (They will be concerned, however, that their agreement does not appear *publicly* to be "unprincipled.")

Chinese officials assess the manner in which a counterpart government implements an agreement as a sign of how seriously it takes a relationship with the PRC. They will press for strict implementation of all understandings and are quick to find fault. Chinese officials sometimes give the impression that agreements are never quite final. They will seek modifications of understandings when it serves their purposes; and the conclusion of one agreement is only the occasion for pressing an interlocutor for new concessions.

NEGOTIATING LESSONS OF THE PAST DECADE

The following guidelines may sound simplistic, but they have all been violated by U.S. negotiators in dealings with the Chinese.

- **Know the substantive issues cold.** PRC officials meticulously prepare for a negotiating encounter, and they are well briefed by competent staff. They will take advantage of any shortcomings in their interlocutor's grasp of the issues.
- **Master the past negotiating record.** A Chinese negotiator will have the past record of exchanges under full control and will quote it back to his foreign interlocutor if he senses any effort to deviate from prior agreements or understandings. He may also attempt to distort the past record to serve his own objectives.
- **Know your own bottom line.** The best protection against the blandishments of the "friendship" game, or the various forms of pressure the Chinese seek to build on a negotiator, is to have a clear sense of the objectives of a negotiation. Repeated shifts in position will suggest to a PRC negotiator that his adversary's final position has not been reached.
- **Present your position in a broad framework.** Chinese leaders seem to find it easier to reach compromises on specific issues when they believe the counterpart government takes them seriously and views a relationship with the PRC in a long-term and global perspective.
- **Resist Chinese efforts to shame.** PRC officials are quick to find fault or to challenge the "sincerity" of a negotiating counterpart. Don't promise more than you can deliver; and be well prepared to respond to self-serving Chinese claims that they are the injured party in the relationship.
- **Be patient!** Chinese distrust quick deals. A PRC negotiator tends to adopt a somewhat passive, "I'm in no hurry" posture and will take months—if not years—to fully test an adversary's position. Assume you will be subjected to unpredictable delays and drawn-out discussions in which your Chinese counterpart will give little elaboration of his own position.
- **Avoid time deadlines.** A Chinese negotiator will try to trap his counterpart against a time deadline in order to build pressure. He may express interest in concluding an agreement only at the eleventh hour, when he is convinced his interlocutor's position is truly final.

- **Minimize media pressures.** PRC officials are skilled at manipulating the media by raising expectations about either the success or failure of a negotiation, and in generating public pressures on a counterpart government (for example, through hints that there may be an improvement in Sino-Soviet relations). Low-key and leak-free exchanges are the best protection against press-generated pressures.
- **Develop a negotiating strategy and countertactics.** Resist PRC efforts to draw the United States into a supplicant posture by adopting an attitude of restrained openness. Focus on identifying and implementing common interests and objectives. Parry Chinese tactical negotiating ploys with countertactics designed to throw the PRC counterpart off balance and demonstrate competence and control over the negotiating process.

CHINESE POLITICAL NEGOTIATING BEHAVIOR: A BRIEFING ANALYSIS

INTRODUCTION

This briefing report is an assessment of the political negotiating style that senior officials of the U.S. government are likely to encounter in dealings with their counterparts from the People's Republic of China (PRC). The assessment is based on interviews with American officials who conducted negotiations with the Chinese during the 1970s and early 1980s in an effort to normalize and develop U.S.-PRC relations, and on analysis of related materials such as Chinese press statements.

The experience of the past decade indicates that the Chinese conduct negotiations in a way that Americans find distinctive in its atmosphere and characteristics, even though individual elements of the process are not unique to the Chinese. PRC negotiators reflect a composite tradition that embodies their own culture and history, the Soviet-Communist influence, and partial adaptation to the diplomatic conventions of the West. The American negotiator will not be exposed to Marxist-Leninist rhetoric or concepts by his Chinese counterparts; yet the Chinese will use ideological formulations in internal documents and in press articles reflecting official PRC positions.

The American official is likely to be most impressed by the "Chineseness" of his first visits to Beijing (Peking)—the self-assured and subtle manner in which officials handle substantive issues, and the cultured ambience created by the hospitality of his hosts, the banquet cuisine, and sightseeing trips to the Great Wall or the Forbidden City. These aspects of the negotiating process will be purposefully manipulated by the Chinese to create a sense of their country's great tradition and future potential—and in partial compensation for its current political and economic weaknesses.

The following analysis will give the American negotiator a sense of what many foreigners find to be an esoteric and appealing atmosphere, yet an often trying pattern of manipulations in formal negotiating encounters. Above all, the U.S. official should draw confidence from the fact that his PRC counterparts will conduct negotiations in a relatively predictable manner, one that has been dealt with effectively by other officials of the U.S. government in pursuit of American policy objectives.

GENERAL CHARACTERISTICS

The Cultivation and Use of Friends of China

Chinese officials are single-minded and highly disciplined in their pursuit of PRC interests; yet as Chinese they are distrustful of impersonal or legalistic negotiations. *The most fundamental characteristic of dealings with the Chinese is their attempt to identify foreign officials who are sympathetic to their cause, to cultivate a sense of friendship and obligation in their official counterparts, and then to pursue their objectives through a variety of stratagems designed to manipulate feelings of friendship, obligation, guilt, or dependence.* This reflects the workings of a culture that has developed to a high level the management of interpersonal relations (*guanxi*); a society that stresses interdependence rather than individuality; and a political system that sees politics as the interplay between superior and dependent and the rivalry of factions rather than the association of equals.

Thus, the Chinese go to considerable lengths to collect information on the opinions and personal preferences of their official counterparts—not just attitudes on political issues, but personal likes in food and music as well. They then use such information to develop a sense of personal relationship. Dinnertime conversations and sightseeing banter are viewed by PRC officials as opportunities to gain such information and to cultivate a mood of “friendship.”

Friendship implies obligation. When Chinese officials speak of “friendship” or identify a foreigner as an “old friend,” it should be remembered that in their tradition “friendship” implies obligations as much as good personal relations. Moreover, PRC officials tend to limit their dealings with foreign “friends” to formal occasions.

Contemporary Chinese have mixed feelings about foreigners: On the one hand, they admire and covet the power and economic progress that they see in the West—which they seek to gain through foreign “friendships.” On the other hand, they resent China’s backwardness, dependence on outsiders, and the feeling that they have been ill-treated in the past by those on whom they have relied for help in modernizing their country. Such resentment has been most evident in their attitudes toward China’s former ally, the Soviet Union; yet there are other instances in which the Chinese sought to establish friendly relations with a foreign country only to have their high hopes (and often unrealistic demands) for support and assistance turn to bitter disappointment when their expectations were not fully realized.

"We Chinese Are a Principled People"

Perhaps because of the highly personalized and, upon occasion, opportunistic quality of their own politics, along with their ambivalent feelings about dealing with foreigners, the Chinese seek to establish their own ground rules in negotiations by emphasizing their commitment to certain general "principles." In different periods of history this has taken the form of a stress on Marxism, the principles of "peaceful coexistence," or political understandings such as were embodied in the Shanghai Communiqué signed with the United States in 1972, the U.S.-PRC normalization communiqué of 1978, and the joint communiqué on arms sales to Taiwan of 1982. (See the Appendix, pp. 17-26.)

Thus, a Chinese official can be expected to initiate a negotiation either by pressing his foreign counterpart to agree to certain general principles, or by invoking past agreements of a general nature with the foreigner's predecessors which he is expected to accept and abide by. A Chinese negotiator will judge the degree of commitment of his foreign counterpart to a relationship with China by his acceptance of relevant principles; and as a negotiation proceeds, he will seek to constrain his interlocutor's room for bargaining maneuver by invoking "principle" in order to critique his counterpart's position.

Nonetheless, the experience of recent negotiations with the PRC reveals clearly that *when Chinese officials want to reach a specific agreement they will set aside their stress on principle and reach a concrete understanding that may seem to have little relation to the principles they stressed early in the negotiation. Yet they will try to justify a negotiated agreement in terms of their principles.*

The Opaqueness of the Chinese Political Process

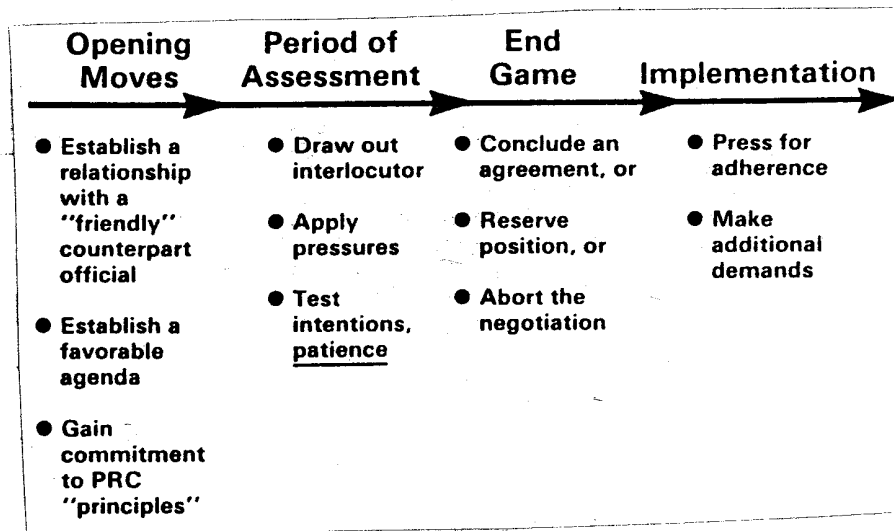
Because the Chinese see politics as a highly personalized process more than the working of institutions, they are very sensitive to signs of factional leadership conflict. They see their own governmental system as particularly vulnerable to such conflict; and in dealings with foreigners they will go to great lengths to stress the unity of their contemporary leadership—even while admitting to the baleful effects on China of recent periods of political turmoil such as the "Cultural Revolution." Thus, the foreign negotiator will find that his Chinese counterparts will try to mask internal political processes from his understanding.

PRC negotiating positions reflect domestic political factionalism. Recent experience has shown that PRC negotiating positions are

highly sensitive to the play of political factionalism in Beijing: a strong leader can promote a policy that a collective leadership would be unable to support; or a negotiating position may be withdrawn or hardened in the course of a negotiation as a result of factional conflict within the leadership. Thus, the U.S. negotiator faces the difficult task of assessing the flexibility of his Chinese counterparts in terms of internal political processes that are—by the intent of his interlocutors—difficult to estimate. As a general rule, it can be assumed that the more rigid and posturing a Chinese negotiator, or the more “irrational” a PRC negotiating position seems to be, the more that factional political pressures are influencing the negotiating process.

THE FORMAL NEGOTIATING PROCESS

American officials have described negotiations with the Chinese as a “linear” process of sequential and relatively discrete stages which unfold as the two sides explore issues of common concern.



In the initial period of **opening moves**, a Chinese negotiator will seek to gain his counterpart's commitment to certain general principles

favorable to his objectives, while also seeking to build a personal relationship with him.

There will follow an often lengthy and diffuse **period of assessment** in which the Chinese official will seek to draw out his foreign interlocutor, test his intentions and his commitment to a relationship with the PRC, and assess the limits of his political flexibility on matters under discussion. In this phase, which may last for months—if not years¹—the “boundaries” of the negotiation may be ill-defined. PRC officials will evaluate statements of the U.S. government made in contexts other than bilateral exchanges; or they may hold a series of meetings with senior U.S. officials on apparently unrelated topics (through high-level visits to Beijing, at the United Nations, or by way of ongoing ambassadorial contacts in Washington and Beijing) through which they will attempt to influence and assess any evolution in the U.S. position.

Chinese highly value **patience** as a political virtue, and the “can do” enthusiasm of the American style of problem-solving may be easily misinterpreted by them as impatience. A PRC negotiator will watch for signs of impatience in his foreign counterpart as an indicator of how anxious he is to conclude an arrangement—and thus how likely he is to accede to Chinese terms.

Finally, Chinese negotiators may unexpectedly precipitate the **end game** phase of a negotiation and seek to rapidly conclude a formal arrangement when they feel they know the limits of their interlocutor's position and where such an arrangement is seen as serving PRC interests. Their initiation of an “end game” is usually signaled by a shift from discussion of general principles to an evident interest in making concrete arrangements. They may table a draft agreement that is very close to the other party's final position in order to rapidly conclude a deal.

The Chinese view the political negotiating process as an attempt to reconcile the principles and objectives of the two sides and the testing of their interlocutor's commitment to a relationship with the PRC. They do *not* see it as a highly technical process of haggling over details in which the two sides initially table maximum positions and then seek to move to a point of convergence through incremental compromises.

¹The Chinese initiated talks with the United States on normalizing relations at Geneva in 1955. These discussions were moved to Warsaw in 1958 and continued without progress for 14 more years, until 1970, when PRC (and U.S.) terms and objectives changed enough to make agreement possible. Full normalization was finally accomplished in late 1978, more than 23 years after discussion of the issue began (and over seven years after formal, high-level negotiations commenced). In 1981–1982 the U.S.-PRC negotiation on American arms sales to Taiwan went on for 14 months before agreement was reached.

Indeed, they disparage haggling and can show remarkable flexibility in making concrete arrangements once they have decided it is in their interest to conclude an agreement.

OPENING MOVES

Identify the right interlocutor. Given their stress on the personal element in politics, the Chinese may go to considerable lengths to establish as a negotiating counterpart an individual whose views and political positions they believe are favorable to them. Thus, in early 1971 they indicated through diplomatic channels a clear preference for national security advisor Kissinger as the official they hoped President Nixon would send secretly to Beijing. In 1974 they invited Secretary of Defense Schlesinger to the PRC, knowing of his critical views of détente. In 1978 they sought to establish national security advisor Brzezinski as a voice in the normalization negotiations, as they found his views more to their liking than those of Secretary of State Vance. And in early 1981 they quickly sought to establish Secretary of State Haig as their interlocutor in the Reagan administration, rather than national security advisor Allen.

Establish a favorable agenda. If the Chinese have a clear set of priorities for a negotiation, they will press insistently to establish an agenda favorable to their objectives. In 1981, for example, they refused to discuss matters of U.S.-PRC security cooperation until an agreement had been reached on U.S. arms sales to Taiwan.

Gain commitment to PRC "principles." PRC officials seek to establish a favorable framework for realizing their objectives at the outset of a negotiation by pressing their counterpart to agree to "principles" of a very general nature. Then, as a negotiation proceeds, they will challenge positions put forward by the other side as inconsistent with the mutually agreed-upon principles. The Shanghai Communiqué, signed by President Nixon and Premier Zhou Enlai in February 1972 (see the Appendix, pp. 17-21), thus became a framework for the subsequent six years of normalization talks; and PRC officials now criticize U.S. arms sales to Taiwan as inconsistent with the principles agreed to in the joint communiqué on normalization of 1978 of "respect for the sovereignty and territorial integrity of all states" and "non-interference in the internal affairs of other states."

The power of words and symbols. The Chinese are meticulous note-takers, and they will throw back at a negotiator his own words, or those of his predecessors, when they sense any deviation in policy from prior negotiating exchanges which serve their interests. They are also

subtle and elliptical in presenting their positions,² and they are masters in the use of political symbolism. They used "ping-pong diplomacy" and the gift of panda bears in the 1971-1972 period to express their interest in normalizing relations with the United States. And the Shanghai Communiqué became a symbol of the normalization process. Chinese negotiators are skillful in using such symbols and agreed-upon principles to constrain their negotiating adversary's room for maneuver.

PERIOD OF ASSESSMENT

Once a framework for a negotiating relationship has been established, the Chinese go through an often lengthy period of assessing their counterpart's objectives and positions. They are highly effective in drawing out an interlocutor. Negotiating sessions in Beijing predictably begin with the Chinese official saying, "Our custom is that our guest always speaks first." And they will press for full revelation of the foreigner's position before exposing their own. Efforts to draw them out early in a negotiation produce very general or banal statements until they believe their interlocutor has fully revealed his position.

All conversations with lower-level officials are reported "upward" to their superiors and are analyzed in detail by senior leaders. Hence, the U.S. negotiator should assume that a conversation with, say, the Foreign Minister early in a visit to Beijing will have been reported fully to the Premier. Therefore, positions do not have to be repeated through a series of meetings. Indeed, American negotiators have described official visits to Beijing as an "unfolding dialogue" in which one passes layer by layer into ever higher levels of the PRC leadership, much as one moves ever deeper into the courtyards of the Forbidden City until the Emperor's throne is finally reached. In this way the Chinese gain the initiative in assessing the views of a foreign negotiator and have time to prepare their responses; and they thus protect their senior leaders from ill-informed or confrontational encounters with lower-level foreign officials.

²During Henry Kissinger's first, secret trip to Beijing in 1971, Zhou Enlai hinted at conflict within the Chinese leadership by omitting the name of Defense Minister Lin Biao from a list of officials who wanted to thank Kissinger for gifts he had brought to them from the United States. In 1972 Zhou indirectly suggested to President Nixon that he was seriously ill by quoting from a poem by Chairman Mao which commented on the evanescence of life. (Zhou died of cancer in early 1976.) And in 1973 Mao Zedong obliquely indicated to senior U.S. officials that he did not support his wife's political ambitions by telling Kissinger that China's women were too numerous and caused "disasters."

Facilitating Maneuvers

The Chinese unquestionably prefer to negotiate on their own territory, as it facilitates their internal communications and decisionmaking procedures, and because it maximizes their control over the ambience of a negotiation. They purposefully orchestrate all aspects of the environment—press play, the mood of their officials, banquet toasts, the quality of the cuisine, and sightseeing excursions—to create a context favorable to their purposes.

When the Chinese wish to develop a relationship with a foreign government, they use a variety of diplomatic and negotiating ploys to facilitate agreement and minimize differences. They may use a *trusted intermediary* to convey positions to a foreign government in advance of a negotiation in a deniable or face-saving manner, and in order to “load” the agenda of their foreign counterpart. Accordingly, they used the Pakistani government in 1971 to communicate their initial positions on political normalization to the Nixon administration in advance of Henry Kissinger’s secret visit to Beijing. They can also *show magnanimity* when they want to strengthen a relationship, as they did in 1980 when they offered Secretary of Defense Harold Brown the sale of certain rare earth metals which they knew were needed by the U.S. government.

They can *express differences by indirection and subtlety of language* to minimize confrontation or draw out their interlocutor with ambiguous yet suggestive formulas. For example, in 1973 the Chinese began to emphasize that normalization had to be completed according to “the Japan formula”—without spelling out in precise detail what this “formula” entailed. They may resort to *stalling tactics* to protract a negotiation when premature closure would be unfavorable to their interests or could lead to a deadlock. Or they may reach a partial agreement on issues where compromise serves their ends, but explicitly *reserve their position on irreconcilable differences* for negotiation at a later time in more favorable circumstances. For example, in late 1978 the Chinese agreed to the U.S. formula for establishing diplomatic relations on all points except continuing American arms sales to Taiwan. On this issue they publicly indicated that, while agreeing to normalize, they could not accept the U.S. position. Privately, Deng Xiaoping expressed the intention to negotiate the difference of view at a later date.

Pressure Tactics

Chinese skill in creating a positive ambience for a negotiation is perhaps matched only by the range and variety of pressure tactics they are known to employ once a relationship has been established. Chinese

hospitality is contrasted with their subtle use of the calculated insult, as in 1975 when they accorded a visiting American Communist Party delegation more favored treatment than an official party preparing for President Ford's trip to China at the end of the year. Their meticulous organization of a foreign official's visit makes the occasional use of purposeful unpredictability—such as suddenly canceling a scheduled meeting without explanation, or refusing to confirm a senior U.S. official's call on a counterpart PRC leader until the last minute—all the more unsettling. And their solicitude for the comfort of their guests is countered by their occasional resort to fatiguing late night negotiating sessions as a way of pressuring and disorienting a foreign official.

Many of the plays used by the Chinese in the U.S.-PRC negotiations of the past decade have had the quality of implying that the relationship is in jeopardy, or that the American side is guilty of not living up to its commitments as expressed in the Shanghai Communiqué, the joint communiqué on normalization, and the Taiwan arms sales communiqué of August 17, 1982:

- *"You need us; we don't need you!"* The Chinese are particularly adept at making their interlocutor appear the supplicant or *demandeur* in a negotiation. They will maneuver a dialogue so that the foreigner seems to be asking for something from China—thus putting him in a defensive bargaining position. Conversely, they will go to great lengths to avoid appearing to need a relationship with a foreign government. Thus, in 1971 they tried to make it appear that President Nixon had asked to visit China, when in fact Premier Zhou Enlai had extended an invitation to him and there was mutual interest in developing the relationship. And in 1981 the Chinese strongly resisted the argument that they needed American arms for their defense, fearing that the price of a dependent security relationship with the United States would be unrestricted American weapons sales to Taiwan.
- *Beat up on one's friends.* When the Chinese want to pressure a foreign government, they will put the heat on an official who is viewed as sympathetic to the relationship, assuming that a "friend" will work to resolve problems in a way that no unsympathetic official would do. Thus, in 1975 Secretary of State Kissinger was subjected to calculated pressures as the Chinese attempted to move the United States to normalize relations; and in 1980 Vice Presidential candidate Bush was strongly

pressured to bring about a modification of Presidential candidate Ronald Reagan's China policy.

- *Play adversaries against each other.* Over the past decade there have been repeated examples of the PRC seeking to influence their interlocutors in the U.S. government by playing their political opponents against them. When the Chinese were unsure about the Nixon administration's intentions toward them in 1970, they put out feelers to sympathetic Democratic politicians in the Congress. And, as noted earlier, they have tried to play on presumed interpersonal rivalries among senior officials—Schlesinger versus Kissinger, Brzezinski against Vance, Haig versus Allen.
- *"Your Chinese friends are vulnerable."* There have been several instances in which PRC officials have implied that unless the United States showed flexibility in negotiations, Chinese leaders sympathetic to the relationship with the United States would get into political trouble. A PRC ambassador abroad hinted at this regarding Zhou Enlai's standing in 1972, when normalization issues were being discussed. And Deng Xiaoping repeatedly told American visitors in 1981–1982 that "the Chinese people will not support me" if the Taiwan arms sales issue is not satisfactorily resolved. Subsequent analysis of these ploys indicates that the Chinese were not bluffing; but it is difficult to assess the validity of such arguments at the time they are made, and such considerations can never be the primary factor in determining U.S. policy.
- *Bad guy/good guy.* While this tactic is not unique to the Chinese, there is a tendency for lower-level PRC officials to present a negotiating position in a much sharper manner than will a senior leader, who may enter a negotiation only late in the day when the interlocutor's views have been fully tested. For example, former Vice Foreign Minister Qiao Guanhua presented positions much more rigidly than did Premier Zhou, who would directly involve himself in a bargaining situation only when agreement seemed near. And former Foreign Minister Huang Hua played the role of the "heavy" in negotiating the Taiwan arms sales issue, with Deng Xiaoping the senior compromiser.
- *"Kill the chicken to warn the monkey."* A traditional Chinese negotiating ploy is to prove to an adversary one's seriousness of intent by taking some action of limited cost which will make

credible a more costly negotiating threat that one wants to avoid. Thus, in early 1981 the PRC downgraded diplomatic relations with the Netherlands government in response to its sale to Taiwan of two submarines to make credible the threat to downgrade relations with the United States if American arms were sold to Taiwan without prior understanding with the PRC.

- *"You are the guilty party!"* Chinese negotiators will seek to portray themselves as the injured party by identifying faults, weaknesses, failures to perform, or other asserted errors on the part of their interlocutor's government—thus putting their negotiating counterpart on the defensive. In 1975, for example, Deng Xiaoping repeatedly asserted to Henry Kissinger that "the U.S. owes China a debt" on normalization because of the intention expressed by President Nixon in 1972 to establish diplomatic relations by the end of his second term.
- *Word games.* As discussed earlier, Chinese negotiators use very general agreements in principle or prior commitments of a government to pressure a foreign counterpart on specific issues. They may claim that some action of the interlocutor's government "violates the spirit" of a prior agreement, or that an administration is going back on the words of its predecessors. For example, in 1977 the Chinese rejected Secretary of State Vance's proposal for a U.S. governmental presence in Taiwan after normalization by quoting back to him words of his predecessors that such an official presence was not required.

While Chinese negotiators, in contrast to Soviet officials, seek to preserve their credibility by avoiding hollow bluffs and outright lies, they are known to twist the meaning or intent of prior statements or understandings to serve their purposes. Accordingly, the U.S. negotiator should be forearmed with a full understanding of the negotiating record as a basis for countering sometimes distorted Chinese assertions about prior agreements.

- *Press play.* PRC officials have demonstrated considerable skill in manipulating the press as a component of the negotiating process. They know that the high level of media attention given American negotiating teams provides them opportunities to build public pressures on an American negotiator. Thus, when journalists accompany a senior official into his first negotiating session with, say, Deng Xiaoping, Deng can be expected to make some apparently casual comments within earshot of the press to set the mood for a negotiation.

Deng and other officials have effectively used the "trap of visibility" to raise the concerns of their U.S. interlocutors about the appearance of a deterioration in the U.S.-PRC relationship for its effect on U.S.-Soviet relations. Through statements to the press, they have raised public expectations about progress in the relationship to put pressure on a negotiator—who will be concerned that unrealized expectations will be interpreted to mean that he has failed in his mission. And they have shown skill in using the media to deflate public pressures on themselves—as, for example, in Deng's public proclamation of peaceful intent toward Taiwan just before his 1979 visit to Washington.

Chinese negotiators have sought to foreclose certain U.S. negotiating positions by rejecting them publicly prior to a bargaining session. And they have sought to make credible their own "unshakable" positions through public disclosure in order to play on the assumption of their negotiating counterparts that such visible commitments "lock the Chinese in" because of Chinese concern with maintaining credibility (even though there are many examples of PRC negotiators backing off their "principled" positions).

- *Time pressures.* A major Chinese negotiating tactic is the effort to play time pressures against an interlocutor. Chinese officials tend to adopt a somewhat passive posture in formal discussions in order to draw out their foreign counterparts, and they will convey the impression that they are under no pressure themselves to reach agreement. "We are a patient people" is a familiar Chinese self-characterization; and even when PRC officials are under internal pressures to complete an agreement—as they were in the negotiations on establishing diplomatic relations in 1978—they will observe that, "We are in no hurry, but if the U.S. side is interested in reaching an agreement we are prepared to listen to your proposals."

In practice, the Chinese have shown themselves to be vulnerable to the time pressures that inevitably are a part of the political process. A skillful negotiator will estimate the constraints of time operating on his PRC counterpart and structure a negotiation so that he is not trapped against a time deadline of his own.

END GAME

Once the Chinese believe they have fully assessed the limits of their interlocutor's flexibility, they can move rapidly to conclude an agreement if it serves their interests. A PRC negotiator may let a negotiation deadlock and drag on for some time to see if his counterpart will modify his "final" position. A senior leader may then intervene to "cut the knot" of disagreement.

When the Chinese have decided to reach agreement, they are quite flexible in working out the specific elements of an accord. Analysis of the many normalization agreements reached by the PRC in the 1970s shows striking variations in language on the critical issue of the status of Taiwan. Very few of the foreign negotiating teams met Beijing's demand for explicit recognition of PRC sovereignty over the island.

If the Chinese decide that agreement does *not* serve their interests, they can abort a negotiation or drag it out over months or even years until changed circumstances make agreement seem possible or desirable. Upon occasion they have hardened their terms late in a negotiation to prevent agreement (because of internal political or bureaucratic resistance, or to test the firmness of their interlocutor's final position).

IMPLEMENTATION

Many foreign negotiators comment that reaching agreement with the Chinese does not mean the end of negotiation. The process does not have a clear sense of finality about it, as PRC officials do not hesitate to reopen issues that their foreign counterparts think have been resolved. They will seek modifications of formal understandings when it serves China's interests. And they seem to view the conclusion of one agreement as the occasion for pressing their counterpart on new or unresolved issues.

At the same time, Chinese officials vigilantly assess the manner in which a foreign government implements an agreement, viewing compliance as a test of how seriously or "sincerely" the counterpart officials take their relationship with the PRC. The Chinese are quick to find fault, while blithely urging "understanding" of any lapses in performance on their own part.

LESSONS LEARNED

The experience of the past decade reveals that PRC officials seek to manage negotiations in a readily comprehensible and even somewhat predictable manner. Despite the profound differences between Chinese

and American culture and history, there is nothing inscrutable about the Chinese, even though their negotiating style is somewhat distinctive in its ambience. But the record does suggest ways in which the U.S. negotiating performance can be improved. While many of the following guidelines may sound obvious or simplistic, in practice they have all been violated at one time or another by U.S. officials in their dealings with the PRC:

- *Know the substantive issues cold.* Chinese officials are meticulous in preparing for negotiating sessions, and their staffs are very effective in briefing them on technical issues. They will use any indication of sloppy preparation against an interlocutor.
- *Master the past negotiating record.* PRC officials have full control over the prior negotiating record and will not hesitate to use it to pressure a counterpart.
- *Know your own bottom line.* A clear sense of the objectives of a negotiation will enable a negotiator to avoid being trapped in commitments to general "principles" and to resist Chinese efforts to drag out a negotiation. Conversely, incremental compromises will suggest to the Chinese that their interlocutor's final position has not yet been reached.
- *Present your position in a broad framework.* The Chinese seem to find it easier to compromise on specific issues if they have a sense of the broader purposes of their interlocutor in developing a relationship with the PRC. They distrust quick deals but appreciate presentations that suggest seriousness of purpose and an interest in maintaining a relationship with China for the long run.
- *Be patient.* Don't expect quick or easy agreement. A Chinese negotiator will have trouble convincing his superiors that he has fully tested the limits of his counterpart's position if he hasn't protracted the discussions. Assume you may be subjected to unexplained delays or various forms of pressure to test your resolve.
- *Avoid time deadlines.* Resist negotiating in circumstances where you must have agreement by a certain date. The Chinese will assume that your anxiety to conclude a deal can be played to their advantage.

- *Minimize media pressures.* PRC negotiators use public expectations about a negotiation to pressure their interlocutor. Confidential handling of negotiating exchanges, the disciplining of leaks, and minimizing of press exposure are taken by the Chinese as signs of seriousness of purpose. "Negotiation via the press" will evoke a sharp Chinese response.
- *Understand the PRC political context and the style of your Chinese interlocutor.* Despite the difficulties of assessing China's domestic political scene, an evaluation of internal factional pressures and the style of your negotiating counterparts will help in understanding Chinese objectives and negotiating flexibility and in "reading" the signals or loaded language of a very different culture and political system.
- *Understand the Chinese meaning of "friendship."* Know that the Chinese expect a lot of their "friends." Resist the flattery of being an "old friend" or the sentimentality that Chinese hospitality readily evokes. Don't promise more than you can deliver; but expect that you will be pressured to honor past commitments. Resist Chinese efforts to shame or play on guilt feelings for presumed errors or shortcomings.
- *Develop a strategic orientation to dealing with the Chinese.* An effective defense against the blandishments of the "friendship" game and Chinese pressure tactics is to develop a strategic orientation suited to American negotiating practices and objectives. An attitude of restrained openness or of interest in identifying and working to attain common objectives is the best protection against Chinese efforts to maneuver the foreign negotiator into the position of a *demandeur* or supplicant.
- *Parry Chinese pressure tactics in order to maintain control over the negotiating process.* Chinese negotiating tactics are comprehensible, and in some measure even predictable. U.S. negotiators should develop countertactics that will throw their PRC counterparts off balance, so as to demonstrate competence and control over the negotiating process. Tactical manipulations applied in excess or for their own sake, however, are likely to erode confidence and undermine the credibility of the negotiating process.

Appendix
U.S.-PRC JOINT COMMUNIQUÉS
ESTABLISHING THE PRINCIPLES
OF THE RELATIONSHIP

THE SHANGHAI COMMUNIQUÉ
(February 28, 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 Peng-fei held talks in the same spirit.

President Nixon and his party visited Peking and viewed cultural, industrial and agricultural sites, and they also toured Hang-chow 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 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.

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 attitude 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.

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, non-aggression against other states, non-interference 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," an "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 peoples 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.

**JOINT COMMUNIQUÉ ON THE ESTABLISHMENT
OF DIPLOMATIC RELATIONS BETWEEN
THE UNITED STATES OF AMERICA AND
THE PEOPLE'S REPUBLIC OF CHINA
(December 15, 1978)**

The United States of America and the People's Republic of China have agreed to recognize each other and to establish diplomatic relations as of Jan. 1, 1979.

The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial and other unofficial relations with the people of Taiwan.

The United States of America and the People's Republic of China reaffirm the principles agreed on by the two sides in the Shanghai Communiqué and emphasize once again that:

Both wish to reduce the danger of international military conflict.

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

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.

The United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.

Both believe that normalization of Sino-American relations is not only in the interest of the Chinese and American peoples but also contributes to the cause of peace in Asia and the world.

The United States of America and the People's Republic of China will exchange ambassadors and establish embassies on March 1, 1979.

**UNILATERAL STATEMENTS BY THE GOVERNMENTS
OF THE UNITED STATES OF AMERICA AND
THE PEOPLE'S REPUBLIC OF CHINA
AT THE TIME OF NORMALIZATION
(December 15, 1978)**

**Text of the Unilateral Statement
by the United States Government**

As of January 1, 1979, the United States of America recognizes the People's Republic of China as the sole legal government of China. On the same date, the People's Republic of China accords similar recognition to the United States of America. The United States thereby establishes diplomatic relations with the People's Republic of China.

On that same date, January 1, 1979, the United States of America will notify Taiwan that it is terminating diplomatic relations and that the Mutual Defense Treaty between the U.S. and the Republic of China is being terminated in accordance with the provisions of the treaty. The United States also states that it will be withdrawing its remaining military personnel from Taiwan within four months.

In the future, the American people and the people of Taiwan will maintain commercial, cultural, and other relations without official government representation and without diplomatic relations.

The Administration will seek adjustments to our laws and regulations to permit the maintenance of commercial, cultural and other nongovernmental relationships in the new circumstances that will exist after normalization.

The United States is confident that the people of Taiwan face a peaceful and prosperous future. The United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves.

The United States believes that the establishment of diplomatic relations with the People's Republic will contribute to the welfare of the American people, to the stability of Asia where the United States has major security and economic interest, and to the peace of the entire world.

**Text of the Unilateral Statement by the Government
of the People's Republic of China**

As of January 1, 1979, the People's Republic of China and the United States of America recognize each other and establish diplomatic relations, thereby ending the prolonged abnormal relationship between them. This is a historic event in Sino-U.S. relations.

As is known to all, the Government of the People's Republic of China is the sole legal Government of China and Taiwan is a part of China. The question of Taiwan was the crucial issue obstructing the normalization of relations between China and the United States. It has now been resolved between the two countries in the spirit of the Shanghai Communiqué and through their joint efforts, thus enabling the normalization of relations so ardently desired by the people of the two countries. As for the way of bringing Taiwan back to the embrace of the motherland and reunifying the country, it is entirely China's internal affair.

At the invitation of the U.S. Government, Teng Hsiao-ping, Vice-Premier of the State Council of the People's Republic of China, will pay an official visit to the United States in January 1979, with a view to further promoting the friendship between the two peoples and good relations between the two countries.

**JOINT COMMUNIQUÉ ON THE QUESTION
OF U.S. ARMS SALES TO TAIWAN
(August 17, 1982)**

1. In the Joint Communiqué on the Establishment of Diplomatic Relations on January 1, 1979, issued by the Government of the United States of America and the Government of the People's Republic of China, the United States of America recognized the Government of the People's Republic of China as the sole legal government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. On this basis, relations between the United States and China were normalized.

2. The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again following normalization. Recognizing that this issue would seriously hamper the development of United States-China relations, they have held further discussions on it, during and since the meetings between President Ronald Reagan and Premier Zhao Ziyang and between Secretary of State Alexander M. Haig, Jr., and Vice Premier and Foreign Minister Huang Hua in October, 1981.

3. Respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs constitute the fundamental principles guiding United States-China relations. These principles were confirmed in the Shanghai Communiqué of February 28, 1972 and reaffirmed in the Joint Communiqué on the Establishment of Diplomatic Relations which came into effect on January 1, 1979. Both sides emphatically state that these principles continue to govern all aspects of their relations.

4. The Chinese Government reiterates that the question of Taiwan is China's internal affair. The Message to Compatriots in Taiwan issued by China on January 1, 1979 promulgated a fundamental policy of striving for peaceful reunification of the Motherland. The Nine-Point Proposal put forward by China on September 30, 1981 represented a further major effort under this fundamental policy to strive for a peaceful solution to the Taiwan question.

5. The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in

China's internal affairs, or pursuing a policy of "two Chinas" or "one China, one Taiwan." The United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question as indicated in China's Message to Compatriots in Taiwan issued on January 1, 1979 and the Nine-Point Proposal put forward by China on September 30, 1981. The new situation which has emerged with regard to the Taiwan question also provides favorable conditions for the settlement of United States-China differences over the question of United States arms sales to Taiwan.

6. Having in mind the foregoing statements of both sides, the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue.

7. In order to bring about, over a period of time, a final settlement of the question of United States arms sales to Taiwan, which is an issue rooted in history, the two governments will make every effort to adopt measures and create conditions conducive to the thorough settlement of this issue.

8. The development of United States-China relations is not only in the interests of the two peoples but also conducive to peace and stability in the world. The two sides are determined, on the principle of equality and mutual benefit, to strengthen their ties in the economic, cultural, educational, scientific, technological, and other fields and make strong, joint efforts for the continued development of relations between the governments and peoples of the United States and China.

9. In order to bring about the healthy development of United States-China relations, maintain world peace, and oppose aggression and expansion, the two governments reaffirm the principles agreed on by the two sides in the Shanghai Communique and the Joint Communique on the Establishment of Diplomatic Relations. The two sides will maintain contact and hold appropriate consultations on bilateral and international issues of common interest.

**STATEMENT BY PRESIDENT RONALD REAGAN
ISSUED AT THE TIME OF THE JOINT COMMUNIQUÉ
ON THE QUESTION OF U.S. ARMS SALES TO TAIWAN
(August 17, 1982)**

The U.S.-China joint communique issued today embodies a mutually satisfactory means of dealing with the historical question of U.S. arms sales to Taiwan. This document preserves principles on both sides and will promote the further development of friendly relations between the Governments and peoples of the United States and China. It will also contribute to the further reduction of tensions and to lasting peace in the Asia/Pacific region.

Building a strong and lasting relationship with China has been an important foreign policy goal of four consecutive American Administrations. Such a relationship is vital to our long-term national security interests and contributes to stability in East Asia. It is in the national interest of the United States that this important strategic relationship be advanced. This communique will make that possible, consistent with our obligations to the people of Taiwan.

In working toward this successful outcome, we have paid particular attention to the needs and interests of the people of Taiwan. My long-standing personal friendship and deep concern for their well-being is steadfast and unchanged. I am committed to maintaining the full range of contacts between the people of the United States and the people of Taiwan—cultural, commercial, and people-to-people contacts—which are compatible with our unofficial relationship. Such contacts will continue to grow and prosper and will be conducted with the dignity and honor befitting old friends.

Regarding future U.S. arms sales to Taiwan, our policy, set forth clearly in the communique, is fully consistent with the Taiwan Relations Act. Arms sales will continue in accordance with the act and with the full expectation that the approach of the Chinese Government to the resolution of the Taiwan issue will continue to be peaceful. We attach great significance to the Chinese statement in the communique regarding China's "fundamental" policy; and it is clear from our statements that our future actions will be conducted with this peaceful policy fully in mind. The position of the U.S. Government has always been clear and consistent in this regard. The Taiwan question is a matter for the Chinese people, on both sides of the Taiwan Strait, to resolve. We will not interfere in this matter or prejudice the free choice of, or put pressure on, the people of Taiwan in this matter. At the same time, we have an abiding interest and concern that any resolution be peaceful. I shall never waver from this fundamental position.

I am proud, as an American, at the great progress that has been made by the people on Taiwan, over the past three decades and of the American contribution to that process. I have full faith in the continuation of that process. My Administration, acting through appropriate channels, will continue strongly to foster that development and to contribute to a strong and healthy investment climate, thereby enhancing the well-being of the people of Taiwan.

**STATEMENT OF THE FOREIGN MINISTRY OF
THE PEOPLE'S REPUBLIC OF CHINA ISSUED
AT THE TIME OF THE JOINT COMMUNIQUÉ
ON THE QUESTION OF U.S. ARMS SALES
TO TAIWAN
(August 17, 1982)**

1. Following discussions, the Government of the People's Republic of China and the Government of the United States of America have reached agreement on the question of United States sale of arms to Taiwan. The two sides have released the Joint Communiqué simultaneously today.

The United States sale of arms to Taiwan is an issue which affects China's sovereignty. Back in 1978 when the two countries held negotiations on the establishment of diplomatic relations, the Chinese Government stated in explicit terms its opposition to the US arms sales to Taiwan. As this issue could not be settled at that time, the Chinese side suggested that the two sides continue discussions on the issue following the establishment of diplomatic relations. It is evident that failure to settle this issue is bound to impair seriously the relations between the two countries.

With a view to safeguarding China's sovereignty and removing the obstacle to the development of relations between the two countries, Premier Zhao Ziyang held discussions with President Ronald Reagan on this issue during the Cancun meeting in Mexico in October 1981. Subsequently, Vice-Premier and Foreign Minister Huang Hua continued the discussions with Secretary of State Alexander M. Haig, Jr. in Washington. As from December 1981, the two sides started concrete discussions through diplomatic channels in Beijing. During this period, US Vice-President George Bush, entrusted by President Reagan, paid a visit to China in May 1982 when he held discussions with the Chinese leaders on the same subject. The Joint Communiqué released by the two sides today is the outcome of repeated negotiations between China and the United States over the past 10 months. It has laid down the principles and steps by which the question of US arms sales to Taiwan should be settled.

2. The Joint Communiqué reaffirms the principles of respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs as embodied in the Shanghai Communiqué and the Joint Communiqué on the Establishment of Diplomatic Relations between China and the United States. Both sides also emphatically state that these principles continue to govern all aspects of their relations. That is to say, the question of US arms

sales to Taiwan must be settled on these principles. Needless to say, only by strictly observing these principles in dealing with the existing or new issues between the two countries, will it be possible for their relations to develop healthily.

3. In compliance with the above principles governing the relations between the two countries, the US arms sales to Taiwan should have been terminated altogether long ago. But considering that this is an issue left over by history, the Chinese Government, while upholding the principles, has agreed to settle it step by step. The US side has committed that, as the first step, its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the two countries, and that they will be gradually reduced, leading to a final resolution of this issue over a period of time. The final resolution referred to here certainly implies that the US arms sales to Taiwan must be completely terminated over a period of time. And only a thorough settlement of this issue can remove the obstacles in the way of developing relations between the two countries.

4. In the Joint Communiqué, the Chinese Government reiterates in clear-cut terms its position that "the question of Taiwan is China's internal affair." The US side also indicates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "two Chinas" or "one China, one Taiwan." The Chinese side refers in the Joint Communiqué to its fundamental policy of striving for peaceful reunification of the motherland for the purpose of further demonstrating the sincere desire of the Chinese Government and people to strive for a peaceful solution to the Taiwan question. On this issue, which is purely China's internal affair, no misinterpretation or foreign interference is permissible.

5. It must be pointed out that the present Joint Communiqué is based on the principles embodied in the Joint Communiqué on the Establishment of Diplomatic Relations between China and the United States and the basic norms guiding international relations and has nothing to do with the "Taiwan Relations Act" formulated unilaterally by the United States. The "Taiwan Relations Act" seriously contravenes the principles embodied in the Joint Communiqué on the Establishment of Diplomatic Relations between the two countries, and the Chinese Government has consistently been opposed to it. All interpretations designed to link the present Joint Communiqué to the "Taiwan Relations Act" are in violation of the spirit and substance of this Communiqué and are thus unacceptable.

6. The agreement reached between the Governments of China and the United States on the question of US arms sales to Taiwan only marks a beginning of the settlement of this issue. What is important is that the relevant provisions of the Joint Communique are implemented in earnest, so that the question of US arms sales to Taiwan can be resolved thoroughly at an early date. This is indispensable to the maintenance and development of Sino-US relations.

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