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STUDIA TERRITORIALIA V – 2003

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Prof. PhDr. Svatava Raková

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FOREWORD

MILOŠ CALDA,
Chair, Department of American Studies,
IMS FSV UK

The present collection of papers is the second in our series and the first in English. It presents academic endeavors of the members of the Department of American Studies at the Faculty of Social Sciences of Charles University and of some of its PhD students. Since its foundation in 1994, the Department has been building an interdisciplinary program in American Studies consisting of several main tiers: history, government studies, sociology, economy, law and, last but not least, American culture, both "high" and "low".

The presented texts cover a broad range of topics, from modern history to problems of United States' foreign relations. The contributions reflect, in the present author's opinion, the progress the Department has made in recent years, largely due to improved library resources in Prague as well as easier access to foreign libraries and online archives.

The choice of topics shows a continuing attention given by most young scholars to foreign policy. There has also been a growing interest of graduate and post-graduate students in the relations of the United States to the nations of the Far East (China, Taiwan, Japan, Korea). An increasing amount of work has been done in the field of immigration studies. It has become obvious that the continuing high level of immigration is a key factor in the development of American Society. Since 2003, three scholars working at the American Studies Department have studied the U.S. immigration policy since 1965, the year in which the quota system was abolished, as well as the integration of newcomers. Above all, political and

historical factors have been studied. One of the presented contributions reflects this interest.

* * *

Mgr. Vít Fojtek's paper deals with the response of Johnson's administration to the 1968 occupation of Czechoslovakia by the Soviet Union and her four Warsaw-Pact allies. His findings are based on meticulous research in American as well as German archives. He also made extensive use of the materials published in the Foreign Relations of the United States series. Fojtek gives a vivid picture of the tragic 1968 Prague Summer events as perceived by the outgoing American president, who had much more on his mind the Vietnam War, which had already thwarted his reelection hopes, as well as the mutual strategic arms reduction and the SALT 1 treaty.

The resulting "hands-off" policy led to the growing false sense of security on the part of the Soviets. However, the surprisingly swift night raid raised the specter of the Soviet capability of attacking other countries, too. There were worries concerning the repetition of such adventures vis a vis Romania and perhaps even Yugoslavia, but even some NATO member states felt increasingly insecure. All this resulted in the rethinking of NATO defense policies as well as to the rapprochement between formerly estranged partners, France and the United States.

In their move to launch propagandistic counteroffensive, the Soviets staged a new wave of attacks on the Federal Republic. As Fojtek proves on the basis of the documents of the time, some important politicians of the West reacted rather meekly, for instance the French Foreign Minister Michel Debré, who was ready to give support to the West Germans only insofar as it remained hidden from the Soviets (!). The reaction of Lyndon Johnson was only a little less dismal. In fact, it can be claimed that Fojtek is perhaps too polite when dealing with the reaction of the American foreign policy elites to the invasion, the reaction now easily accessible in the relevant volume of the Foreign Relations of the United States.

No less disappointing was the reaction of Charles de Gaulle, the French head of state, who at one point blamed the West Germans for the invasion (!). However, the NATO allies began to consider, for the first time in NATO history, to consider their interests in a broader geographic area. Above all, a Soviet move of the Soviet forces toward the Adriatic was

feared, i.e. invasion of Romania, Yugoslavia or even Austria. In addition, the Soviet invasion of Czechoslovakia paved the way for the NATO membership of Spain even before the end of the Franco dictatorship. In the fall of 1968, NATO found a modus vivendi with Spain without necessarily implying any approval of the Spanish regime.

The Soviets were especially offended by the formation of the NATO Mediterranean Air Command, which was able to monitor all Soviet activities in the Mediterranean as well in the Black Sea. The U.S. Navy's Sixth fleet was strengthened.

Fojtek also pays attention to the reaction of the Third World countries. While the reaction of Asian non-aligned countries to the invasion was quite moderate, all the African nations responded in a hostile manner. Moscow's aggression was supported by the most faithful Arab countries only (Iraq, Syria, South Yemen).

The invasion also precipitated the first major wave of dissent among the communist parties in the West. The main consequence of the invasion was, as Fojtek rightly emphasizes, the strengthening of the solidarity of NATO countries in the early 1970s.

In his analysis of the U.S. policy towards the People's Republic of China in the aftermath of Tiananmen, Mgr. Jakub Lepš employs the method developed by the scholars in the field of the theory of games. He tries to find out how the U.S. administration was able, after initial shock and despite public pressure, to restore the level of relations with Communist China to pre-Tiananmen level within mere eighteen months. In order to expound the complex interaction of domestic politics and diplomacy, Lepš employs two levels, a level of international agreement and the level of domestic ratification. In a section devoted to the evolution of the U.S. policy in the aftermath of the Tiananmen massacre, the author shows how, in fact, Bush had to overcome the resistance of the more hawkish Congress, reestablish, against the odds, communication with the Chinese communist leadership which, Lepš claims, was more hawkish than the Chinese leader Deng Xiaoping. Both leaders, American and Chinese, were "dovish" at that time, facing hawkish ratification assemblies in their respective countries (the U.S. Congress under more direct pressure from the embittered American public opinion, the Chinese communist leadership trying to preserve the regime in its moment of the deepest crisis), and were able to make a deal, as the author argues convincingly, to

"collude". In conclusion, Lepš lists three reasons why Bush proceeded as he did: (1) he was a cautious politician, (2) he had a more cohesive team, (3) the three people with greatest influence over American China policy were all influenced by Henry Kissinger, whose basic message was to save the relationship despite the unattractive behavior of the Chinese leadership.

The return of the U.S. China policy to pre-Tiananmen level also required George Bush to restore China's most-favored-nation status. Lepš also expounds the link between the U.S. relations to China and the aggression of Iraq in Kuwait in 1990.

Francis D. Raška, PhD. presents in his contribution based on his study of archives (in the Public Record Office, London, the National Archives of Canada, Ottawa, the Central State Archive, Prague, and the Imperial War Museum, London) a narrative of the exodus of the Sudeten (ie Czech German) exiles to Canada. He takes a close look at the little-known population transfer of the German-speaking democrats, who were forced to flee after the Munich Agreement, just like virtually all the Czechs, from the territories taken by the Nazi Germany. The total number of these post--Munich refugees is estimated at more than 150,000 people. The rump Czechoslovakia was unable to harbor all of them. The two leaders of the German Social Democratic refugees, Wenzel Jaksch and Siegfried Taub, tried to seek help in Great Britain, one of the key Munich powers, which was able to find a new domicile for the anti-Nazi Germans in the dominions, above all in Canada. During the spring and summer months of 1939, the first batch of German refugees, placed after Munich in Czechoslovak refugee camps, was able to find a new home in Canada. Interestingly, Raška shows that Jaksch, campaigning in the British press for the speedy granting of visas to the German-speaking refugees, exaggerated the alleged miserable conditions in the camps. The Canadian authorities placed on the British Government increasing demands for financial assistance to the resettlement program.

When the Nazi Germany occupied the rest of Bohemia and Moravia in March 1939, many Sudeten German Social Democrats were already in England.

The refugees sailed to Canada between April 8th and July 28th, 1939, heading for two Canadian provinces, British Columbia and Saskatchewan. The total of 302 families and 72 single persons were transported.

The conditions in Canada were quite basic and by no means comfortable, especially for people used to life in Central Europe. However, the refugees

were able to achieve prosperity and most of them stayed in Canada after the war.

Dr. Štěpánka Korytová-Magstadt takes a comprehensive look at the 20th-century American history books devoted to migration. Her contribution is not a mere description; she shows a clear structural understanding of the development of immigration history, which developed, after pseudoscientific concepts and the pattern of "push or pull" to more sophisticated methods, including modern statistics.

The scholarly historiography was established at a relatively recent date, Korytová argues. The turning point came in 1960, when Frank Thistlethwaite challenged historians to improve their methodology and get rid of "pseudohistorical writing", which only served as a defense against anti--immigration backlash during the first of the 20th century and was colored with partisanship favoring the particular historian's own ethnic background. Most historians centered on immigration to the United States only, failing to realize that immigration was and is a much broader phenomenon. Dr. Korytová then takes a closer look at some major American publications on immigration, like Theodore C. Blegen's Norwegian Migration to America, 1825–1860 (1931), Walter Forster's Zion on the Mississippi (1953), the first microscopic emigration study devoted to the Saxon Lutheran immigrants in the first half of the 19th century. She convincingly shows that the process of modern migration is so complex that it requires an interdisciplinary approach, employing statistics and the building of models, which came to be employed with success by the Uppsala Project (1962–76), a number of small-scale studies on topics like the spread of information on the New World in individual European countries, emigration at levels down from country to parish, taking into account re-immigration as well. Studying one village in Sweden over a period of a quarter of a century, the Swedish researches came to an important conclusion: migration was not a movement of those who were predominantly destitute.

Dr. Korytová then takes a closer look on immigration historians dealing with other countries, like Denmark, the Netherlands (where a weaker pull of America was perceived than in Scandinavia), and Germany, one of the most important countries providing immigrants to the United States. As Mack Walker in his Germany and the Emigration, 1816–1885 shows, many Germans in America tried to preserve their traditional way of life and habits, which they perceived threatened by the king.

Fleming and Bailyn answered the question "Why did people leave their homeland?" by arguing that very many European migrants tried to flee from industrial revolution, from modernity, and that their wish was to retain their heritage in the New World. Italian immigration patterns were studied by John W. Briggs in An Italian Passage. Immigrants to Three American Cities, 1890–1930 and by Dino Cinel in From Italy to San Francisco. The Immigrants Experience, the latter work monitoring the life of Italian Americans over three generations. Both authors pointed out to a high ratio of those who, just like many present-day Mexicans, went to the United States to make money and return.

Many researchers like Josef J. Barton in Peasants and Strangers. Italians, Rumanians, and Slovaks in an American City, 1890–1950, concluded that emigration can be viewed as an alternative to restricted opportunities in traditional agrarian societies. Excellent study was made by Jon Gjerde (From Peasants to Farmers. The Migration from Balestrand, Norway, to the Upper Middle West), who rejected as too simplistic to consider overpopulation the driving force behind 19th century migration. He even found evidence of improving economic conditions in Norway.

In a section devoted to the Czech migration studies, Dr. Korytová states that the scholarship falls short of what migration studies devoted immigration from other countries had achieved. Works like Rose Rosicky's Dejiny Cechu v Nebrasce (The History of Czechs in Nebraska) or Capek's *The Cechs* (Bohemians) in America. A Study of Their National, Cultural, Political, Social, Economic, and Religious Life are mere biographical narratives and lack any analytical aspect. The author mentions writings devoted to Czechs in individual states, like Nebraska and Oklahoma; she could equally well have taken a look at another publication of this sort, Kostel's History of the Czechs in South Dakota. Dr. Korytová mentions some valuable contributions by Czech historians and demographers, who studied motivation of those who decided to emigrate to North America in the 19th century and made comparisons between emigrations to other areas, like Russia or the Balkans. She also mentions works by 20th-century Czech historians like Josef Polišenský.

Mgr. Jana Sehnálková takes a close look at the early 1980s, an important phase in the development of the U.S. policy towards China. Ronald Reagan, an elderly conservative politician with an ideological baggage from the time

when the West perceived communism as a monolithic and mortal threat, expressed support for Taiwan during his election campaign, the campaign that was to bring him landslide victory. Reagan's public statements criticizing the Sino-American normalization and promising the reestablishment of diplomatic relations with the Republic of China (Taiwan) made the Republican foreign policy makers very uneasy; Reagan's running mate George Bush, the former chief of the U.S. Liaison Office in Peking and later the director of the Central Intelligence Agency, made a special trip to Beijing to mend fences.

In her contribution, a modified version of two chapters from her successful M.A. thesis, Jana Sehnálková also focuses on the role the State Secretary Alexander Haig played in the development of Sino-American relations during the early phase of the first Reagan administration. Haig was one of the two candidates for the Secretary of State, the other being George Shultz. Shultz had a much stronger Congressional support, while Haig seemed to be tainted with the Watergate scandal by his association with Richard Nixon. To demonstrate his sovereignty, Reagan appointed Haig. It is clear from Jana Sehnálková's writing that Haig underestimated Reagan's resolve, that he expected a role more independent of the President and that he differed from the President about the future course of policy towards Taiwan and China. While Reagan realized the benefits of the earlier opening to China for the U.S. diplomatic strength vis a vis the Soviet Union, he believed that the United States was strong enough not to have to rely on the support of the Chinese communists. Haig, perhaps more cynically, was ready to make broader concessions to China to be able to continue to play the "Chinese card" against the Soviets, and dump Taiwan accordingly. The President and his Secretary of State found themselves in a competition for the foreign-policy primacy.

The tensions between Reagan and Haig came to a climax over the proposed sales of advanced Northrop FX jet fighters to Taiwan. The jets, although inferior to the F16s, would have improved the Taiwanese defense capability substantially. As China was strongly against the sale, the issue quickly turned into the question whether the Chinese had the right to veto American arms sales to Taiwan. While Reagan favored the sale, Haig wanted to balance the arms sales, ie to sell weapons both to the People's Republic and Taiwan. Haig traveled to China in June 1981, where he clearly ignored the President's instructions and made the American readiness to sell arms to the Chinese communists public.

The U.S. began informal military cooperation in 1980 with Defense Secretary Harold Brown's visit to China. The military cooperation was based mostly on exchanges of information (intelligence cooperation) and army representatives' visits. From 1980, the U.S. permitted minor transfers on non-lethal military equipment. China continued to make clear that it wanted a fundamental change of U.S. policy towards Taiwan. In August 1981, it increased its pressure on the United States – it suspended all the existing military cooperation with the U.S. until it achieved U.S. concessions on the U.S. arms sales to Taiwan.

In these circumstances, Haig finally gave up his concept of trading arms sales to China for arms sales to Taiwan as he finally understood that it was not the solution to the Chinese demands. At the same time, the Chinese communists insisted that any sales of arms to Taiwan would constitute an obstacle to the peaceful reunification of Taiwan with the mainland China. Any arms sales, from their point of view, would constitute interference in China's internal affairs. While Haig was ready to offer concessions to the Chinese, Reagan remained adamant. It follows from Sehnálková's argumentation that Haig, making unauthorized promises to terminate arms sales to Taiwan, simply tried too hard to please China; in this way, the United States would have become a power dependent on the good will of China and lose initiative in the concert of great powers. This implied America's weakness on the world stage, a position of a beggar unacceptable to Reagan, who was catapulted to the White House, among other things, by American patriotism, the wish of the voters to end the period of their country's humiliation on international stage. In fact, Haig tried to take charge of the U.S. foreign policy, finding allies in his efforts to appease communist China in Defense Secretary Weinberger and CIA director Casey. Haig's pressure finally made Reagan give up the sale of advanced FX fighters to Taiwan. The President then came under pressure from some conservative Republicans like Barry Goldwater, the leading supporter of Taiwan. The tensions between Haig and Reagan gradually intensified and in June 1982 Haig resigned.

Sehnálková's contribution represents an insightful analysis of the inner workings in the early phases of the Reagan administration, which suffered from fragmentation of authority, personal tensions and a lack of uniform thrust. There was an air of inevitability in the process of Haig's departure from administration: his vision of America's power and diplomatic possibilities was much more modest than that of his superior, who was

much less ready to make a compromise with China over Taiwan and who perceived his role to become a leader of America's efforts to restore her global position.

Mgr. Kryštof Kozák set out to explore a very interesting and, for countries like the Czech Republic, very topical problem: asymmetric integration. Kozák exemplifies asymmetric integration of the USA, Canada, and Mexico in the North American Free Trade Area (NAFTA), where the former two countries are highly developed economies, while Mexico is much less industrialized and economically advanced. The Czech Republic, together with several other formerly communist countries, has recently joined the European Union, which includes some of the leading industrial countries. The European Union, too, had to cope with asymmetric integration problems when three countries of Southern Europe joined (Greece in 1981, and Spain and Portugal in 1986). Indeed, the author devoted a particularly interesting section to a lesson from experiences of Mexico with asymmetric integration.

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It is to be hoped that the present collection of contributions will enrich the readers and give them new insights.

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WEST EUROPEAN SECURITY IN THE AFTERMATH OF THE 1968 SOVIET INVASION OF CZECHOSLOVAKIA

VÍT FOJTEK

The invasion by Warsaw Pact forces on the night of August 20–21, 1968 deeply influenced life in Czechoslovakia and halted reforms in Czechoslovak society for more than twenty years. How were these events perceived in the West? Why did the West do nothing to stop it? What was the impact of the invasion on West European security? What were the consequences in mutual Euro-Atlantic relations?

US Bilateral Cooperation with the Soviet Union

During the Johnson Presidency, there had been a tendency to favor the pursuit of a policy of *détente* or bilateral cooperation with the Soviet Union at the expense of closer ties with NATO Allies. The Administration saw Soviet-American reconciliation as its ultimate goal. However, the political, military, and moral implications of Johnson's 'bridge building' at a time when the Soviet Union was the principal supplier of assistance to the American enemy in Vietnam was questionable.[1]

[1] On Johnson's 'Bridge Building' Policy, see e.g. Andrzej MANIA, *Bridge Building: Polityka USA wobec Europy Wschodniej w latach 1961–1968* [Bridge Building: US Policy towards Eastern Europe in 1961–1968], Kraków: Uniwersytet Jagielloński, 1996.

The Johnson Administration appeared to have accepted the Soviet argument that American efforts to improve American relations with US Allies in Western Europe worked against attempts to achieve *détente* with the Soviets. A critical point was reached when the Administration chose to override objections of Western Europeans to the US-Soviet Union draft of the NPT in order to achieve rapprochement with the Soviet Union.[2] In order not to provoke the Soviet Union, Washington feared to show any marked support for the Czechoslovak reform movement.[3]

The United States's policy of bipolar cooperation was based on the assumption that the emergence of younger – and hopefully more pragmatic – leaders and the growing demand in the Soviet Union for more personal freedoms and consumer goods would lead to a reduction of mutual hostilities and suspicion, thus bringing forth a 'genuine *détente*.' Bipolar Soviet-American cooperation had, however, affected the security of Western Europe and, as a result, weakened the Alliance. This led to two ominous, although not necessarily contradictory, trends in Western Europe. One was the development of national nuclear defense outside the framework of the Alliance (e.g. France). The other was the bilateralization of relations on the part of America's other NATO Allies, including France and Italy, with the Soviet Union. Both these trends invited the risk of deflecting the Soviets from serious negotiations while playing one NATO ally against the other.

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[2] Archiv für Christlich-Demokratische Politik (ACDP) [Archive of West German Christian--Democratic Party], Bestand I-433187/3, Findley to Nixon, "Proposals to Strengthen Atlantic Community," September 9, 1968.

[3] See e.g. Andrzej MANIA, *Bridge Building: Polityka USA wobec Europy Wschodniej w latach 1961–1968*, Chapter 5; and IBID, "Administracja L. B. Johnsona wobec agresji Układu Warszawskiego przeciw Czechosłowacji w 1968 roku [Johnson Administration and the Warsaw Pact Invasion of the Czechoslovakia, 1968]." In: *Z dziejów Europy Środkowej w XX. wieku*, Kraków 1997, pp. 227–246. According to some authors, the US 'hands-off' policy toward the Prague Spring only encouraged the Soviet Aggression towards the Czechoslovakia. See e.g. Jiří VALENTA, *Soviet Intervention in Czechoslovakia 1968. Anatomy of Decision*, Baltimore: Johns Hopkins University Press, 1991, p. 132. See also Antonín BENČÍK, *Requiem za Pražské jaro* [Requiem for Prague Spring], Třebíč: Tempo, 1998, p. 96; Petr LUŇÁK, *Západ. Spojené státy Západní Evropa ve studené válce* [West. United States and Western Europe in the Cold War], Praha: Libri, 1997, p. 224; and Karen DAWISHA, *The Kremlin and the Prague Spring*, Berkeley/Los Angeles/London: University of California Press, 1984, pp. 253–254.

The Soviet Invasion of Czechoslovakia and *Détente*

For the United States, the most serious concerns at the time were the war in Vietnam and the situation in the Middle East. The most important issues were the long prepared negotiations on mutual strategic arms reductions with the Warsaw Pact and the associated Nuclear Non-Proliferation Treaty (NPT).[4]

Johnson's policies towards Europe – both East and West – received a sharp setback following the Warsaw Pact invasion of Czechoslovakia in August 1968. The Soviet occupation of Czechoslovakia showed that the *détente* supposedly achieved in the years preceding the invasion was an illusion. It also exposed as unfounded the widespread notion that Soviet Communism had fundamentally changed and that its regime had become more liberal.

The negotiations on mutual strategic arms reductions and the associated NPT were priorities that prevailed also in the United States' 'hands-off' approach to Czechoslovak events. The Prague Spring and its violent suppression was, from the US perspective, diminutive in its international political importance. For this reason, the United States shared not only the Soviet interest in quick 'normalization', but also preferred the further continuity of the pre-invasion cooperation with the Soviets.

From a military point of view, the Soviet military performance was very efficient. From a political standpoint, of course, it could hardly have been worse. On the whole, however, the Soviet Union succeeded in keeping the total political cost of their action rather lower than might have been expected.

Only in relation to the Communist parties outside the Soviet block had the setback been severe. The reaction of the Communist Parties was dictated, in general, by national circumstances or the degree of fealty to Moscow or Peking. Only the strong Western Communist Parties reacted with overwhelming opposition to the invasion. The realization of the planned November conference of Communist Parties was questioned and

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[4] USA, Great Britain and the Soviet Union signed Non-Proliferation Treaty on July 1, 1968. China and France stayed outside the treaty that time, but expressed their readiness to obey its statutes. On negotiations on mutual strategic arms reductions, see National Academy of Sciences, Committee on International Security and Arms Control, *Nuclear Arms Control. Background and Issues*, Washington, DC: National Academy Press, 1985, pp. 24–58.

could not finally serve fully Soviet intentions in developing a new pro-Soviet, anti-Chinese front.[5]

However, there was a good reason to think that the Kremlin leaders had calculated this price in advance and had consciously decided that for a post – revolutionary empire, the loss of the remnants of its revolutionary halo in the outside world was a lesser evil than the progressive loss of the Soviet Union's own cohesion and discipline.[6]

A free world reaction to the events in Czechoslovakia had been almost universally critical. The public in most West European countries reacted with shock and horror. There were demonstrations against the Soviet Embassies. Although the Soviets liked to regard the Czechoslovak affair as an essentially internal business and would like to see the rest of the world concur, even the great majority of the Third World governments made official statements voicing disapproval of the Soviet action. Events in Czechoslovakia tarnished the Soviet image as an enemy of imperialism and champion of democracy, which the Soviet Union sought to create for itself in Africa and Asia.[7]

According to the CIA, the invasion of Czechoslovakia was viewed as a result of Soviet fear concerning its hold over Eastern Europe. In this respect, the calculations of profit and loss were generally secondary in a Soviet international policy and it was the preservation of the *status quo* in Eastern Europe that had overridden any Soviet urge that Moscow might have had to seek advantage in limited accommodations with the non-Communist world.[8]

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[5] Thompson Gale Declassified Documents Reference System (<www.gale.com>) [online], URL<http://www.ddrs.psmedia.com/tplweb/...img+574804+++(czechoslovakia):text> [2001-11-05], CIA Intelligence Memorandum "World Communist Reaction to the Invasion," September 9, 1968. On Soviet-Chinese Relations in 1968/1969, see Raymond L. GARTHOFF, *Détente and Confrontation. American-Soviet Relations from Nixon to Reagan*, Washington, DC: Brookings Institution, 1985, pp. 200–213; and Richard WICH, *Sino-Soviet Crisis Politics: A study of Political Change and Communication*, Cambridge, Mass.: Council on East Asian Studies, Harvard University: distributed by Harvard University Press 1980, pp. 123–124.

[6] See e.g. Richard LOWENTHAL, *Sparrow in the Cage*, type-written copy available at Archiv der sozialen Demokratie der Friedrich-Ebert-Stiftung [Archive of West German Social-Democratic Party], Willy-Brandt-Archiv, Nachlaß Egon Bahr, 1/EBAA000298, p. 48.

[7] Thompson Gale Declassified Documents Reference System (<www.gale.com>) [online], URL<http://www.ddrs.psmedia.com/tplweb/...img+575289+++(czechoslovakia):text> [2001-11-05], CIA Intelligence Memorandum "The USSR's International Position After Czechoslovakia," September 19, 1968.

[8] Thompson Gale Declassified Documents Reference System (<www.gale.com>) [online], URL<http://www.ddrs.psmedia.com/tplweb/...img+575289+++(czechoslovakia):text> [2001-11-05], CIA Intelligence Memorandum "The USSR's International Position After Czechoslovakia," September 19, 1968.

In contrast to the American policy of preference for bipolar cooperation and *détente* with the Soviet Union over Allied cohesion, it was obvious that the Soviets preferred the cohesion and solidarity of their block and that they were willing to risk good relations with the United States in order to achieve it. The policy of bipolar cooperation at the expense of Western Europe had also not resulted in the modification of Soviet behavior or the lessening of hostility of Soviet ideology.

The invasion also revealed that the Warsaw Pact had to be viewed, as the Chairman of the House Republican Task Force on NATO and the Atlantic Community Representative, Paul Findley, put it, as "probably better organized and more effective than NATO in respect to military, political, and intelligence gathering operations." The Warsaw Pact's conventional forces and arms in important categories were "superior to those of NATO," he further noted.[9] The invasion of Czechoslovakia also demonstrated that Western Europe was still incapable of defending itself without massive US assistance, as the French *force de frappe* appeared to be too weak to be an effective continental deterrent.

An equally disturbing option for the United States was the Soviet belief that US-USSR relations would not be materially set back by the invasion.[10] Instead of persuading the Soviets that a policy of exacerbating all instabilities in the Middle East and Europe was inconsistent with a relaxation of tensions of a *détente*, President Johnson preferred to believe that any temporary easing of Soviet harshness represented some fundamental change in Soviet attitudes. Johnson's attitude might have been influenced to a great extent by his great wish to end the war in Vietnam, possibly also with the Soviet 'help.'[11] Such a policy, however, was beneficial to the Soviets. As Paul Findley

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[9] Quoted from ACDP, Bestand I-433187/3, Findley to Nixon, "Proposals to Strengthen Atlantic Community," September 5, 1968.

[10] For US-Soviet relations during the summer of 1968, see e.g. Beneth KOVRIG, *Of Walls and Bridges. The United States and the Eastern Europe*, New York: New York University Press, 1991, pp. 112–113; and Rudolf G. PIKHOYA, "Chekhoslovakiya, 1968 god. Vzglyad iz Moskvy [Czechoslovakia, 1968. View from Moscow]," In: *Novaya i noveishaya istoriya*, 1/1995, pp. 34–48.

[11] See Karel DURMAN, *Útěk od praporů* [Runaway from Banners], Praha: Karolinum, 1998, p. 99. For the influence of the Vietnam War on the US-USSR relations, see also Vít FOJTEK, "NATO po invazi vojsk Varšavské smlouvy do Československa [NATO in the Aftermath of the Warsaw Pact Invasion of Czechoslovakia]," In: *Mezinárodní politika*, 9/2001, pp. 9–13; and Walter LAFEBER, *America, Russia and the Cold War, 1945–1966*, New York–London: McGraw-Hill, 1991, pp. 218–219.

commented, "[t]his created the impression in Moscow that the risks of any course (aid to Vietnam, invasion of Czechoslovakia) [could] always be limited by some superficial gestures (such as agreeing to arms control talks, visiting the UN or inviting President Johnson to the Soviet Union) to recover its dwindling prestige."[12]

The New Military Situation in Europe

The invasion of Czechoslovakia by Warsaw Pact armies and the continuing occupation of the country had significantly altered the balance of power in Central Europe. The continent was confronted with a new and serious military situation. The former *status quo* had been changed. There were several hundred thousand Warsaw Pact troops in Czechoslovakia and substantial additional Soviet forces along the NATO West German border in Bavaria. This represented a larger presence of military forces in Central Europe than at any time since World War II. There was no assurance that the Warsaw Pact forces would soon return to their previous deployment. The concern about eventual Soviet pressure against Romania and Yugoslavia also raised anew the issue of Mediterranean security, where a Soviet naval presence had increased since June 1968.

The stationing of over half a million Soviet soldiers in Czechoslovakia gravely menaced European peace and freedom and intensified the Soviet threat to West Berlin and the Federal Republic of Germany. Even during the Czechoslovak Crisis and after the invasion, the German question remained the most volatile issue. Washington maintained that the Warsaw Pact invasion might have been sparked by the demands of East German and Polish communist leaders Walter Ulbricht and Władysław Gomułka, respectively, who were afraid that Czechoslovakia might be moving too close to Bonn, which, consequently, might lead to the isolation of the German Democratic Republic.[13]

West Germany was the country most directly affected by the Soviet move in Czechoslovakia and the invasion deeply shocked all West Germans. For that reason, already on August 25, West German Chancellor, Kurt Kiesinger,

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[12] Quoted from ACDP, Bestand I-433187/3, Findley to Nixon, "Proposals to Strengthen Atlantic Community," September 5, 1968.
[13] *Ibid.*

devised a NATO summit to deal with what could have been done after the invasion.[14] Already before the invasion, Chancellor Kiesinger had desperately urged to avoid anything that Moscow could have seen as provocation. Again two days after the invasion, he stated before the weekly meeting of the governing coalition, the so called *Dienstagskreis*, that the "hitherto policy of *détente* and building of European Peace order should continue."[15]

The forward position of many additional Soviet divisions in Eastern Europe had contributed to an increase in West Germany's willingness to provide more money for defense and to press further on European integration, including British entry into the Common Market Agreement. Although West Germany's move in this direction was hesitant and as yet inconclusive, it was more positive than ever before and clearly marked a waning of the influence of de Gaulle's France. However, President Johnson's willingness to start missile talks with the Soviets after the invasion was considered in Bonn as placing in doubt the judgment and good sense of West German leaders in pressing for increases in defense spending. Reports on strategic arms talks with the Soviets, at whatever level held, were a real worry in West Germany.[16]

The Soviet Propaganda Campaign against West Germany and West Berlin

In July, August, and mid-September 1968, there had been a series of menacing Soviet statements regarding West Germany and West Berlin. The

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[14] "Ministerialdirigend Heipertz, Prag, an das Auswärtige Amt," August 28, 1968, *Akten zur Auswärtigen Politik der Bundesrepublik Deutschland (AAPBD) 1968, Band II: 1. Juli bis 31. Dezember* [Documents to Foreign Policy of the Federal Republic of Germany 1968, Volume II: July 1 to December 31], München: R. Oldenbourg Verlag, 1999, p. 1057.

[15] According to Protokoll "Dienstagskreis (Koalitionsrunde) 1968–1969," Meeting on August 23, 1968, as quoted by Klaus HILDEBRAND, *Von Erhard zur Großen Koalition 1963–1969 (Geschichte der Bundesrepublik Deutschland, Bd. 4)* [From Erhard to the Great Coalition 1963–1969 (History of Federal Republic of Germany, Vol. 4)], Stuttgart/Wiesbaden/Mannheim: Brockhaus, 1984, p. 337.

[16] "Telegram From the Embassy in Germany to the Department of State," from Ambassador to West Germany Lodge to President Johnson and the Secretary Rusk, September 28, 1968, *Foreign Relations of the United States (FRUS), 1964–1968, Vol. XV Germany and Berlin*, Doc. 291 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/291.html> [2001-09-26]. On West German view towards Prague Spring, see, *i.a.*, Heinrich POTTHOFF, *Im Schatten der Mauer. Deutschlandpolitik 1961 bis 1990* [In the Shadow of the Wall. German Policy From 1961 to 1990], Berlin: Propyläen, 1999, pp. 55–72.

West Germans were nervous. To counter this, the US Secretary of State, Dean Rusk, specifically warned the Soviet Ambassador to Washington Anatoly Dobrynin, on August 31, that West Berlin was a 'state interest' of the United States.[17] Rusk also warned him against possible Soviet intervention in Romania. In their propaganda attacks, the Soviets were coming down hard on the claim that they had the right to intervene in the Federal Republic of Germany. According to the Kremlin, this claim should have been based on Articles 53 and 107 of the UN Charter, which related to actions against former enemy powers.[18]

There had then been an unusual series of attacks, charges, and the use of strong language by Moscow's *Izvestiya* and *Pravda* daily against West Germany and West Berlin at the end of September. An excerpt from *Pravda*, dated September 18, stated: "As a participant in the [1945] Potsdam agreement, the Soviet Union will continue to stand ready, together with other peace-loving states, to take necessary effective measures, if the need arises, to stop the dangerous activities of neo-Nazism and militarism."[19]

Although another article in *Pravda,* on September 25, which presented, according to Secretary Rusk, "singularly [a] naked doctrinal pretext for Soviet intervention in [the] socialist world," dealt primarily with Czechoslovakia, some element of threat to other socialist countries certainly might have been implied.[20]

On September 17, the United States, the United Kingdom, and France publicly announced in separate statements that Articles 53 and 107 of the UN Charter did *not* give the Soviet Union the right to interfere in the internal affairs of the Federal Republic. They also stated that such intervention

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[17] "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[18] "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26]; on Soviet 'accusations' against West Germany, see also Jan PAUER, *Prag 1968. Der Einmarsch des Warschauer Paktes* [Prague 1968. The Warsaw Pact Invasion], Bremen: Edition Themen, 1995, pp. 62–67.

[19] Quoted from *Pravda*, September 18, 1968, p. 1.

[20] Quoted from "Telegram From the Department of State to the Mission to the North Atlantic Treaty Organization Subject: Guidance for Private NAC Session October 16 on Eastern Europe," October 16, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 333 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/333.html> [2001-09-26].

would inevitably lead to a NATO response.[21] On September 20, Rusk repeated this position privately to Dobrynin. Rusk qualified that "any rights under the UN Articles in question and the Potsdam Agreement [must have been] multilateral as amongst the four powers (US, UK, France and USSR) and [could] not be unilaterally applied by the Soviets or arrogated to the Warsaw Pact."[22]

On October 2, Rusk made the point again in his United Nations (UN) speech.[23] In conjunction with the opening of the 23rd session of the UN General Assembly in New York, Secretary Rusk met the Soviet Foreign Minister, Andrei Gromyko. Rusk raised the subject of Berlin. He reminded Gromyko that he already had spoken directly to Ambassador Dobrynin about Berlin as a US 'vital state interest' on August 31, and that the Americans expected everyone to recognize this fact. He also said that he accepted Ambassador Dobrynin's subsequent message as a categorical assurance that the Soviets would not move against West Berlin. Gromyko, for his part, stated that the Soviet Union did not intend to move against West Berlin and wondered whether Rusk really thought the Soviets were planning to do so. Although the Soviets had given a flat commitment about not moving militarily against West Berlin, Rusk replied that this sort of commitment was worth only what it was worth, and the Americans could take no comfort from the continued pressure on West German activities in Berlin. Rusk maintained that if the Soviets were contemplating further moves, these 'assurances' might have been designed only to mislead the Americans. Rusk also explained that it was important for West Berlin to have full contacts with the outside world, and it was thus only natural for West Berlin to have close relations with the Federal Republic of Germany. Gromyko then noted that the Soviet Union objected to any attempts by the West Germans to take over West Berlin and indicated that the Soviets would continue to press this point. Rusk concluded that what the Federal Republic of Germany was doing in Berlin was America's

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[21] *Department of State Bulletin*, October 7, 1968, p. 365. See also "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[22] Quoted from "Memorandum of Conversation," September 20, 1968, *FRUS, 1964–1968 Vol. XV Germany and Berlin*, Doc. 290 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/290.html> [2001-09-26].

[23] For text, see *Department of State Bulletin*, October 21, 1968, pp. 405–410.

responsibility. Therefore, there were no grounds, according to Rusk, for Soviet objections, especially with respect to what the East Germans were doing in Berlin.[24]

In his speech to the UN, Gromyko repeated the Soviet position that the Federal Republic had no rights in Berlin. Gromyko also issued a warning that any "aggravation of tensions" would be Bonn's fault. He said: "The Federal Republic of Germany has ceaselessly laid claims on West Berlin, which has a special status of an independent political entity. Our answer is clear: West Berlin has never belonged, nor does it belong or will it ever belong to the Federal Republic of Germany. If sometimes an aggravation of tensions may occur here, the responsibility for this lies squarely with the West German Government."[25] However, Gromyko did not assert Soviet intervention rights in the Federal Republic under the UN Charter.[26]

In terms of the Soviet military threat to Berlin, the United States interpreted the situation as 'without significant change' in Soviet policy since the invasion, as there were, according to Johnson's Special Assistant and National Security Advisor, Walt Rostow, "no military indications of it." As Rostow mentioned, "[the Soviet] increased forces in Czechoslovakia [had] cut down what they [could] mount immediately against Berlin."[27] However, the roads in Czechoslovakia were considered good enough for the Soviets to change force dispositions in a day or two, and their alert status was also improved. Thus, Rostow's final conclusion was that the disposition of Soviet forces did not tell much about Soviet intentions regarding Berlin.[28]

In October the West Germans discussed the problem of an Allied Declaration on Berlin with the Americans, e.g. the statement about Berlin

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[24] "Memorandum of Conversation," Rusk-Gromyko, October 6, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 295 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/295.html> [2001-09-26].

[25] Quoted from "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[26] For text of Gromyko's address to the General Assembly on October 3, 1968, see *U.N. Doc. A/PV. 1679*, pp. 6–14.

[27] Quoted from "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[28] *Ibid.*

that "would make clear the legitimacy of what the Federal Republic of Germany had been doing in Berlin over the years." According to West German Foreign Minister, Willy Brandt, there was some difficulty with the French over this. His French counterpart, Michel Debré, told Brandt, that the French would go along only with an internal paper from the three Occupying Powers to the Federal Republic of Germany that would not be passed on to the Soviets. Brandt agreed since, as he put it, "even such a paper would be better than nothing."[29]

The Americans were also not fully supportive of such an action. Secretary Rusk told Minister Brandt, that the Americans had said a lot to the Soviets in recent weeks about West Berlin and the US resolve to defend it. Rusk added that it could have been a sign of weakness in Soviet eyes if the Americans kept making one statement after another about Berlin.[30] President Johnson had previously set the question of an Allied Declaration on Berlin aside as openly provocative. Therefore, his National Security Advisor, Rostow, recommended a 'fall-back position' that all three Occupying Powers make a parallel *démarche* through diplomatic channels rather than a public declaration, which would not have been as effective, even though better than inaction.[31]

The question of a Berlin Declaration was then set aside. Americans used the anti-American posture of the right-wing extremist National Democratic Party of Germany (NPD, National-demokratische Partei Deutschlands) – a countrywide Congress of which was to be held in West Berlin at the beginning of November – as an excuse for their weak reaction. As Rusk put it: "We can do whatever is required to defend West Berlin, but we cannot do that in order to defend the NPD."[32] [33]

Later in October, Rusk remarked, that the United States had already made its position clear to the Soviets in the strongest possible terms. He

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[29] Quoted from "Telegram From Secretary of State Rusk to the Embassy in Germany," October 8, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 296 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/296.html> [2001-09-26].

[30] *Ibid*.

[31] "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[32] Quoted from "Telegram From Secretary of State Rusk to the Embassy in Germany," October 8, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 296 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/296.html> [2001-09-26].

[33] Rusk argued that Administration had to take into account the US public opinion and how it reacted to the program of the NPD and its Anti-American posture. See *Ibid.*

concluded that another specific *démarche* by the US "without any apparent reason" would seem to have fallen clearly in the category of over-reaction by the US.[34]

In the autumn of 1968, there were two important meetings planned by the Federal Republic to take place in West Berlin. There were sessions of about twenty Committees of the West German *Bundestag* to be held in West Berlin, October 27 to November 2 and the ruling Christian Democratic Union countrywide Party Congress to be held from November 3 until November 7. Johnson's Administration expected a political crisis associated with such 'high visibility' meetings. Washington feared what it called "could be another Berlin crisis" with a great impact on the entire city of Berlin and throughout the Federal Republic.[35]

In mid-November, when speaking to Rusk, West German Foreign Minister, Brandt said that for the West Germans, the International Monetary Fund (IMF) meeting in West Berlin – planned for the fall of 1968 – was a decisive question representing a West German effort to bring in new activities not related to the city's status. A negative decision about the meeting, Brandt argued, would add to fears that West Berlin was not the place to have even non-political meetings. Brandt explained that he was worried about the internal situation in West Berlin. He was not worried about the economy of the city, which he viewed as 'not bad' but he was concerned about the outlook of the city and the worsening psychological situation that might have resulted, according to him, in real trouble. Therefore, the question of whether West German *Bundesversammlung* would meet in West Berlin should have been seen in the same light, he maintained.[36]

Rusk considered the possibility of an IMF meeting in West Berlin a good idea. He maintained, since there had been three previous meetings of the *Bundesversammlung* in West Berlin, not to have the next one there

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[34] Quoted from "Telegram From the Department of State to the Embassy in Germany," October 22, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 298 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/298.html> [2001-09-26].

[35] "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Rostow to Johnson, October 4, 1968, *FRUS 1964–1968, Vol. XV Germany and Berlin*, Doc. 293 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/293.html> [2001-09-26].

[36] "Telegram From Secretary of State Rusk to the Department of State," November 14, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 300 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/300.html> [2001-09-26].

could create a problem. But simultaneously, he mentioned that apparently some NATO Allies were against the meeting.[37] The French were not enthusiastic about it and the British had even advised the West Germans against the meeting in West Berlin. Nevertheless, Brandt tried to persuade Rusk, arguing that, although perhaps none of these meetings were vital for West Berlin, the West had nothing to posit against these elements to counteract the negative trend.[38]

French Foreign Policy in the Wake of the Czechoslovak Crisis

In the months preceding the Soviet military intervention, France's President, Charles de Gaulle, believed that he witnessed significant progress towards the accomplishment of his long-term goals of *détente, enténte,* and then *coopération* in Europe. In addition, de Gaulle might have been convinced that the United States – under the combined pressure of domestic strife and the Vietnam War – would be forced to adopt a more limited role in Europe. Encouraged by the increasingly independent line taken by the regimes in Eastern Europe and by the course of political liberalization in Czechoslovakia, de Gaulle saw signs that seemed to have confirmed his view that the tensions of the past were subsiding. The 'policy of blocs' was becoming increasingly obsolete to him, and therefore, he continued a number of policy initiatives that he believed might have led to a further relaxation of tensions. The multiplication of political contacts between France and the Soviet Union along with its East European satellites as well as continuing technical Franco-Soviet cooperation was obvious. However, when Czechoslovak diplomats looked into the possibility of the French President visiting Prague – as he had promised twice the previous year – *Quai d'Orsay* replied evasively, even though the General embarked upon a successful visit to Romania in May.[39]

De Gaulle, seeing a solution to the German problem as the key to *détente* in Europe, concluded that he would maintain close ties with

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[37] *Ibid.*
[38] *Ibid.*
[39] Antoine MARÈS, "Naším hlavním cílem zůstává uvolnění napětí. Francie – Československo 1961–1968 [Our main Goal is détente. Francie – Czechoslovakia 1961–1968]," *Soudobé dějiny*, 4/1998, pp. 479–481.

Bonn and encouraged the West Germans to adopt a liberal policy towards Eastern Europe.[40] In addition, it seemed that he had moved to improve French relations with the United States. Following President Johnson's announcement on March 30, 1968 limiting the bombing of Vietnam, French officials at every level of government adopted a much more cooperative attitude towards the United States although it could not yet be viewed as a policy shift. However, in order to ensure its primacy in Western Europe, France continued to oppose the entrance of Britain into the Common Market.[41]

An apparent change in de Gaulle's policy took place with regard to the Soviet military intervention in Czechoslovakia. Yet, in late July 1968, de Gaulle had characterized the Czechoslovak situation as "but an episode in the inevitable process of gradually relaxing Russian control over the socialist bloc countries." Although Debré's Foreign Ministry sounded a clear alarm, citing a security concern of possible Soviet empowerment of 'militarily empty space' in Central Europe, de Gaulle appeared to have believed to the end that the Soviets would *not* use military force in their dispute with Prague.[42]

The invasion, thus, was a drastic setback for de Gaulle. Although his initial response to the invasion of Czechoslovakia was a 'business as usual' approach in cultural, scientific, and economic areas, it provided for curtailment on the political front pending a change in the posture of the Soviet Union. In the initial weeks following the invasion, de Gaulle seemed determined to continue his major policies despite his surprise and

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[40] National Security Archive (NSA), Washington, DC, Soviet Flashpoints, Record No. 68109, Central Intelligence Agency Intelligence Memorandum "French Foreign Policy in the Wake of the Czechoslovak Crisis," Directorate of Intelligence, October 10, 1968.

[41] *Ibid*. For de Gaulle's vision of 'Europe stretching from the Atlantic to the Ural Mountains,' see Petr LUŇÁK, *Západ*, pp. 221–225. See also Maurice VAISSE, *La Grandeur: Politique étrangére du général de Gaulle 1958–1969* [The Greatness: Foreign Policy of General de Gaulle], Paris: Fayard, 1998, pp. 418–419; Antoine MARÈS, Francie – Československo 1961–1968, pp. 471–484; Jean LACOUTURE, *De Gaulle. 3. Le souverain 1959–1970* [De Gaulle. 3. The Sovereign 1959–1970], Paris: Éditions du Seuil, pp. 382–406; Alain PEYREFITTE, *C'était de Gaulle**. La France reprend sa place dans le monde.* [That Was de Gaulle**. France Will Regain its Place in the World], Paris: Éditions de Fallois/Fayard, 1994, pp.31–41.

[42] See Antoine MARÈS, Francie – Československo 1961–1968, pp. 480–481; NSA, Washington, DC, Soviet Flashpoints, Record No. 68109, Central Intelligence Agency Intelligence Memorandum "French Foreign Policy in the Wake of the Czechoslovak Crisis," Directorate of Intelligence, October 10, 1968. For de Gaulle's attitude towards Czechoslovakia in 1968 see e.g. Jean LACOUTURE, *De Gaulle*, pp. 543–555.

disappointment over the turn of events. He acknowledged, however, that his goal of *détente* had been "momentarily thwarted."[43]

De Gaulle's continuing emphasis on *détente* and his unwillingness to see NATO strengthened appeared to have confirmed his belief that a possible Soviet attack on Western Europe was remote. In early September, his 'no' to blocs, NATO, and reappraisals, and 'yes' to *détente* seemed to provide a general outline of French policy. However, by mid-September, a number of signs began to emerge, according to the CIA, raising the possibility that de Gaulle was, in fact, rethinking his position somewhat.[44]

Although de Gaulle hardly could fear a Soviet military move, it was the reaction of France's neighbors in Western Europe, particularly Bonn, who were fearful of future aggression, which prompted his actions. One reason was that he sought to prevent the West Germans from falling more closely into the arms of the United States in order to have substantial influence over certain aspects of Bonn's foreign policy. Simultaneously, he tried to preserve France's dominant role in Western Europe without committing France unilaterally to the position of defender.

Therefore, in mid-September 1968, de Gaulle offered two different approaches to European security. The first idea concerned the possible revival of the concept of a European Defense Community.[45] Secondly, de Gaulle was interested in reopening tripartite discussions on the nuclear defense of Europe.[46] De Gaulle possibly would have seen a tripartite agreement automatically to commit nuclear weapons to the defense of Europe as a desirable goal. But, for such an arrangement, the French President would have to be recognized by the other participants as 'speaking for Europe.' De Gaulle might also have expected to have a veto

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[43] NSA, Washington, DC, Soviet Flashpoints, Record No. 68109, Central Intelligence Agency Intelligence Memorandum "French Foreign Policy in the Wake of the Czechoslovak Crisis," Directorate of Intelligence, October 10, 1968.

[44] *Ibid.*

[45] European Defense Community (EDC). France proposed original EDC Treaty in 1950, however it was then rejected it in 1954 since the Gaullists vehemently opposed the treaty, which they believed would have an extremely negative effect on France's national army. The EDC treaty, *i.a*, called for an integrated European army with national units from the participating countries, which included only the 'little six,' e.g. France, Germany, Italy, and the Benelux states.

[46] In 1959 De Gaulle originally proposed a tripartite directorate (United States, Great Britain, France), which should coordinate policy in matters of mutual security, and, in particular, use of nuclear weapons. See Petr LUŇÁK, *Západ*, p. 167.

on the use of nuclear weapons in Europe and a 'guarantee' that the weapons would be used "if France so requested."[47]

De Gaulle might have been interested in such a 'triumvirate' (US, UK, France), however, he was politically astute enough to realize that Washington would not readily abandon the theory of flexible response, and that any tripartite directorate would be an *anathema* to Bonn. In this connection eventual British support for such a plan would also depend on whether London would have believed it to be another French maneuver to keep London permanently out of Europe or whether British participation would be seen as a step toward inclusion in future Western security arrangements.[48]

De Gaulle had never accepted Washington's policy of responding in the first instance to a conventional attack with its own conventional forces. Rather, he saw the flexible response theory as an indication that the United States would not risk its own existence for Europe. In his talks with the US Ambassador to France, Robert Shriver, on September 23, de Gaulle's main question was whether the United States would respond immediately with nuclear weapons if West German borders were violated. De Gaulle maintained that "France would *not* regard an invasion of West Germany as an invasion of France," a stand which the US Ambassador believed could have explained de Gaulle's conviction that the United States would not deploy all its resources in such a situation either. Although the French President refused to give any indication that France would undertake any new commitments regarding the security of the West, he stated that if the United States responded with "all of its power to an attack on [Western] Europe, France would respond with all its power."[49]

After the invasion, the West Germans made a number of efforts to reinvigorate Franco-West German cooperation in military affairs, including the Franco-German Study Group. It seemed that there was some change in the French attitude. Senior West German military officers reported that their French colleagues' views were quite similar to theirs on questions of European defense, although it was perceived, at the same time, to have

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[47] *Ibid*.

[48] *Ibid*. General de Gaulle vetoed twice British entry into European Economical Community, first in 1963, then again in 1967. See Petr LUŇÁK, *Západ*, pp. 180 and 239.

[49] Quoted from NSA, Washington, DC, Soviet Flashpoints, Record No. 68109, Central Intelligence Agency Intelligence Memorandum "French Foreign Policy in the Wake of the Czechoslovak Crisis," Directorate of Intelligence, October 10, 1968.

little political fallout. However, the French officials seemed to be more cooperative in some small matters with the West Germans.[50]

But France's inept tactics during the de Gaulle-Kiesinger talks of September 27, appeared to have exacerbated Franco-West German relations.[51] De Gaulle not only failed to offer a clear pledge of military support desired by the West German Chancellor, but he also infuriated Kiesinger by suggesting that West German policy alone might have been a factor in provoking the Soviet invasion.[52] Nevertheless, the West Germans decided to continue talks with the French. US Secretary of State Rusk commented on the situation during a luncheon with Brandt on October 8, stating that it was "important to leave the way open for France to return at some future time to Europe and NATO."[53] He said that American relations with the French were seen to have improved in style, but not in substance. The problem was the same as it had been ten years earlier "whether or not to have a love affair with France at the expense of the rest of Europe."[54] The Americans could have had 'a lovely relationship' with the French, if Eisenhower in 1958 or Kennedy in 1961 accepted de Gaulle's *Directoire* proposals. But what would happen with the rest of Europe still remained somewhat unclear. The Secretary also mentioned some reports that claimed US disagreement with the French over nuclear issues. He added that the Americans had never had any indication from the French Government of possible French interest in questions of nuclear cooperation between France and the United States.[55]

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[50] "Telegram From Secretary of State Rusk to the Department of State Brussels," November 14, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 300 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/300.html> [2001-09-26]. See also "Gespräch des Bundeskanzlers Kiesinger mit Staatspräsident de Gaulle," *AAPBD 1968, Band II:* pp. 1248–1260.

[51] "Gespräch des Bundeskanzlers Kiesinger mit Staatspräsident de Gaulle," September 27, 1968, *AAPBD* 1968, Band II., pp. 1200–1212.

[52] NSA, Washington, DC, Soviet Flashpoints, Record No. 68109, Central Intelligence Agency Intelligence Memorandum "French Foreign Policy in the Wake of the Czechoslovak Crisis," Directorate of Intelligence, October 10, 1968. On West German reaction to de Gaulle's 'accusations', see the memoirs of then West Germany's Foreign Minister Willy BRANDT, *Erinnerungen* [Memoirs], Berlin: Propyläen, 1997, pp. 193–194.

[53] "Telegram From Secretary of State Rusk to the Embassy in Germany," October 8, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 296 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/296.html> [2001-09-26].

[54] Quoted from "Telegram From Secretary of State Rusk to the Department of State Brussels," November 14, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 300 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/300.html> [2001-09-26].

[55] *Ibid.*

NATO in the Aftermath of the Czechoslovak Crisis

The year of 1969 marked the 20th anniversary of the NATO Alliance. The second half of the 1960s had been until then the 'high-water mark' of *détente* with the adoption of the so called Harmel Report in 1967 and the NATO Ministerial Declaration on mutual force reductions in 1968.[56] However, the 'slow erosion' of NATO that had been obvious over the previous few years continued.

After France had pulled its military forces out of the integrated command structure in 1966, severing land communications between NATO's northern and southern tiers, Belgium decided to recall two of its six brigades from West Germany. In the five years prior to the invasion, Britain's Army on the Rhine had also been reduced from 53,000 to 48,000. Even the West Germans had been unable to field their 12th division before 1965. The US force in Europe had been cut by 25 percent over the same period. In June 1968, strong pressure in the US Senate to cut the American contribution to NATO had culminated because some of the NATO countries were not doing their share. According to the CIA, NATO was in a 'state of disarray.'[57]

The invasion of Czechoslovakia not only had the effect of what the CIA called "stalling the slow process of disintegration," but also for the first time in several years, all the Allies accepted the necessity of preserving an effective Alliance beyond its 20th anniversary. In order to make the Soviets negotiate differently and more responsibly, a stronger and more united NATO appeared to be necessity. The Czechoslovak events presented NATO with an opportunity to reverse past trends if positive action was taken - as US Ambassador to Bonn, Henry Cabot Lodge, put it "to energize NATO and resume progress toward European integration."[58]

From the US perspective, the Soviet aggression offered a major opportunity to improve the Alliance's political cohesion as well as its

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[56] For the text of the Harmel Report see NATO Basic Texts: The Future Task of the Alliance – "The Harmel Report", Brussels, December 13–14, 1967, [online], URL<http://www.nato.int/docu/basictxt/b671213a.htm> [2003-07-27].

[57] CIA Intelligence Memorandum No. 2049/68/1 "The Response of the NATO Countries to the invasion of Czechoslovakia," November 4, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 334 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/334.html> [2001-09-26].

[58] Quoted from "Telegram From the Embassy in Germany to the Department of State," September 18, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 289, [online], URL<http://www.state.gov/www/about_state/history/vol_xv/289.html> [2001-09-26].

defense posture. The shock of the Czechoslovak tragedy and a fear of a possible future aggression had galvanized new interest and support for the Alliance although not to the extent that the Americans might have liked.[59] For some Alliance members, including France, Canada, and Denmark, the Soviet aggression had deflated exaggerated hopes for early change in the Soviet Union's European policy. The Czechoslovak crisis also muffled the attack on US troops in Europe within the US Senate.[60]

But the discussions in NATO had also demonstrated that, in the long term, none of the Allies wished to forestall essential contacts and negotiations with the East. Most of them still favored the Non-Proliferation Treaty. After all, they wished to see a breakthrough in the arms control race, in which the two great powers would be committed to accept controls on their own nuclear armaments.

Due to the increase in Soviet forces in Central Europe, the United States had to take measures in the defense field, including higher Western European financial contributions. However, at first, the European NATO Allies had responded to the Czechoslovak events with far more promise than performance. Among the four or five that had pledged concrete contributions, only Greece had offered anything approximating a clear net gain for the Alliance. Greek Foreign Minister, Panoyotis Pipinelis, emphasized that, to deter aggression, one must let the aggressor know that if he tried to invade, things would be difficult for him. He stressed that rearmament must be pursued, and Greece had neglected other items of its budget in order to be able to raise the level of its military forces.[61] Belgium, for its part, offered only to 'postpone' impending troop cutbacks in West Germany. Britain had promised further commitments, which, however, represented almost nothing new as far as the common defense was concerned. West Germany, which most feared the Soviets, had refrained from making any substantial gesture that might have reinforced Soviet charges of West German 'revanchism.'[62]

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[59] CIA Intelligence Memorandum No. 2049/68/1 "The Response of the NATO Countries to the invasion of Czechoslovakia," November 4, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 334 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/334.html> [2001-09-26].

[60] *Ibid*.

[61] *Ibid*.

[62] CIA Intelligence Memorandum No. 2049/68/1 "The Response of the NATO Countries to the invasion of Czechoslovakia," November 4, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 334 [online] URL<http://www.state.gov/www/about_state/history/vol_xiii/334.html> [2001-09-26].

On October 1, 1968, the Special North Atlantic Council meeting provided the Americans with nothing other than grave disappointment and deep concern. The meeting presented an occasion to take stock of the situation in light of NATO's activities in the six weeks following the invasion of Czechoslovakia. However, what the Americans perceived as a clear and urgent need, e.g. to establish a 'NATO umbrella' for national contributions to improve NATO capabilities, seemed to have become lost in discussion over texts and procedural processing of various assessments. West Germany and the Netherlands were an exception. Only the Netherlands Representative, Hendrik Boon, had grasped the central issue of need for decisions, i.e., an agreed NATO Minute, approved on an *ad interim* basis by Permanent Representatives, which would have provided the needed 'umbrella.'[63]

Whatever the original Western reaction to the Soviet invasion in Czechoslovakia had been, none of the European NATO Allies initially seemed willing to provide more money for defense spending. The reason was that none of them was supportive of the flexible response strategy on which the argument for increased conventional forces had been based. America's European Allies continued to regard flexible response, although it had been officially adopted by NATO (in 1967), rather suspiciously, and viewed it as a prelude to US nuclear disengagement on the continent. After the invasion, this strategy appeared even less attractive.

What the invasion demonstrated was that the concept of 'political warning time,' a basic tenet of flexible response, appeared to be questionable. Judging from the rapid airlift of Soviet troops into Czechoslovakia, it was no longer certain that NATO would have sufficient lead-time, after the first signs of a Soviet build-up, to rotate the US and British reserves forces for Allied defense back into Europe. Hence, there was no stimulus for the West Europeans to add further resources to NATO's conventional arsenal since, in the event of a Soviet attack, it might have to be quickly superseded by a resort to nuclear force.

The Americans expected West Germany – as a key country for European security within NATO – to demonstrate that the situation was sufficiently serious for Europe to take concrete steps. This was meant mainly in relation

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[63] "Telegram From the Department of State to the Mission to the North Atlantic Treaty Organization: Special NAC Meeting October 1," October 2, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 330 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/330.html> [2001-09-26].

to decisions on the military budget, both in the amount of money spent on West Germany's own forces and for balance of payments purposes arising from the presence of US forces. A statesmanlike West German decision on this latter subject was expected to have been politically important in determining the position of the new American government, as the US Ambassador to Bonn pointed out to the West German Chancellor, mentioning, *i.a.*, the decline in American public interest in Europe in recent years.[64]

The West Germans, on their part, demonstrated their willingness to consider later increases in the West German defense budget if based on a careful NATO appraisal of the new security situation. They also displayed a willingness to consider at least the possibility of defense budget increases in order to assist the Americans in their military balance of payments problem. Nevertheless, the West Germans expressed skepticism regarding the prospects of receiving increased collaboration from de Gaulle. As Chancellor Kiesinger mentioned to US Ambassador in Bonn, Cabot Lodge, the only positive thing that could have been expected from de Gaulle was a commitment that he would not withdraw from NATO at that time. The Chancellor expressed in that context West German interest in possible more collaboration between NATO forces and French forces, although even here he was not at all certain that something could be worked out.[65]

Rusk's dinner for NATO Foreign Ministers, on October 7, proved more important. It enabled the Americans to prepare for reaching their goals later at the November Ministerial Meeting in Brussels. All NATO Ministers agreed that there were dangerous implications of the Soviet intervention as a high degree of uncertainty existed in Eastern and Western Europe. Soviet troops were present near the West German border, and it was not clear whether or not the Soviets were ready to use force eventually. The impact of the new military situation thus went beyond Central Europe. It was felt in all of Europe, including the Mediterranean.[66]

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[64] "Telegram From the Embassy in Germany to the Department of State: Ambassador's talk with Chancellor on implications of Czechoslovakia." Walt Rostow transmitted the telegram to President Johnson at the LBJ Ranch, September 18, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 289, [online], URL<http://www.state.gov/www/about_state/history/vol_xv/289.html> [2001-09-26].

[65] *Ibid*.

[66] "Memorandum of Conversation: Secretary's Dinner for NATO Foreign Ministers," October 7, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 332 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/332.html> [2001-09-26].

A need to make plans and to clarify the consequences of any aggression against NATO countries had also been discussed at the meeting. It was agreed that relations with the Soviet Union as well as other Eastern European countries would continue, but with discretion and moderation so as not to appear in any way to condone Soviet aggression. Continued military efforts were called for in order to strengthen Western security as a long-term objective. From the military point of view, all NATO members agreed on the need to carry on the effort to bring manning levels and training up to proper standards. It was seen as necessary to improve and to correct force levels, the reserve units' equipment as well as to increase the frequency of exercises and to improve the conventional role of the air force (as opposed to its nuclear role). General recommendations were to be made to the countries to dedicate sufficient resources to fulfill their goals and bring their forces up to the proposed 1969 levels.[67]

French Foreign Minister, Debré, stated, on this occasion, that the real question was whether or not we have "entered or [we are] entering into a period of preparation for conflict." In this case, the only thing 'worth talking about' was to have discussions with the US regarding its nuclear intentions for the defense of Europe. On the other hand, if this was not the case, and instead, there was a beginning of a process essentially based on a Soviet defensive reaction, the problem could not be considered immediate and was a question of "three, four or five years" for the French. Although the Soviet Government had committed an act which was morally and politically inadmissible, by invading, for Debré, it was questionable whether a reaction with token military measures was warranted since it could have appeared that a position was adopted, which may not be maintained, made effective, or be pertinent in the months to come. If the problem was, however, "essentially political," he argued, then relations between the Soviet Union and the other Eastern countries must be studied, and the attitude with respect to possible attacks on the Federal Republic of Germany examined. Reinforcing the Alliance represented "only drawbacks and no advantages" for France.[68]

Despite the shock the real question for Debré was "what do we do tomorrow if Yugoslavia is invaded or if there is other military action? [...]

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[67] *Ibid.*
[68] *Ibid.*

The best service we can render the Czechoslovaks," he continued, was "to focus on the problems of Germany and continue to show the Soviet government that it has committed an error." The French Foreign Minister concluded that the US – Soviet talks and other *détente* projects could be resumed and pursued once more only if the Soviet Union pulled its troops out of Czechoslovakia.[69]

NATO Summit in Brussels

To underscore 'by word and deed' their reaction to the Soviet aggression, the NATO partners met in Brussels from November 14–16, 1968. The main focus of the meeting was on what the US and its Allies were supposed to do to strengthen NATO in light of the Warsaw Pact invasion of Czechoslovakia. The Americans believed that the Soviets would continue to avoid moves that risked serious confrontation with the West as long as NATO would keep its essential military strength and political cohesion. It was agreed that *détente* remained a long-term goal of NATO policy, but the atmosphere had changed drastically in comparison with the meetings of a few years before. The emphasis was now on strengthening the Alliance's defense and its deterrent posture against possible future contingencies in spite of differences in emphasis among individual NATO Governments.

The American view, presented by Secretary Rusk, was that strengthening NATO would depend largely on the Europeans. The United States had a 650,000 strong force in Southeast Asia and continued to maintain its troops in Europe. There was already considerable pressure in the US Congress to withdraw these forces. Any US Administration would have pressed its European NATO Allies to take the issues seriously and work together in a common effort, Rusk mentioned.[70]

The balance of payments problem received more high level attention than at other Ministerial meetings. Ministers showed understanding but were reluctant to make specific commitments. The final *communiqué*

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[69] *Ibid.*

[70] "Memorandum of Conversation: 42nd Ministerial Meeting of the North Atlantic Council, General Tour d' Horizon," November 14, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region,* Doc. 336 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/336.html> [2001-09-26].

paragraph dealing with this matter had proved to be one of the more difficult to draft in acceptable language.[71] But it was politically significant that the constant trend towards the reduction of military expenditures by the European Allies had been stemmed, and, as stated, "hopefully reversed".[72] The specific contributions of the members revealed a growing awareness by European leaders of the need to expand their contributions to share the burden of collective defense and then spend more money to improve their military forces.

The unique November Ministerial Meeting crowned American efforts. All fifteen Allies, including France, whose manner of performance, the US viewed as being markedly changed, showed unexpected cohesion on key political issues. The Ministers approved that any further adventures in intervention by the Soviets would "create an international crisis with grave consequences".[73] The French had been reasonably constructive and exhibited a clear appreciation of the significance of Soviet actions as they affected the security situation in Europe. This Ministerial Meeting had not yet by any means solved NATO's problems, but the general reaction was that there was a basis for seeking more serious consideration of this subject than had existed previously.

On November 14, Belgium, Denmark, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Greece, FRG, Turkey, and Great Britain created within NATO a special integrative institution called EUROGROUP. It coordinated e.g. through informal meetings of defense ministers the problem of financing US forces in Europe (in November 1970). Defense ministers of EUROGROUP later in October 1971 also agreed on a Program for Enlargement of Conventional European Forces and a six percent rise in arms expenditure (so called Euro-Package from October 1971).[74]

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[71] For text of the final *communiqué*, see Department of State *Bulletin*, December 9, 1968, pp. 595–597.

[72] "Telegram From Secretary of State Rusk to the Department of State: Subject: Wrap-up of NATO Ministerial Meeting, November 14–16," November 16, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 337 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/337.html> [2001-09-26].

[73] *Ibid*.

[74] On NATO's EUROGROUP, see Jiří FIDLER, Petr MAREŠ, *Dějiny NATO* [History of NATO], Praha/Litomyšl: Paseka 1997, pp. 144–145.

An Extension of the Area of NATO Interests

At the end of the 1960s, the Soviet Union concentrated its military efforts on catching up with American military power. The Soviets approached parity with the United States in strategic weapons of mass destruction and increased in highly mobile, sea and airborne forces for conventional military action. This improvement in military capabilities broadened the Soviet Union's political options. This trend was already apparent in the expanded Soviet naval presence in the Mediterranean.

The Soviet presence in the Mediterranean became much more significant in light of the invasion of Czechoslovakia. While the Czechoslovak crisis had attracted attention on the NATO Central Front, concern about eventual Soviet pressure against Romania and Yugoslavia also raised anew the issue of Mediterranean security. Prior to the invasion, the United States believed that the increasing presence of the Soviet navy was mainly a consequence of the Middle East conflict and was dictated more by political reasons of prestige and influence within the bordering countries than by military reasons.[75]

In November 1968, the NATO Ministerial Council at Brussels agreed on new defense measures and noted the creation of a NATO air surveillance command for operation in the Mediterranean.

The possibility of extending the area of NATO's interests beyond the strict territorial limits of the NATO countries, particularly the Mediterranean was already being considered at the beginning of October. It became obvious that NATO would have been faced with a major problem, if Soviet forces were to move toward the Adriatic. But these questions were not taken as seriously by all NATO partners as they "deserved to be."[76]

In his talk with British Foreign Secretary Stewart about the reactions of various guests at his dinner for NATO Foreign Ministers on October 7, 1968, Rusk noted that the Italian and Greek Foreign Ministers, and even the Foreign Minister Debré to some extent, seemed to think that NATO should

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[75] "Paper Prepared in the Department of State," undated, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 323 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/323.html> [2001-09-26].

[76] "Telegram From Secretary of State Rusk to the Embassy in Germany," October 8, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 296 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/296.html> [2001-09-26].

have become more interested in strategic areas outside the territory of NATO countries. Rusk expressed amusement at this new-found support for a policy the United States had been advocating unsuccessfully for years. He said he knew that the change was attributable to the Czechoslovak crisis and to Soviet threats to the rest of the Balkans.[77]

Whatever Moscow's intentions in August 1968 might have been, the move against Czechoslovakia produced a war scare elsewhere in Central and Eastern Europe. It was shown by various degrees of military mobilizations and alerts; Romania, Yugoslavia, Albania, and even Austria feared of the Soviet Union.

In the fall of 1968, danger still existed that the Soviets might seek to "regularize" situation in the Balkans by military means. NATO had to consider what the attitude of the Alliance would be if Romania, Yugoslavia or another country became involved in a crisis. According to Rusk, in the event of so-called "solid threat" phase, NATO should have differentiated sharply between a threat to Romania and to Yugoslavia or Austria. A military invasion of Austria would have been of totally different dimension with strong possibility of developing a global conflict. Although the likelihood of invasion appeared less likely, it would have had the gravest immediate consequences. Any move into that country would have meant serious risks of involvement of the forces of principal NATO Treaty signatories.[78]

In the case of Romania, the United States suggested, for example, to call an urgent, top-level meeting with the Soviet Ambassador in order to gain assurances that no invasion had been planned. Another presidential statements with maximum publicity or possible NATO response were also considered. Further envisaged was an emergency National Security Council session, or consultation with Congressional leaders.

In the Yugoslav case, a range of possibilities included a public announcement of readiness to consider Yugoslav requests for economic and/or military material assistance. Legal steps to facilitate assistance to Yugoslavia and a restriction on all civilian travel to Eastern Europe and

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[77] "Memorandum of Conversation: Secretary's Dinner for NATO Foreign Ministers," October 7, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 323 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/323.html> [2001-09-26].

[78] "Telegram From the Department of State to the Mission to the North Atlantic Treaty Organization," October 16, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 333 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/333.html> [2001-09-26].

USSR were also taken into consideration. And, at last, it embodied the improvement of military alert status of NATO and US forces in Europe and the Mediterranean.[79]

Another question arising from the new military situation on the Continent following the Soviet aggression against Czechoslovakia was a discussion over the possibility of Spain joining the Alliance. The US facilities in Spain served NATO as well as US interests. Spain provided the home base for the United States strike wing assigned to the southern flank. Communications links important to NATO were located in Spain and the use of the naval base at Rota helped the United States maintain the nuclear deterrent in the Eastern Atlantic. In addition, US bases in Spain played an important role in the US's ability to react swiftly to Mediterranean area contingencies. The Spanish Government had indicated varying degrees of interest in some form of association with, if not membership in, NATO since 1953.

Rusk and Brandt discussed the matter at the beginning of October 1968. However, the German Foreign Minister responded negatively mentioning that the Dutch, Norwegians, Danes, and the British would be opposed to it, too.[80] During Secretary Rusk's visit to Madrid, in mid-November 1968, the Spanish Government reminded him of its desire to participate in the defense planning for the Spanish Atlantic area and the Mediterranean with the United States and other Western European countries. Furthermore, Spain wished to participate in the decision making process in defense matters pertinent to its area of concern.[81]

The problem was that a number of NATO members were ideologically hostile to the Spanish regime of that period. Nevertheless, there were other NATO Allies who believed that Spain, by virtue of its geography alone, would be a valuable potential contributor to an enhanced NATO defense posture in the Atlantic and the Mediterranean. In light of the growing Soviet military presence, the mutual benefits of such a contribution were

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[79] *Ibid*.

[80] "Telegram From Secretary of State Rusk to the Embassy in Germany," October 8, 1968, *FRUS, 1964–1968, Vol. XV Germany and Berlin*, Doc. 296 [online], URL<http://www.state.gov/www/about_state/history/vol_xv/296.html> [2001-09-26].

[81] "Telegram From the Department of State to the Embassy in the United Kingdom: Subject: Possible Spanish Relationship with NATO," December 20, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 339 [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/339.html> [2001-09-26].

increasingly apparent. Spanish naval forces in the Mediterranean and Atlantic could cooperate with NATO forces through surveillance and intelligence exchanges, coordinated planning, and combined exercises, thereby enhancing Western capabilities in the area. In the longer term, NATO could benefit from Spain's air defense capabilities in the same fashion. For these reasons, the Americans were considering finding means by which a suitable Spanish relationship with NATO could be established.[82]

In light of particular British interests in this question – troubled by potential Spanish claims to Gibraltar – the Americans wished to discuss the matter with the United Kingdom and seek its views and possible support before developing a final position. The United States hoped that if the United Kingdom were ready to agree to a suitable Spanish-NATO tie, political objections on the part of other NATO Allies could be overcome.[83]

Another means was the establishment of a 'Spanish Group' within NATO. The United States reckoned that those countries with interests in the Mediterranean could meet on a regular basis, or as needed, with a Spanish representative, and Spain could contribute "to the achievement of NATO defense objectives in the Mediterranean and IBERLANT [Iberian Atlantic Area] areas," without necessarily implying endorsement of the present Spanish regime.[84]

Soviet Response to NATO's New Defense Measures

Moscow could hardly welcome the new defense measures and developments agreed upon at the NATO meeting at Brussels in November. The participants of the meeting came to the conclusion i.a. that increased national contributions to the Alliance's defense forces were needed. The member states also welcomed the new NATO air surveillance command for Mediterranean operation, and the extension of NATO's security concerns to a certain extent beyond its membership to states on the USSR's periphery.[85]

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[82] *Ibid*.
[83] *Ibid*.
[84] *Ibid*.
[85] "Research Memorandum No. RSE-175: Subject: Soviet Response to the Brussels Meeting of the NATO Ministers," Thomas L. Hughes to Secretary Rusk, December 13, 1968, *FRUS, 1964–1968, Vol. XIII Western Europe Region*, Doc. 338 [online] URL<http://www.state.gov/www/about_state/history/vol_xiii/338.html> [2001-09-26].

The Soviet reaction to the Brussels discussions was relatively limited, at least in the propaganda realm. On November 23, 1968, the official Soviet TASS news agency issued an 'authorized' statement on the Brussels session. It was the first such TASS statement about a NATO Ministerial Council meeting since December 1958 when NATO extended its guarantee to West Berlin. The Soviet diplomats also delivered a series of oral *démarches* about the air surveillance command in a variety of NATO capitals. On the whole, however, the Kremlin generally remained reticent.[86]

The United States' Officials believed it was perhaps partly to avoid giving the NATO members more cause for concern about Soviet intentions, and the Soviets themselves might have been undecided as to the actual significance of the NATO Brussels decisions. Nevertheless, in mid-December, 1968, according to the Americans, the Soviets considered the new attitude on defense issues in Western Europe to be a 'manageable problem' for the time being. For the United States, a more serious potential problem might have been the 'gray area' of NATO security interest as Moscow had carefully given no hint as to how it expected to cope with this issue.[87]

The NATO Mediterranean Air Command, in contrast, posed an immediate challenge to the Soviet interests. Thus, only in the case of the Mediterranean Air Surveillance Unit, had the USSR resorted to a formal action. On November 18–19, 1968, the Soviet ambassadors to Athens, Ankara, Rome, London, and Washington delivered oral *démarches*, castigating the new unit as "premeditated and flagrant violation of international standards governing the freedom of navigation in the open seas."[88] Moscow had also utilized – decrying the new NATO creation – the *démarche* to register in diplomatic channels for the first time its own claims to be – and to be acknowledged as – a Mediterranean power.

The thesis that the Soviet Union as a Black Sea power is, therefore, a Mediterranean power was first enunciated by Soviet Foreign Minister, Gromyko, already in May 1968; but the Soviet media began stressing the point only in November. In delivering their various *démarches*, some of the Soviet ambassadors also reportedly raised the idea of a possible conference of Mediterranean powers to deal with the problems of that area. Still, it was not clear whether these hints were merely interpolations by the diplomats

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[86] *Ibid.*
[87] *Ibid.*
[88] *Ibid.*

themselves or whether they were intended to presage a serious initiative. Moscow had to be aware that the prospects for reaching agreement with the interested powers for such a conference hardly seemed promising. At the beginning of October, the Americans reacted by strengthening their Sixth Fleet in the Mediterranean. Thus, Moscow's major concern at this time seemed to be to put on record, if accepted internationally, that the Soviet naval presence in the Mediterranean was a vital element of the USSR's global defense posture, and that the Soviet navy would remain there regardless of what NATO did. Nevertheless, the number of Soviet ships and vessels operating in the Mediterranean had declined in the autumn of 1968 and the USSR seemed to intend on avoiding any undue exacerbation of tensions in the area.[89]

The Impact of the Invasion on the Policy of *Détente*

The invasion demonstrated the unpredictability of Soviet behavior and essentially affected, if not radically changed, the military and security balance in Europe. It also exposed a new strategic threat posed by the Soviet buildup in the Mediterranean.

The Czechoslovak crisis led to renewed emphasis on the idea of NATO solidarity. In view of the growing threat to European security and the continuing inability of the United Nations to function as an effective protector of peace and freedom, the strengthening of NATO appeared to be extremely important and most urgent.

For the first time since the 1956 Soviet invasion to Hungary, all fifteen NATO member states seemed equally sensitive to the threat to their security. The Soviet action catalyzed the entire process of inter-Allied consultation. The West European Allies seemed to have been more aware of what they had to do to preserve the US guarantee on their behalf. Even the French were able to bring themselves to take part in discussions leading to the political and military papers on the situation. Moreover, the British and West Germans took a leading role in debates on strategy in the seven-nation nuclear planning group and agreed to work together on future strategic guidelines for the North Atlantic Alliance. In particular, the British began to talk about creating a European defense grouping in NATO as

[89] *Ibid.*

a means of heading off any further cutbacks in the American presence on the European continent. Although this was in part an effort to enhance Britain's position as a European power, it also reflected a growing awareness that the West European Allies had to work together to relieve the United States of some of its defense burdens. All this led to greater involvement by the West Europeans in the area of Allied concern traditionally monopolized by the United States and made the West Europeans more responsive to the demands of NATO defense.[90]

The Soviet actions in Czechoslovakia shifted emphasis from 'peaceful engagement' with the East and mutual troop reduction *vis-à-vis* the Soviet bloc back toward the more basic problem of defense. At the very least, the Alliance was "more cohesive than before," and the European Allies were "more aware of their responsibilities under the collective defense concept."[91]

The Czechoslovak affair should have served as a reminder that Bolshevism was not on the wane. US efforts to induce *détente* by reducing its forces to a so-called 'stabilizing relationship of parity' had served the purpose of provoking the Soviets into redoubling their efforts to capture world military supremacy. In reality, the USSR was provoked not by threats, but by weakness.

The Soviet Union filled the 'strategic vacuum,' which the United States had deliberately created in the mistaken belief that it could "convert the Soviet Union to Christianity by turning the other cheek", as General George J. Keegan, US Congress Deputy Chief of Staff for Intelligence, wrote on November 8, 1968.[92] In his words, the Soviets were achieving a staggering nuclear superiority, and this American stand could only have supported their further aggressiveness. "There will be more Czechoslovakias and more Middle Easts," warned General Keegan, "[and] as each new step unfolds, the United States will find itself dealing from paralyzing military weakness and fear of nuclear holocaust."[93]

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[90] CIA Intelligence Memorandum No. 2049/68/1 "The Response of the NATO Countries to the invasion of Czechoslovakia," November 4, 1968, *FRUS, 1964–1968, Vol. XIII. Western Europe Region*, Doc. 334, [online], URL<http://www.state.gov/www/about_state/history/vol_xiii/334.html> [2001-09-26].

[91] *Ibid.*

[92] Quoted from NSA, Washington, DC, Soviet Flashpoints, Record No. 62358, "Letter from George J. Keegan, Deputy Chief of Staff for Intelligence to U.S. Senate, to Sen. George F. Murphy about the Vietnam Situation and the 'Czech Affair,'" November 8, 1968.

[93] *Ibid.*

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IN SEARCH OF CAUSES: HISTORIOGRAPHY OF MIGRATION, 1910–1990

ŠTĚPÁNKA KORYTOVÁ-MAGSTADT

The conceptual framework for this study is derived from the modern historiography of migration. This article will attempt to demonstrate some of the key concepts used in the modern scholarship of migration. For comparative purposes it is also useful to survey a few earlier works. Although the latter tend to be more simplistic, narrative in style, and devoid of interpretation or analysis, the older scholarship laid the groundwork for the modern.

Authors of all works in the field of migration have tried to answer the three basic questions of why people left, who left, and how many left during a given time-period. Scholars have looked at these questions from various angles and discovered that no single historical methodology can explain the phenomenon of migration. Consequently, they have turned to other fields, such as sociology, statistics, geography, psychology, and anthropology to name the most important ones, for help.

An important milestone in the study of migration occurred in 1960 when Frank Thistlethwaite presented a pioneering paper at an International History Conference in Stockholm. Above all, Thistlethwaite stressed the importance of the European background to mass migration and challenged historians to employ scientific tools and techniques.[1]

[1] Harold Runblom and Hans Norma, ed., *From Sweden to America. A History of the Migration*. A Collective Work of the Uppsala Migration Research Project (Minneapolis: University of Minnesota Press, 1976), 14.

Thistlethwaite was reacting to the superficiality and subjectivity that characterized the literature. Much highly colored pseudo-historical writing came out of the Progressive era, and often reacted against the biases contained in the United States Immigration Commission Report of 1911, which sought to prove the undesirability of immigration from southern and eastern Europe.

Until 1960, most of the studies had been America-centered and tinged with filiopietism (an uncritical description of one's ethnic group). Many authors, frequently from older immigrant families, had motives that impeded sound scholarship. Hence they went out of their way to describe the positive contributions made by more recent immigrants, and thus counter the advocates of a restrictive immigration policy.[2]

For example, New England aristocrat Emily Balch, influenced by Frederick Jackson Turner's thesis on the importance of the frontier, wrote that "the personality that the emigrants develop in America is, in successful cases, something higher and finer than in the Old World."[3] In her book entitled *Our Slavic Fellow Citizens* (1910), she stressed poverty and personal misfortune as the principal reasons why many Slavs left their Old World.[4] Balch also underscored the cultural, educational, and religious similarities between Slavs and Anglo-Saxons "in spite of the differences of race, class, and sect."[5]

In the four decades that followed the publication of Balch's book, scholars offered no new analytical insights into the causes and consequences of immigration.[6] It was thus with good reason that Rowland Tappan Berthoff reacted to the pseudo-historical „scholarship" in his *British Immigrants in Industrial America, 1790–1950*, criticizing the filiopietism employed by authors such as Balch.[7]

Berthoff's is an America-centered narrative emphasizing economic factors. Berthoff and other scholars recognized land hunger as the magnetic

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[2] Frank Thistlethwaite: "Migration from Europe Overseas in the Nineteenth and Twentieth Centuries,": XIe Congre International des Sciences Historiques, Stockholm, 1960, *Rapports, V: Historie Contemporaine*, 47.

[3] Emily Greene Balch, *Our Slavic Fellow Citizens* (New York: Charities Publication Committee, 1910), 5.

[4] Ibid., 60.

[5] Ibid., 76.

[6] Kristian Hvidt, *Flight to America. The Social Background of 300,000 Danish Emigrants* (New York: Academic Press, 1975), 32.

[7] Rowland Tappan Berthoff, *British Immigrants in Industrial America, 1790–1950* (New York: Russell and Russell, 1953), vii.

force that pulled people from Europe to the United States. His recognition that not all migrants came to the United States – that some chose other continents instead – was a step in a new direction.[8]

Theodore C. Blegen's *Norwegian Migration to America, 1825–1860*, introduced a whole new approach.[9] Blegen suggested that European backgrounds, a transit of people from one country to another, and the problems of adjusting to a new environment are three essential components of the emigration story. Blegen suggested that a chapter in nineteenth century European history "merges with the one in the making of America."[10] He also was the first to look at different points of departure from Norway as a way of classifying Norwegian emigrants. Thus he was a precursor of the new direction given by Marcus Lee Hansen, who recognized the importance of emigrant departing places.

Walter Forster's *Zion on the Mississippi* (1953), an unusual book for its time, focused narrowly on one small religious settlement, Saxon Lutherans in Missouri, 1839–1841. The study looked at 665 people who left Saxony to settle in St. Louis.[11] Prior to 1953, no one had done a microscopic emigration study. Today, microstudies using modern methodology are the norm.

The Search for Causes

Forster's work was outside of the mainstream when it was published. The majority of social scientists and historians were wrestling with the question of what were the causal factors of migration. According to Balch, cited earlier, European emigration was a product of conditions on both sides of the Atlantic.[12] Historians and economists who had preceded

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[8] W. S. Shepperson in *British Emigration to North America. Projects and Opinions in the Early Victorian Period* (Minneapolis: University of Minnesota Press, 1957), 246. Shepperson shows in an introduction that Berthoff was aware that British people were also emigrating to Australia and New Zealand. In the main narrative he pursued only those migrants going to the United States.

[9] Theodore C. Blegen, *Norwegian Migration to America, 1825–1860* (Northfield, Minnesota: the Norwegian-American Historical Association, 1931), v.

[10] Ibid., vi.

[11] Walter O. Forster, *Zion on the Mississippi. The Settlement of the Saxon Lutherans in Missouri, 1839–1841* (Saint Louis: Concordia Publishing House, 1953), 2.

[12] Balch, *Our Slavic Fellow Citizens*, 81.

Thistlethwaite thought that the central issue of all research into the causes of migration was whether "push or pull" factors were paramount. Contemporary scholars, however, consider the push and pull approach to be overly simplistic.

The statistical dimension became an integral part of the study of migration in the late 1920s. The first works were highly statistical and devoid of the human factor. Therefore it fell to a future generation of researchers to employ statistical methods used in the other social sciences.[13]

A shift from an America-centered study of migration appeared when Brinley Thomas undertook an economic study of migration. According to Thomas, Western Europe was the center of "Atlantic economy," and the United States was peripheral. His chief objective in *Migration and Economic Growth: A Study of Great Britain and the Atlantic Economy* was "to trace the phases through which the process of migration passed." Thomas wanted to analyze the determinants that affected migration on either side of the Atlantic.[14] Thus he moved away from the rigid push-pull model, and introduced a more sophisticated Europe-centered approach.

Marcus Lee Hansen, in *The Atlantic Migration*, stressed broad social forces, focusing on the multitudes rather than the elites.[15] Whereas historians before him had looked at Europe primarily as a sending point,

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[13] Harry Jerome, *Migration and Business Cycles*. (New York: National Bureau of Economic Research, Inc., 1926), 8. Dorothy Swaine Thomas, *Social and Economic Aspects of Swedish Population Movements, 1750–1933* (New York: The Macmillan Company, 1941), 169, 239. Jerome studied the relevance of business cycles to migration. His is a quantitative analysis of the mass movement phenomena. Jerome saw strong cyclical and seasonal movements in immigration and emigration. He deduced that the pull factor was dominant and concluded that "when emigration is not restricted, the character of the cyclical variations is closely similar to the cyclical variations in employment opportunity in the United States." Although Jerome was using a new method, the focus of his approach was still in the New World. Jerome saw Europe's importance only as a pool of potential emigrants – a passive component of migration. Jerome's analysis is free of other considerations, such as psychological phenomena that affected migrations of peoples. Dorothy Swaine Thomas continued in the highly statistical approach. Her book has diagrams, correlation and regression analyses practically on every page. Thomas introduced a new element into the study of migration: internal movement within the departing country. Thomas showed, using the example of Sweden, that the "cyclical upswings in that country were a more powerful counter-stimulant" to the pull of the United States "than was generally recognized."

[14] Brinley Thomas, *Migration and Economic Growth: A Study of Great Britain and the Atlantic Economy* (Cambridge: The University Press, 1973), 86.

[15] Marcus Lee Hansen, *The Atlantic Migration, 1607–1860: A History of the Continuing Settlement of the United States* (New York: Harper Torch Books, 1940), xvii.

Hansen elevated European factors to a lofty new plain. He saw migration to the United States as "one aspect of the growth and spread of the population of Atlantic Europe."[16] Although a prominent Danish scholar Kristian Hvidt sees Hansen as representing a "now discontinued line in the literature about emigration since the first World War," Hansen's questions, Who migrated and why?, formed a necessary link between the so-called "Old Narrative School" and the modern scholarship of the post-Thistlethwaite period.[17]

The Scientific Study of Migration: A New Era

Thistlethwaite put the New World into a different perspective by viewing it as one of the many magnets that attracted migration-minded Europeans. Many migrants were satisfied to move within Europe; many others went to the United States, and then returned, only to re-emigrate later. Thistlethwaite sought a causal explanation for the complex pattern of European population movements in their totality. Because neither economic nor religious motives, nor any other one-dimensional mode of analysis, could fully explain these haphazard movements he called for an interdisciplinary approach.

Responding to Thistlethwaite's challenge, researchers investigating migration turned increasingly to statistics and model-building. The Swedes took the lead with the Uppsala Project started in 1962 and completed in 1976. The findings and recommendations of the Swedish researchers shaped the subsequent study of migration. Rejecting the push-pull model as simplistic, they argued that modern methodology calls for small-scale studies rather than for works dealing with large aggregates; analysis of the spread of information on the New World within the European countries; examination of emigration at all levels from parishes to countries; and attention to the time variable in order to observe intensity and changes of direction in migratory flows.[18]

The Uppsala group also made recommendations regarding sources. Quantitative sources ranging from township records to national census

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[16] Ibid., 283.
[17] Hvidt, *Flight to America*, 36.
[18] Runblom and Norman, ed., *From Sweden to America*, 16.

data were significant in this respect, although primary group-level information such as correspondence, brochures distributed by steamship agents, etc., was likely to be decisive to migration and thus needed to be considered.[19] Sune Akerman, the head of the Uppsala Project, thought that the study of geographical movements was not only a question "of scrutinizing them per se but of dealing with the social change and its prerequisites in general."[20] Akerman proposed that aggregate statistics were unsatisfactory unless complemented by data concerning individuals. From these data, Akerman suggested that a common denominator could be discerned. Questions such as when, from where and why immigrants left were to be considered, too, along with re-emigration and internal movements.[21]

Akerman regarded the role of leadership and the "initiative behavior" of human migration as vital to migration analysis. He proposed that many social models could be used to explain why people migrated. While other social scientists placed more emphasis on migrants' reactions to their environment, economists stressed push-pull factors (i.e., dim prospects for a better life in Europe versus the "land of opportunity" that beckoned on the other side of the Atlantic). As noted above, Akerman and his colleagues concluded that push and pull factors were insufficient as the basis for an explanatory model.[22] Akerman also suggested that methods of psychiatric research might be relevant to the study of migration.[23]

A motto of the migration scholarship of the 1980s could be "written for scholars, it remains accessible to interested lay readers," a description by a reviewer of a comprehensive but a microscopic study of Norwegian migration by Jon Gjerde's *From Peasants to Farmers*.[24] Modern researchers have frequently emphasized the importance of the information by early emigrants to the people "back home." Akerman encouraged the in-depth study of this phenomenon through the use of church records, catechetical examination registers, birth and death records, and in- and out-migration

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[19] Ibid., 75.
[20] Sane Akerman "Towards and Understanding of Emigration Processes," *Scandinavian Journal of History* 3 (1978): 131.
[21] Ibid., 132.
[22] Ibid., 136.
[23] Ibid., 142.
[24] Frederick C. Luebke, Review of "From Peasants to Farmers," *Minnesota History* (Winter 1985): 340.

lists.[25] Yda Sauerssig-Schreuder studied Dutch Catholic migration and showed that family contact and the type of information exchange Akerman had in mind played a significant role in the choice of an initial settlement in the New World.[26]

Geographers John Rice and Robert Ostegren examined immigration from one village in Sweden over a period of twenty-five years. They looked at every single departure in order to comprehend the aggregate picture and concluded that economic motives for migration were paramount. Perceptions of the potential migrants' economic situation varied greatly even among individuals of similar socio-economic status. The two geographers also theorized that some people were "born movers," while others were "born stayers." A more empirical finding was that age is an important variable.[27] Rice and Ostegren concluded that persons with "leadership" qualities were the first ones to leave. With their decision to emigrate a "diffusion of the decision to emigrate followed." Wealthy families were the first ones to leave, while the landless dominated the later movement.[28] The authors thus dispelled a notion long held by many historians who saw migration as a movement predominantly of the destitute.

Hvidt, in *Flight to America: The Social Background of 300,000 Danish Emigrants*, employed a highly statistical approach. Hvidt thought that statistics were "dead unless viewed in relation to the population which the emigrants left."[29] He was not interested in statistical evidence for the whole group of migrants, but for every single individual each with his or her history.[30] Using a statistical base provided by the Danish police registers, Hvidt described the development and structure of Danish emigration. He saw internal migration to urban areas and overseas migration as two sides of the same coin.[31]

Migration was a result of overpopulation of the cities caused by surplus rural population looking to urban centers for employment, according to

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[25] Akerman, "Towards an Understanding of Emigration Processes," 147.
[26] Yda Saueressig-Schreuder, "Dutch Catholic Immigrant Settlement in Wisconsin" in Robert Swierenga, ed., *The Dutch in America: Immigration, Settlement, and Cultural Change* (New Brunswick, New Jersey: Rutgers University Press, 1985), 105.
[27] John G. Rice and Robert Ostegren, "The Decision to Emigrate: A Study in Diffusion," *Geografiska Annaler* 60B (1978): 1.
[28] Ibid., 15.
[29] Kritstian Hvidt, *Flight to America*, 14.
[30] Ibid., 35.
[31] Ibid., 200.

Hvidt.[32] He also concluded that some migration from country to town was due to "social buoyancy" (i.e., a desire to better one's social status). External migration (or emigration) resulted when industrialization began to lag behind the influx of people, a phenomenon that was aided by the pull factor of early emigrants' letters.[33]

Hvidt concluded that leaving for the United States was not determined by either push or pull but by "both dissatisfaction and attraction."[34] Hvidt considered the simple push-pull model to be an unsatisfactory explanation for the causes and effects of emigration.[35]

Philip Taylor's general study of European emigration to the United States draws on Thistlethwaite's recommendations. Taylor recognized the importance of economic factors for emigration (e.g., employment opportunities), but also stressed freedom as an incentive that pulled people to the New World. He agreed with geographers Rice and Ostegren that the first wave of emigrants was not the poorest but the most intelligent and skilled (and thus relatively well-off) who had the self-confidence, wherewithal, and information to undertake the passage to the New World. Above all, Taylor considered the population explosion the main cause for migration, a point of view that the more recent scholars (notably Gjerde) consider simplistic.[36]

The pull factor of the United States affected European countries in varying degrees, according to Sauerssig-Schreuder. For example, the "distant magnet" of the United States exercised a limited force on the Dutch. The relatively small number of emigrants who were "pushed" to the New World went as a result of a subsistence crisis in agriculture and a decline in rural industry.[37]

While Thistlethwaite believed that this lack of emigration resulted from a strong attachment of the Dutch to home, Pieter Stovis in his article "Dutch International Migration" proved this thesis invalid. The Dutch did not move to the United States but many also did not stay at home – instead they migrated within the European continent.[38]

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[32] Ibid., viii.
[33] Ibid., 8.
[34] Ibid., 32.
[35] Ibid., 199.
[36] Philip Taylor, *The Distant Magnet: European Emigration to the U.S.A.* (New York: Harper & Row Publishers, 1971).
[37] Yda Saueressig-Schreuder, "Dutch Catholic Immigrant Settlement in Wisconsin," 109.
[38] Pieter R. D. Stovis "Dutch International Migration, 1815–1910," in Robert Swierenga, ed., *The Dutch in America: Immigration, Settlement, and Cultural Change* (New Brunswick, New Jersey: Rutgers University Press, 1985), 57.

Germany is a country of heavy migration, both intra- and intercontinental. German scholarship concerning the subject had been lagging behind the refined scholarship on the Dutch, Italian, and Norwegian migration of the 1980s[39] until Mack Walker published a book entitled *Germany and the Emigration, 1816–1885*. Walker's *Auswanderer* went to the United States "less to build something new than to regain and conserve something old."[40] Ultimately, the Germans wanted to "keep the ways of life they were used to, which the new Europe seemed determined to destroy." They traveled many thousands of miles for the sake of keeping their roots, customs, and family cohesion and to remain the masters of their own destiny.[41] People decided to leave because conditions were bad and they blamed the King, who was aloof and indifferent to their plight.[42]

As no definitive answer has ever been given, recent scholarship is still concerned with the question, "Why did people leave their homeland?" In the preface to the *Perspectives in American History*, editors D. Fleming and B. Bailyn remarked that people do not leave for something as abstract as the prospect of economic gain. Rejecting the primacy of economic factors, they suggested that the common denominator for German, Dutch, Norwegian, and Italian migrants was an environment of changing social and economic circumstances – impersonal forces of historical magnitude – which individuals were powerless to resist. The response of many tradition-bound Europeans, ironically, was to take flight from the deteriorating Old Order in Europe to the New World in America where they hoped to retain the basic elements of traditional rural life threatened by the Industrial Revolution.[43]

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[39] The best example is Jon Gjerde, *From Peasants to Farmers: The Migration from Balestrand, Norway to the Upper Middle West* (New York: Cambridge University Press, 1985).

[40] Walter Allen Knittle wrote a dissertation on the earliest German emigrants to the United States that was published in 1936 as *The Early Eighteenth Century Palatine Emigration: A British Government Redemption Project to Manufacture Naval Stores* (Philadelphia: Philadelphia University, 1936) these Germans came from the Palatinate, and the British helped them in the crossing of the Atlantic following the Thirty Years' War. Mack Walker, an American historian of Germany touches only incidentally on the emigrants' destination (the United States) in his *Germany and the Emigration, 1816–1885* (Cambridge, Mass.: Harvard University Press, 1974).

[41] Walker, Germany and the Emigration, *69*.

[42] Ibid., 68.

[43] D. Fleming and B. Bailyn, eds., *Perspectives in American History*, 7 (Cambridge, Mass.: Charles Warren Center for Studies in American History, 1973), v.

Reactions to modernization varied from region to region, however.[44] John W. Briggs, a student of Italian migration, asked a familiar question: were people pushed unwillingly or pulled "by the lure of greater prospects"? Briggs suggested, not surprisingly, that there was a little bit of both in the Italian case.[45] Briggs believed there was a "selective process" at work "tapping the most energetic and resourceful" but not penetrating "the most depressed and impoverished."[46] Briggs refuted the notion that Italian immigrants were a homogeneous mass of ignorant and illiterate peasants who cared only about putting bread on the table. On the contrary, Briggs found that Italian immigrants placed a high value on education. If public schools nearby were unavailable, Italians built their own parochial schools. In the best American tradition, they founded voluntary organizations and mutual aid societies – a clear reflection of their concern for the future.[47]

Dino Cinel's *From Italy to San Francisco: The Immigrants'Experience* is one of the most complete studies of Italian migration to date. *From Italy to San Francisco* is a "social history dealing with change and continuity in the lives of Italians" who migrated either permanently or temporarily to the United States.[48] The main sources for Cinel's study were histories of three generations of almost 2,000 families whose second generation had emigrated.[49] By looking at areas differentially affected by emigration and then watching migrants from these areas over a period of time, Cinel introduced both time and space variable.

In many respects, Cinel's argument against the inferiority of Italian emigrants is similar to that of Briggs. Italians did not leave home to escape poverty, according to Cinel, but rather to position themselves for the future; they wanted to leave for the United States, settle there for two to three years, save money, and return to Italy to buy the land that they valued so much. Emigration was a strategy for realizing dreams in Italy rather than a commitment to a new life in America.[50] Thus the economic push from Italy

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[44] John W. Briggs, *An Italian Passage: Immigrants to Three American Cities, 1890–1930* (New Haven: Yale University Press, 1978), xvi.
[45] Ibid., 1.
[46] Ibid., 1.
[47] Ibid., 68.
[48] Dino Cinel, *From Italy to San Francisco: The Immigrant Experience* (Stanford, California: Stanford University Press, 1982), 2.
[49] Ibid., 3.
[50] Ibid., 36.

was not so simple as it is often supposed, according to Cinel.[51] Unlike most other immigrant groups, many Italians did eventually re-emigrate.

One of Cinel's most important contributions was to debunk the view that Italians were a homogeneous group of landless peasants. He compared Northern and Southern Italian provinces and described how the Italian provinces differed in terms of literacy rates and income levels.[52] Cinel further showed that poor areas were not always the sources of heaviest emigration. Little or no emigration came from some poor areas.[53] In regions with predominantly large estates, little buying or selling took place. These areas were prone to peasant revolts, suggesting a fight or flight response on the part of land-poor "farmers."[54]

The land was both a status symbol and the foundation of the family unit. Cinel concluded that the availability of land for purchase was the key factor in determining rates of migration from different areas, but the process turned out to be opposite to what one might expect. The incidence of migration was highest in areas where land-for-sale was most abundant, rather than the other way around, because peasants intended to purchase the land from savings accumulated in America.[55]

Therefore emigration can be viewed as an "alternative to restricted opportunities in traditional agrarian societies."[56] Here again the inadequacies of the deterministic, mechanistic, and simplistic push-pull explanation of emigration come to light. "Such an explanation fails to take into account social factors that influence how people responded to economic needs," according to Cinel.[57] From studying Italian provinces, Cinel concluded that there were three types of responses to poverty in Italy in the late nineteenth century. People either remained in Italy and tried to "change the society by means of militant working class organizations," or they emigrated to the New World or elsewhere, or they did not respond and accepted the status quo.[58]

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[51] Ibid., 9. The new environment of San Francisco changed most of the Italians' goals and they decided to stay. This change, however, was more a product of circumstances than a result of a clear choice, according to Cinel.
[52] Ibid., 22.
[53] Ibid., 45.
[54] Ibid., 60.
[55] Ibid., 60.
[56] Josef J. Barton, *Peasants and Strangers: Italians, Rumanians, and Slovaks in an American City, 1890–1950* (Cambridge, Mass.: Harvard University Press, 1975), 27.
[57] Cinel, *From Italy to San Francisco*, 69.
[58] Ibid., 70.

Josef Barton in *Peasants and Strangers: Italians, Rumanians, and Slovaks in an American City, 1890–1950* further developed the theme of land and the ownership of land. Barton, echoing Briggs and Cinel, explained the importance of the land tenure system and its relevance to emigration.[59] According to Barton, emigration was further caused by a "growing imbalance between the needs of peasant households and the opportunities for nonagricultural employment." Thus people left to "survive the threats to an old way of life."[60] They did not leave, however, only to survive physically, but also to preserve a way of life, consciously transplanting communal institutions, keeping alive their native culture, and reconstituting familiar social structures.[61]

Slovaks, Italians, and Rumanians migrated for similar reasons, but the phenomenon differed. Among Italians village chains predominated, while Slovaks and Rumanians migrated in district rather than village chains. The East Europeans seem to have emphasized local ties much less than the Italians.[62]

The questions that researchers into Scandinavian migration raise do not differ much from those asked by the students of Italian migration. Scandinavian immigrants, unlike their Italian counterparts, did not re-emigrate. The Nordic ethnic groups tended to settle in rural areas of the United States and to transplant their communities from rural areas in Scandinavia to the western United States. Migrants from all parts of Europe shared a common desire to retain their "old ways."

Robert Ostegren studied community building in the New World by tracing the emigration of approximately 85 households from a Swedish village to a settlement in Minnesota. Ostegren found that the Swedes transplanted social and cultural institutions but the new environment forced them to make economic adjustments.[63]

Gjerde, in *From Peasants to Farmers: The Migration from Balestrand, Norway, to the Upper Middle West*, also looked at community transplantation.

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[59] Ibid., 63.
[60] Josef J. Barton, *Peasants and Strangers*, 47.
[61] Josef B. Barton, "Eastern and Southern Europeans" in John Higham, ed., *Ethnic Leadership in America* (Baltimore: The John Hopkins University Press, 1978), 9.
[62] Ibid., 63.
[63] Robert Ostegren "A Community Transplanted: The Formative Experience of a Swedish Immigrant Community in the Upper Middle West," *Journal of Historical Geography* 5 (1979): 189–212.

The book is an excellent study covering every aspect of life in two Norwegian communities and encompassing virtually all the modern scholarship in the field of migration. In the course of analyzing the Old World community, Gjerde concluded that it would be overly simplistic to consider overpopulation as the driving force behind 19th century migration. He found evidence of improving economic conditions despite the growing population. Feared loss of social status was the reason most Norwegians emigrated, Gjerde suggested. This apparent preoccupation with status was enhanced by a pietistic religious revival in Norway, which was coming into conflict with the state religion.

Gjerde was successful in fusing all the relevant ideas from F. J. Turner to Thistlethwaite while injecting his own original contributions into a comprehensive, interdisciplinary work, which included history, sociology, anthropology, and statistics. As a result, the work represented the best historians had to offer in the field of migration in the closing decades of the twentieth century.

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ASYMMETRIC INTEGRATION UNDER NAFTA

KRYŠTOF KOZÁK

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Introduction

There are no isolated problems; everything is a part of everything else.
José López Portillo, President of Mexico, 1977

The topic of integration of asymmetric states is rightfully an exciting field to study, for several reasons. First, this subject matter is highly topical – new developments in NAFTA and the European Union are shedding new light at the role of the weaker and stronger states within these international arrangements, and at the same time new bold projects of asymmetric integration are under way, namely the preparations for a Free Trade Area of the Americas and the Eastern Enlargement in the European Union. In this respect every day may bring new data, which might shatter prevalent theses related to these matters.

Second, asymmetric integration could become an important contribution to the development of weaker states. If the results show the viability and profitability of the concept of asymmetric integration for both the stronger and the weaker partners, we could then optimistically await the new wave of such developments. However, if the analysis showed that asymmetric integration is detrimental to the development of the weaker (and maybe even the stronger) parties, new ways of international cooperation ought to be looked for.

Third, asymmetric integration touches the crucial question for international relations of the future, namely the role of inequality among states. Does asymmetric integration provide the weaker states with sufficient means to defend their rights successfully *vis-à-vis* the stronger states? Is asymmetric integration beneficial for the levelling of the differences between the integrating countries? Do mutual perceptions of the countries change after they become more integrated?

Fourth, asymmetric integration stands for a certain vision of the future, future where more and more countries with various levels of development become closely connected to each other, undoubtedly bringing forth many problems, beginning with regulation of migration and ending with loss of effective control of the economy by national governments. Examples of asymmetric integration of today can serve us to better prepare for such challenges, or might even discourage us from undertaking these projects and search for other alternatives.

Last but not least, the Czech Republic is soon to be become asymmetrically integrated, and in this respect, by researching asymmetric

integration, I am trying to assess the possibilities and dangers of this development, which will undoubtedly have profound both short-term and long-term effects. These effects will take place not only in the economic realm, but, as the motto for this introduction hints, transformations will occur in diverse areas of national politics as well.

As prime example in this study I take the asymmetric integration taking place between Mexico and United States under the North American Free Trade Agreement. Table 1 vividly illustrates the extent of asymmetry between these two states. As seen from the table, in rather journalistic terms, a First World country is being integrated with a Third World country. Despite the differences, both countries chose to enter into the NAFTA Agreement and deemed it in their best interests when doing so. Mexico, the weaker partner, even paid estimated 30 million USD to lobbyists in Washington to get the deal approved by U.S. Congress.[1] This development raises a host of analytical questions. First, what were the reasons of these two countries that contributed to this asymmetric integration?

Table 1: *Statistical Comparisons U.S.–Mexico*

Indicator	**Mexico**	**United States**
Population	101,879,171	278,058,881
less than 15 years old	43.3%	21.1%
more than 65 years old	4.4%	12.6%
Area	741,600 sq.mi.	3,535,000 sq.mi.
Population density	137 per sq.mi.	79 per sq.mi.
Defense budget	3 bil. USD	291.2 bil. USD
Active troops	192,770	1,365,800
Crude oil reserves	28.4 bil. barrels	21.03 bil. barrels
Arable land	12%	19%
Cattle	30.29 mil.	98.05 mil.

[1] Bhagwati, J.: *A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy*, MIT Press, Cambridge, 1998, p. 276.

Indicator	Mexico	United States
Chicken	476.0 mil.	1.72 bil.
Pigs	13.69 mil.	59.34 mil.
Fish catch	1.53 mil. metric tonnes	5.45 mil. metric tonnes
Electricity production	182.492 bil. KWh	3.67 tril. kWh
Labor force	55% services 24% agriculture 21% industry	30% managerial 29.2% technical 24.5% manuf. 2.4% agriculture
GDP	865.5 bil. USD	9.255 tril. USD
per capita GDP	8,500 USD	33,900 USD
Imports	142.1 bil. USD	912 bil. USD
Exports	136.8 bil. USD	663 bil. USD
Tourism incomes	7.59 bil. USD	74.49 bil. USD
Budget	123 bil. USD	1.653 tril. USD
Civil aviation	14.7 bil. pass.-mi.; 83 airports	599 bil. pass.-mi.; 834 airports
Motor vehicles	8.2 mil. passenger cars 4.03 mil. comm. vehicles	129.73 mil. passenger cars 76.64 mil. comm. vehicles
TV sets per 1,000 pop.	257	847
Radios per 1,000 pop.	329	2,115
Telephones	12,332,600	192,518,800
Daily newsp. circulation 1,000 pop.	97	215
Life expectancy	68.73 male, 74.93 female	74.37 male, 80.05 female
Birth per 1,000 pop.	22.77	14.20
Deaths per 1,000 pop.	5.02	8.7
Infant mortality (per 1,000 live births)	25.36	6.76
Literacy	90%	97%

Source: *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 829, 862

1 Brief historical overview

To understand how dramatic the changes in relations on the North American continent, capped by signing of NAFTA, have been, brief historical overview is necessary. Especially the Mexican distrust towards the northern neighbor has deep roots, going as far back as 1848, when Mexico lost one third of its territory (including California) to the U.S. in the treaty of Guadalupe Hidalgo. Another important moment was the revolution of 1911 against the regime of Porfirio Díaz. In the ensuing chaos, which lasted almost twenty years, the U.S. intervened at various times to support some of the contenders for power, often with military means, which only added to the suspicions Mexicans had about Americans.

After the situation became more stable under the rule of Lazaro Cárdenas in 1930s, nationalization of industry became the contentious issue of the day. Especially the initiative of Cárdenas to nationalize the oil industry in 1938 almost caused a military intervention by the U.S. and only Roosevelt's preoccupations with the situation in Europe and Japan prevented such escalation. After World War II, the Mexican one-party (*Partido Revolucionario Institucional,* PRI) nationalistic regime opted for the policy of import-substitution industrialization, with the state having the main say in the formation of economic and industrial policies. Possibilities of foreign capital entering the country have been very limited and under strict government control. Sovereignty, independence and lukewarm socialism were cornerstones of party ideology, which manifested itself in overt clashes with the U.S. on the international arena, especially in the case of Cuban revolution.[2]

After impressive economic growth in 1950s and 1960s, the viability of Mexican developmental model was put under more and more strain, which culminated in 1982 when Mexico was unable to pay interests on its accumulated huge foreign debt. Then, under the leadership of President Miguel de la Madrid, began the slow structural change to a more open economy and export-led growth, which was accelerated by President Salinas de Gortari and climaxed in the adoption of NAFTA.

From the point of view of the United States, the U.S. foreign policy was happy to have a stable, albeit not very democratic southern neighbor,

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[2] Smith, P. H.: *Talons of the Eagle: Dynamics of US-Latin American Relations*, Oxford University Press, New York, 2000, p. 132.

who did not present a security threat on the long border in the Cold War environment. Closer cooperation might have been desirable for U.S. exporters, but it was considered politically impossible mainly due to the mistrust on the Mexican side.

2 Why did Mexico want to join?

To illustrate the complexity of the issues included in NAFTA, after brief recapitulation of facts, I will try to answer this question looking through lenses of various methodological approaches.

2.1 Facts

Apart from the historical background described in section 1.1 above, it is worth noting, that when asked about prospects for a free-trade area with the United States in 1988, President Salinas rejected the idea saying that Mexico is not ready for such a pact yet. He hoped to attract diversified investment, especially from Europe, in order not to get too dependent on the United States. Japanese bankers were highly distrustful towards Mexico, since they suffered heavy losses during debt-restructuring process in Mexico in 1980s. In this respect the end of Cold War provided an important push for the Mexican government to get close to the United States. Western European investment, which could provide alternative to the American one was going to favor the reconstruction of Eastern Europe, thus leaving Mexico to its fate.

The program that Salinas then proposed meant really a neoliberal revolution from above, concerning all major areas of Mexican life, which in scope was comparable with the radical transformations taking place in Eastern Europe. State companies, the backbone of Mexican economy, were being privatized. Agricultural subsidies were to be eliminated, and doors were increasingly opening for foreign capital. Party's socialistic rhetoric and ideology was discarded and exchanged for a neoliberal vision of growth through increased competitiveness. NAFTA became an essential part of this program, because it was supposed to institutionalize and solidify these radical reforms in international law against possible future political instability.

This was important, because not only was Mexico undergoing major economic transformation, which was painful for its population, but it was

also becoming more and more democratic at the same time. Electoral fraud came under increased public scrutiny, and the governing party was under pressure to make the election process fair.[3] As one senior Mexican official commented, the situation was precarious for the party, because "in Mexico, the easiest thing to do is to organize 100 000 people in a demonstration and put them in front of the U.S. Embassy. ... The hardest thing to do is to persuade them to make a free trade agreement with the United States."[4] The control of the media by the PRI helped to check the public opinion, but at the price of invoking unrealistic expectations of rapid economic growth once the NAFTA takes effect.[5] Relative enthusiasm about NAFTA lasted in Mexico long enough for the party candidate Ernesto Zedillo de Ponce León to get elected in August 1994, presumably without massive electoral fraud.

2.2 Rational choice approach

Mexican government, and more specifically, President Salinas was the principal agent on the Mexican side when deciding to pursue the NAFTA Agreement. His goal was the same as the goal of his predecessors, namely to restore economic growth to Mexico after the lost decade of 1980s. His choice of bold opening to the United States could be seen as the selection of the best of alternative strategies. Mexico's level of savings was not high enough to accumulate enough capital for self-sustained economic growth. Foreign loans were a frequent source of capital for domestic development, but reliance on this tool has brought the country to the brink of default in 1982 and the paying of interest was a major burden in the national budget even after successful restructuring of the foreign debt. Japanese and Europeans investors were not eager to invest in Mexico, each for reasons of its own, and their main interests lay elsewhere. There remained the United States as a possible source of much needed capital.

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[3] It is argued, that Salinas won the election by fraud in 1988, after a mysterious shutdown of computer systems monitoring the election.

[4] Mayer, F. W.: *Interpreting NAFTA: The Science and Art of Political Analysis*, Columbia University Press, New York, 1998, p. 43.

[5] "I think my salary is going to go up about 20%, more or less." Mr. Alfonzo Diaz, Mexican electrician, 31 years, when questioned about the expectations from NAFTA, reported in Golden, T.: "Mexican Leader a Big Winner As the Trade Pact Advances", *The New York Times*, November 19, 1993, A1.

By combining provisions on investment protection with reduction of tariffs in the NAFTA, the Mexican government sought to attract U.S. investment. This would push Mexico towards economic growth, with the improved access to the U.S. market becoming the main driving force of this growth. The issue of agricultural reforms in Mexico would be solved as well, as the imports from the U.S would force the Mexican farmers to become more competitive or go out of business. Last but not least, by adhering strictly to the teachings of mainstream American economists, Salinas was hoping to become President of the World Trade Organization after leaving Presidential office in Mexico.

2.3 Institutional approach

The institutional approach is not very useful when adopted at the process of birth of institutions themselves. It can only be said that the Mexican side wanted to get the complex relationship with the U.S. on an institutional level, at least some aspects of it. Trade and investment relations would get a new institutional framework, which could be used by Mexicans to protect their interests. NAFTA institutions, although crafted for the most part by the U.S., nevertheless provided Mexican companies exporting to U.S. much better protection than they would get from U.S. domestic authorities, known for their rather protectionist approach. Law, even though it might be written by the strong, is often the weapon of the weak.[6] The new institutional structure of NAFTA (both formal and informal) was also meant to lock in the neoliberal modernization project of the Salinas government, making it less dependent on political changes that were likely to come with the democratization process in Mexico.[7]

The institutional approach could be also used as showing how the institution of Mexican presidency allows the President considerable autonomy and authority in politics,[8] thereby rendering Mexican opposition to NAFTA ineffective.

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[6] Falk, R.: "The World Order between Inter-State Law and the Law of Humanity: the Role of Civil Society Institutions", in: Archibugi, D., Held, D. (eds.): *Cosmopolitan Democracy: An Agenda for a New World Order*, pp. 163–179, Polity Press, Cambridge–Oxford, 1995.

[7] Zinser, A. A.: "Is There an Alternative? The Political Constraints on NAFTA", in: Bulmer-Thomas, V., Craske, N. and Serrano, M. (eds.): *Mexico and the North American Free Trade Agreement: Who Will Benefit?,* pp. 119–130, Macmillan Press, Houndmills, 1994.

[8] Camp, R. A.: *Politics In Mexico*, Oxford University Press, New York, 1999, p. 112.

2.4 Symbolic approach

Viewed symbolically, Mexicans wanted NAFTA because it would symbolize their progress to modernity. By tying themselves economically with the fresh winner of Cold and Gulf Wars, Mexico was giving a powerful signal to the rest of the world. One part of the signal was that Mexico is strongly determined to progressive reforms, which will produce unparalleled economic growth, other part of the signal was the underlying message that Mexico is already strong enough to succeed in such a partnership. The idea that being closely integrated with a First World country brings some glimpses of glamour (and with it increased investor's confidence) to the image of Mexico played some role as well. Last but not least, the young technocrats in the Mexican governments were all educated on top-level U.S. economic universities (Salinas himself at Harvard). When viewed in context with this kind of education, the NAFTA project as well as other neoliberal reforms being undertaken in Mexico, would by all means grant an A+ grade to Salinas and his team from their former professors.

On a symbolic level the controversy about U.S. access to Mexican oil reserves was extremely sensitive for Mexican public, and the suspicions of Mexicans that the whole NAFTA enterprise is aimed only at seizing the black gold from Mexico did not cease to stir public imagination.[9] Comparative figures on oil reserves (see Table 2) show, that even if U.S. oil interests could play some role, these conspiration theories are based rather on historic stereotypes rather than on reality.

Table 2: *Oil reserves (billions of barrels)*

Country	USA	Mexico	Saudi Arabia	Middle East	World
Oil reserves	21.8	28.4	263.5	675.0	1,016.8

Source: *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 67

[9] Fazio, C.: *El Tercer Vínculo: De la teoría del caos a la teoría de la militarización,* Joaquín Mortiz, México D.F., 1996.

2.5 Critical neo-Marxist approach

For both Mexican and American critics of the Agreement, the will of Mexico to enter NAFTA has been interpreted as orchestrated by small technocratic elite educated in the U.S., which was meant primarily to increase the dependency of Mexico on the U.S., and at the same time enriching the small but extremely rich strata of Mexican society and further impoverishing the poor. Furthermore, important decisions about economic policies got out of democratic control just at the time the country was slowly becoming more democratic. From NAFTA on, it will be foreign interests (read U.S. multinational corporations) that will direct the economic future of Mexico, ultimately forfeiting the legacy of the socialistic constitution of 1917.

3 Why did U.S. want to join?

3.1 Facts

NAFTA did not present for the United States any substantial reversion of traditional policies, free trade was an integral ideological part of U.S. foreign policy since end of World War II. Since 1980s there has been extensive cooperation between the two countries in the border region through the maquiladora[10] program and further cooperation promised to increase competitiveness of American companies through rationalizing production in the whole North American region. In the beginning of 1990s lagging behind the Japanese was one of the sore spots of U.S. industrialists.[11] Moreover, NAFTA meant support for pro-market reform policies of President Salinas, arguably the most pro-American leader of Mexico since Porfirio Díaz.[12] Yet, the issue of NAFTA became highly

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[10] Maquiladoras were factories in export-processing zones on the border, using cheap Mexican labor force mainly to assemble delivered parts for re-export, with little value-added. Under U.S.-Mexican treaty, taxes were paid only on the value added to the product in Mexico. see Damgard, B.: "Labour and Economic Integration: The Case of the Electronics Sector in Mexico", in: Appendini, K., Bislev S. (eds.) *Economic Integration in NAFTA and the EU: Deficient Institutionality*, pp. 89–106, Macmillan Press, London, 1999.

[11] Bhagwati, J.: *A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy*, MIT Press, Cambridge, 1998, p. 276.

[12] In this respect it is no accident that under the Salinas government history textbooks concerning the dictatorial rule of Porfirio Díaz were rewritten to give more credit to the military general, who had such good ties with foreign investors.

contentious and only last-minute changes[13] ensured its passage in the U.S. Congress.

The anti-NAFTA coalition in the U.S. was very diverse, the backbone of it being American trade unions like AFL-CIO and various environmental groups.[14] On the electoral level Ross Perot, a third-party presidential candidate in 1992, whose campaign was to a large extent run on the anti-NAFTA platform, took up the issue. Ross Perot also coined the term "giant sucking sound" of American jobs moving to Mexico,[15] which appealed to many low-skilled American workers. In a larger sense, the opponents of NAFTA were opposing the vision of corporate America, which is insensitive to local conditions and readily exploits differences in labor and environmental standards all around the world. Generally, the Republican congressmen supported the NAFTA, but it was pushed through by a split in the Democratic party, the pro-NAFTA faction led by Bill Clinton, himself a supporter of the initiative which was started by George Bush Sr. In the end, the vote was 234 to 200 in favor of the NAFTA in the House of Representatives and 61 to 38 in the Senate.[16]

3.2 Rational choice approach

For U.S. policymakers, the free-trade deal with Mexico was a good deal for a number of reasons. First, it would increase competitiveness of U.S. industries in the world-market by optimizing production in North America. Second, the fate of the neoliberal reforms in Mexico favorable to the U.S. was of significant importance in Washington. If Salinas were to fail, there were considerable fears of nationalistic and leftist populism taking roots in democratizing Mexico. NAFTA was in this case seen as supportive for the President. Improved access to Mexican oil reserves, although still limited, played some role in the U.S.

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[13] Provisions concerning sugar were thus substantially modified to gain key votes from Florida, see Cameron, M. A., Tomlin, B. W.: *The Making of NAFTA: How the Deal Was Done*, Cornell University Press, Ithaca, 2000, p. 38.

[14] For example Greenpeace was strongly anti-NAFTA, but World Wildlife Fund supported it, Foreign Policy Implications of NAFTA and Legislative Requirements for the Side Agreements, Hearing Before the Committee on Foreign Relations, United States Senate, 103rd Congress, First Session, Oct. 27 1993, U.S. Government Printing Office, Washington, 1994.

[15] Perot, R., Choate, P.: *Save Your Job, Save Our Country: Why NAFTA Must Be Stopped – Now!,* Hyperion, Westport, 1993.

[16] Mayer, F. W.: *Interpreting NAFTA: The Science and Art of Political Analysis*, Columbia University Press, New York, 1998, p. 318.

position, as well as stipulation by Mexico to agree to high standards of enforcement of intellectual property rights (vast majority of these rights is owned by U.S. companies). The immigration issue was supposed to be kept within reasonable limits, since direct link between Mexican real wage and number of immigrants has been established.[17] On global level, the agreement with Mexico was to demonstrate to the world that the U.S. is ready to pursue the neoliberal agenda wherever possible, even if the Japanese and Europeans are not ready to free trade on multilateral level in WTO.

3.3 Institutional approach

Significant economic ties have already existed even before NAFTA. However, there was strong pressure on the U.S. side to institutionalize these ties. For big U.S. companies, operating in a system institutionalized in their favor is a preferred option, because it reduces unwanted insecurity in the business environment. In case of Mexico this has been especially important, since the future of the political system was highly uncertain. Given the nationalization of oil-industry by Cárdenas in 1938 and of banks by Lopéz Portillo in 1978, U.S. investors did not have much guarantee that their investments are secure in Mexico. NAFTA institutionalized the investment rules, which served as an important incentive for further U.S. investment.

3.4 Symbolic approach

When viewed symbolically, the U.S. entry into NAFTA stood for the embodiment of neoliberal principles of the so-called "Washington consensus"[18] the U.S. was trying to promote all around the world. Similarly, the U.S. government had the opportunity to make its favorite developmental approach "trade not aid" work.[19] Moreover, the friendly,[20]

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[17] Orrenius, P. M.: "Illegal Immigration and Enforcement along U.S. Mexico Border: An Overview," *Economic and Financial Review*, First Quarter 2001, available online at, http://www.dallasfed.org/htm/pubs/pdfs/efr/efr0101a.pdf, p. 8, 18. 3. 2003.

[18] This terms refers to the Williamsons's perception of broad agreement among public officials in both the industrial economies and international institutions on the importance of the neoliberal program for economic development and its emphasis on free markets, trade liberalization, and a greatly reduced role for the state in the economy. In Gilpin, R.: "The State and Economic Development", in: *Global Political Economy: Understanding the International Economic Order*, pp. 305–340, Princeton University Press, Princeton, 2001, p. 314.

[19] U.S. lacks far behind EU in providing direct foreign aid, a source of criticism by some NGOs.

[20] For example, Carlos Salinas was the first Mexican President to speak to American audience in New York officially in English.

market-oriented and cooperative stance of the Mexican government would serve as a model for the new relations of the U.S. in the global international system. The fact that it was Mexico's government who initiated the free-trade talks was of symbolic importance as well, because the U.S., the proclaimed worldwide champion of free trade, did not want to be seen as letting Mexico down on this issue.

3.5 Critical neo-Marxist approach

Not surprisingly, the critics viewed NAFTA as a vehicle for U.S. multinational corporations, which wanted to increase their profit margins. This was to be done first by making use of lax enforcement of environmental and labor standards in Mexico, which lowers production costs at the expense of worker rights and environmental protection. Second, NAFTA opened the door for large-scale relocation of labor-intensive U.S. factories to Mexico, where labor is much cheaper – see Table 3. This meant higher unemployment for low-skilled U.S. workers, as well as the weakening of bargaining power of trade unions. The adjustment costs of entering into NAFTA were to be paid mainly by U.S. workers.

Table 3: *Hourly Compensation Costs in Selected Countries, 1975–2000 (in U.S. Dollars, compensation for production workers in manufacturing, compensation includes all direct pay, paid benefits, and for some countries, labor taxes)*

Country	1975	1985	1990	2000
United States	6.36	13.01	14.91	19.86
Mexico	1.47	1.59	1.58	2.46
Canada	5.96	10.95	15.95	16.16
Portugal	1.58	1.53	3.77	4.75
Spain	2.53	4.66	11.38	10.85
Greece	1.69	3.66	6.76	–

Country	1975	1985	1990	2000
France	4.52	7.52	15.49	16.38
Great Britain	3.37	6.27	12.70	15.88
Ireland	3.03	5.92	11.66	12.50
Germany*	6.31	9.53	21.88	22.99

* the data for Germany are for West Germany in 1975, 1985 and 1990 and for unified Germany in 2000

Source: *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 145

4 What type of integration was chosen?

Another important question when looking at this asymmetric integration is what type of integration was in the end chosen by the contracting parties. I will take the theoretical framework describing possible integration motives offered by Appendini[21] as a point of departure.

Federalism, defined as integration driven by political ideas and ambitions and community building efforts, can be ruled out in the North-American case. Not even in the preamble, which is the most general formal description of the motives behind NAFTA, any traces of federalism are difficult to find. The formal institutions set up by NAFTA are weak and neither of the governments wished to build a political community in North America, because given the asymmetries of power, any such community would be dominated by the U.S.[22]

Functionalism, defined by Appendini as stemming from logic of macro-social development, which leads to integration via the need for cooperation

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[21] Appendini, K., Bislev S. (eds.): *Economic Integration in NAFTA and the EU: Deficient Institutionality*, Macmillan Press, London, 1999, p. 6.

[22] Valtonen, P.: "The Challenge of Regionalism: Unbalanced Integration in the Americas", in: Appendini, K., Bislev S. (eds.): *Economic Integration in NAFTA and the EU: Deficient Institutionality*, pp. 178–193, Macmillan Press, London, 1999.

in the performance of public functions,[23] is not quite applicable in the case of NAFTA. Such functionalist cooperation exists in some of the border cities, where for example U.S. fire engines often help to fight fires on the Mexican side of the border. The NAFTA agreement is not concerned with these issues. Some of the functionalistic logic can be seen in the side-agreement concerning environmental protection, which acknowledges the environmental problems created at the U.S.-Mexico border and sets up a mutual fund to deal with these issues. However, as environmental groups claim, there is not enough money in the fund and its operations are deemed ineffective.

The explanations of neo-functionalism bring the issue of elite formation, socialization and integration to the picture. Although the functional needs might not have been a decisive factor in North-American integration, the fact that elites of U.S. and Mexico were educated on the same universities definitely played some substantial role in the integration process.

Transactionalism claiming that increase in international contacts are the source of integration as more people can develop more positive feelings toward other people is not applicable in U.S.-Mexican case, given the long history of mutual suspicion even when cooperation was on a relatively high level. However, if the definition of transactionalism was altered in the sense that increased international business contacts foment the need for institutionalization of such contacts, this would be applicable in the case of NAFTA. The U.S.-Mexican economic cooperation did not begin with NAFTA, NAFTA only supported this cooperation and put it within a stable framework.

Of all the theoretical approaches to integration, intergovernmentalism with its emphasis on rational, interest-based bargaining between governments seems to be the closest to the reality of NAFTA negotiations. NAFTA was in this sense a mutually advantageous treaty in which multiple interests had their inputs. Vast majority of the one thousand pages of the agreement is dedicated to the detailed technical provisions affecting various industries, suggesting intensive lobbying on the part of interested industrialists.[24] The last-minute change of the citrus chapter to protect

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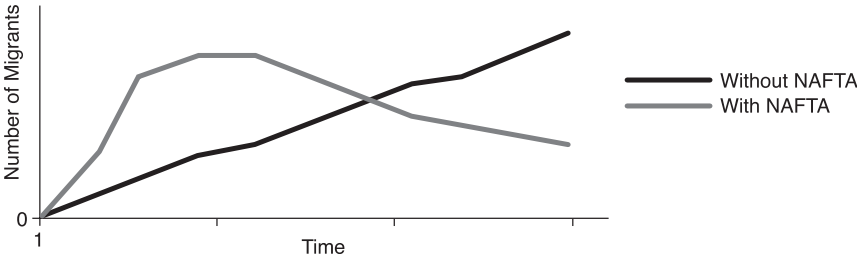
[23] Appendini, K., Bislev S. (eds.): *Economic Integration in NAFTA and the EU: Deficient Institutionality*, Macmillan Press, London, 1999, p. 7.

[24] "There is no such thing as free trade." U.S. Trade Representative Mickey Kantor, quoted in Cameron, M. A., Tomlin, B. W.: *The Making of NAFTA: How the Deal Was Done*, Cornell University Press, Ithaca, 2000, p. 38.

Florida's producers in order to get the necessary votes for NAFTA in U.S. Congress seem to support this interpretation, too.

Graph 1: *Hypothetical migration with and without NAFTA*



Source: Lange, J.: *Die politische Ökonomie des Nordamerikanischen Freihandelsabkommens NAFTA: Erwartete wirtschaftliche Auswirkungen, Interessengruppen und der handelspolitische Entscheidungsprozeß*, IKO – Verlag für Interkulturelle Kommunikation, Frankfurt am Main, 1998, p. 68

It can be argued that concerns of the industrialists and political realities were the principal driving forces behind NAFTA. This had profound implications for the final shape of the agreement. Many of the constraints for the final text of the Agreement came from the approvability in the U.S. Congress – this was the principal reason why supranational regulative bodies, which could infringe upon national sovereignty were not present. Also, the side agreements on environmental protection and labor standards were insisted upon by U.S. Democrats to ensure the approval of NAFTA as a whole. For the sake of political feasibility the issue of immigration is not mentioned in the agreement at all, although immigration is the dominant issue on the U.S.-Mexican border, having important economic and social consequences in both countries. In the debates concerning NAFTA it was argued that in the long run Mexican immigration will be decreased thanks to positive developments in Mexico (see Graph 1). To what extent this was just another attempt to promote the agreement in U.S. Congress remains to be seen, so far immigration from Mexico is still rising. The smuggling of illegal drugs and the fight against it similarly did not get any mention in the Agreement either, although this issue plays major role in the U.S.-Mexican relations, too.

On the Mexican side there were some political constraints on the scope and type of integration processes, too. The environmental and labor standards side-agreements were not welcome by the Mexicans and they wanted them to be as weak as possible. The reason for this was that environmental and labor standards are often used by U.S. protectionists to promote their agenda, as the dispute with Mexican fishermen catching tuna with dolphin-unfriendly nets showed.[25] Labor and environmental standards also tend to make the price of labor higher, thereby diminishing the comparative advantage Mexico has in this field.

Mexicans tried to keep their natural reserves of oil in national hands, mostly because this topic is very sensitive in domestic politics, where fears of domination by foreigners are easily to be exploited by nationalists. As a result only a few concessions were granted to foreign companies in this field.

5 Effects of asymmetric integration in Mexico

"Quien dice unión económica, dice unión política. El influjo excesivo de un país en el comercio de otro se convierte en influjo político."[26]

José Martí

NAFTA had a profound effect on Mexico in many different areas. Unfortunately, it is difficult to differentiate between changes that took place because of NAFTA and changes which would take place even without NAFTA as part of the modernization process independent on NAFTA. This caveat should be had in mind particularly when discussing the domestic situation in Mexico.

5.1 International position of Mexico after entry into NAFTA

Internationally speaking, the NAFTA membership provided Mexico with a symbolic aura of successful economic transformation and as the

[25] Gilpin, R.: *Global Political Economy: Understanding the International Economic Order*, Princeton University Press, Princeton, 2001, p. 218.

[26] Who speaks about economic union, speaks about political union. Excessive influence of one country in the commerce of another converts into political influence. (author's translation)

investment bonanza of the future. However, the peso crisis, which started with rapid devaluation of the peso and ended with deep economic recession soon bereft Mexico of this shining image. The connection between NAFTA and the peso crisis is often disputed, majority of the writers claiming that domestic mismanagement of the economy combined with conscious decision to postpone the devaluation of the peso after the presidential election were the principal causes.[27]

NAFTA is often cited as the main reason for rather quick economic recovery, which took place in Mexico after the crisis (see Graph 2). The volume of trade with U.S. and Canada kept increasing gradually and direct foreign investment was steadily coming to the country. In this sense NAFTA was definitely a success. Also, the new ties to the U.S. helped Mexico to get the massive credit guarantees from the U.S. government, which were needed to prevent Mexico's default on its foreign debt in 1995.[28] It should be noted, however, that that the historically much--cherished vision of independence from the U.S. was undermined, as shown by increasing role of American companies in national economy as well as influences of U.S. government on domestic policy in Mexico. A good example of this soft influence was the conduct of U.S. Ambassador James R. Jones at the beginning of Zedillo's administration: "James R. Jones presented the new government with a list of about 15 active and former Mexican officials whom the US suspected of corruption and hoped not to see in the new administration. None of those on the list joined the new government."[29]

An important, but not often mentioned effect of NAFTA was that Mexico became a stable and significant part of the world economy, for better or worse. Trade and investment flows do not leave Mexico out, on the contrary (see Tables 4, 5 and 6). Consequently, Mexico does not have the problem as some developing countries have, namely to become uninteresting and left out of the world trade. In such cases, national autonomy of the left-out states might be well preserved, but it poses serious hurdles to economic development.

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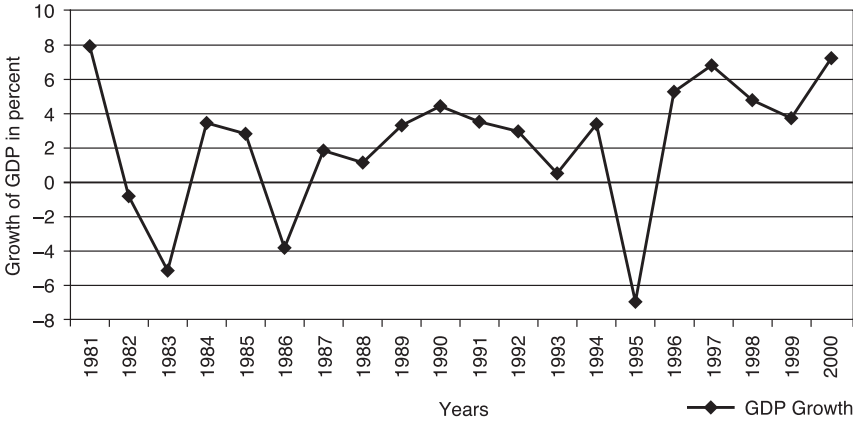
[27] See for example Strange S.: *Mad Money: When Markets Outgrow Governments*, University of Michigan Press, Ann Arbor, 1998.
[28] Thurow, L. C.: *The Future of Capitalism*, Penguin Books, New York, 1996, p. 226.
[29] Golden, T: "To Help Keep Mexico Stable, U.S. Soft-pedaled Drug War", *The New York Times*, July 31, 1995, A1.

Graph 2: *Growth of GDP per capita in Mexico under NAFTA*



Source: www.latinbusinesschronicle.com/statistics/gpd/mexico.htm, 24. 3. 2003

Table 4: *U.S. Direct Investment Abroad (selected countries, millions of dollars)*

Country	**1990**	**1999**	**2000**
Mexico	9,398	32,262	35,414
Canada	67,033	111,051	126,421
Brazil	14,918	34,276	35,560
United Kingdom	68,224	212,007	233,384
France	18,874	40,009	39,087
Germany	27,259	50,892	53,610
Netherlands	22,658	105,571	115,506
Panama	7,409	33,027	35,407

Country	1990	1999	2000
Japan	20,997	49,438	55,606
Eastern Europe*	NA	9,581	11,009

* Eastern Europe includes here Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Source: Office of Trade and Economic Analysis, U.S. Dept. of Commerce, quoted in *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 223

Table 5: *U.S. Trade with Mexico (millions of dollars)*

Year	Exports to Mexico	Imports from Mexico	Trade Balance
1992	40,592	35,211	5,381
1993	41,581	39,917	1,664
1994	50,844	49,494	1,350
1995	46,292	61,685	–15,393
1996	56,792	74,297	–17,506
1997	71,388	85,938	–14,549
1998	78,773	94,629	–15,857
1999	86,909	109,721	–22,812
2000	111,349	135,926	–24,577

Source: Office of Trade and Economic Analysis, U.S. Dept. of Commerce, quoted in *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 221

Table 6: *Merchandise Exports, 1990–1996 (billions of dollars)*

Destination:	USA		Canada		Mexico		NAFTA		RoW[30]		World	
Origin:	1990	1996	1990	1996	1990	1996	1990	1996	1990	1996	1990	1996
USA	X	X	83.0	132.6	28.3	56.8	111.3	189.3	281.6	433.4	392.9	622.8
Canada	95.2	164.6	X	X	0.5	0.9	95.7	165.5	31.2	36.1	126.9	201.6
Mexico	32.3	80.5	0.2	2.2	X	X	32.6	82.7	7.6	13.3	40.2	96.0
NAFTA	127.6	245.1	83.2	134.8	28.9	57.6	239.6	437.5	320.4	482.8	560.0	920.4

Source: WTO (1997), quoted in FitzGerald, E. V. K.: „Trade, Investment and NAFTA: The Economics of Neighbourhood", in: Bulmer-Thomas, V., Dunkerley, J. (eds.): *The United States and Latin America: The New Agenda*, pp. 91–123, Harvard University Press, Cambridge, 1999, p. 118

5.2 Immigration

The limits of cooperation under NAFTA and the asymmetric power relations within it have demonstrated themselves in the topic of Mexican migration to the U.S. It has been a long-term objective of recent Mexican governments to ease the conditions of the emigrants. One reason is that the status of illegal aliens in the U.S. makes them vulnerable to various types of exploitation. The massive and dangerous smuggling of illegal workers accross the increasingly fortified border claims several hundred lives of the migrants per year. Another reason is that remittances from emigrants are the third largest source of foreign revenue (see Tables 7 and 8).

Since many of the migrants are only temporary workers who fill positions that U.S. workers are not prepared to take, an agreement on migration was deemed reasonable by both academics and most local politicians.[31] Vicente Fox raised this issue shortly after his inauguration in the year 2000 and thanks to his cordial relationship with George W. Bush

[30] Rest of the World, i.e. World Total without NAFTA.

[31] Orrenius, P. M.: "Illegal Immigration and Enforcement along U.S. Mexico Border: An Overview," *Economic and Financial Review*, First Quarter 2001, available online at http://www.dallasfed.org/htm/pubs/pdfs/efr/efr0101a.pdf, p. 9, 18. 3. 2003.

the situation looked optimistic in this respect. Jorge Castañeda, a leading Latin American intellectual and Fox's minister of foreign affairs made the betterment of conditions for Mexican migrants one of his top priorities while in office.

Table 7: *Income from remittances related to selected sources of foreign currency, 1999*

Source of income	**Millions of USD**	**Percentage (Remittances = 100%)**
Remittances	5,910.0	100.0
Oil exports	6,580.7	111.34
Tourism	4,552.7	77.04
Direct foreign investment	8,424.9	142.55

Source: de Jesús Santiago Cruz, M.: "Importancia económica de la migración international en México: Análisis desde la perspectiva de las remesas", *Momento Económico*, núm. 114, marzo-abril de 2001, p. 44

Table 8: *Income from remittances related to income from export of agricultural products*

Year	**INCOME FROM REMITTANCES (1)**	**INCOME FROM EXPORT OF AGRICULTURAL PRODUCTS (2)**	**Ratio 1:2**
1980	877,305	1,527,909	0.57
1985	2,013,546	1,408,884	1.43
1990	3,992,342	2,162,442	1.85
1995	3,994,950	4,016,153	0.99
1999	5,910,000	2,390,486	2.47

Source: de Jesús Santiago Cruz, M.: "Importancia económica de la migración international en México: Análisis desde la perspectiva de las remesas", *Momento Económico*, núm. 114, marzo-abril de 2001, p. 45

However, the terrorist attacks on September 11 changed the priorities of the U.S. government drastically, and security concerns overrode any positive results from possible cooperation with Mexico. The unilateralism of the U.S. led the Mexican President Vicente Fox to reverse his positive attitude from the beginnings of his presidency, and on his trip to Europe he sought more European involvement and investment in Mexico to counterbalance the influence of the U.S.[32] Since then, the Mexican foreign policy, which tended to be rather pragmatic in the first NAFTA years, returned to its anti-American positions, be it in the Security Council or in the World Court, where Mexican government sued the U.S. government for attempted execution of its citizens in Texas.

5.3 Conclusions

Internationally we can see two major consequences of unequal integration for Mexico – first it is the symbolical incorporation into the world economic system, providing higher levels of trade and investment flows and heightening the international prestige of the country (which was subsequently shattered by the peso crisis). Second, when the vital interests of the stronger partner (i.e. the U.S.) were vitally threatened (or perceived as such), the cooperative spirit *vis-à-vis* its weaker and unnecessary partner dwindled overnight, although the economic ties remained strong.

6 Domestic situation in Mexico after NAFTA

"I don't know how American farmers can sell corn to this country at such low prices. I have heard that their government gives them money. What I know is that we cannot compete with their prices. Imports are killing our markets and our communities."

Hector Chavéz, smallholder farmer, Chiapas

6.1 Democratization and stabilization

Supporters of NAFTA would claim that the provisions of the agreement provided Mexico with a vision of the future, which helped the country to

[32] Vicente Fox's speech at Humboldt-Universität Berlin, 30. 11. 2002, archives of the author.

get through the difficult period of political transformation without sliding back to nationalistic populism, or renewed authoritarianism. The political transformation was capped by election of Vicente Fox Quesada of PAN (*Partido de Action National*) President in 2000, who defeated the official PRI candidate Fernando Labastida in the general election held that year. Fox, the former chief executive officer of Coca-Cola Mexico, was the first non-PRI President in sixty years. NAFTA provided the Mexican political scene with a clear scenario of possible development that proved essential for peaceful democratization project.

However, opponents of NAFTA see its effects on Mexican politics in less benign terms. NAFTA sanctioned and perpetuated income and distribution inequalities that the democratization process could have possibly ameliorated. Moreover, the NAFTA put important areas of economic decision-making out of popular control altogether, creating "limited democracy"[33] in the process.

6.2 High adjustment costs

"Welcome to the nightmare!"
Subcommandante Marcos

NAFTA was not very generous concerning adjustment costs.[34] The flood of cheaper agricultural products from the U.S hit especially already marginalized groups like rural Indians in southern Mexico hard. This is not to say that the whole concept of free trade is wrong per se, for example urban population in Mexico benefited from this development because it gained access to cheaper products.[35] However, without adjustment mechanisms particular segments of population are greatly disadvantaged by the free trade agreement.

The case of agriculture is often mentioned in this respect. The trade statistics (see Table 9) show the vast disproportion in the production of

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[33] Cox, R. W.: "Global Perestroika", in: Crane, G. T., Amawi, A. (eds.): *The Theoretical Evolution of International Political Economy: A Reader,* pp. 158–172, Oxford University Press, New York, 2001.

[34] Drache, D.: "Triple 'A' Trade: Asymmetry, Access and Adjustment: The Inflexible Limits of Trade Blocs", in: Georgakopoulos, T., Paraskevopoulos, C. C. and Smithin, J. (eds.): *Economic Integration between Unequal Partners*, pp. 170–186, Edward Elger Publishing, Aldershot, 1994.

[35] The folly of blaming free trade indiscriminately is exposed in Oxfam: *Rigged Rules and Double Standards: Trade, Globalization, and the Fight Against Poverty*, Oxfam, London, 2002, p. 61.

basic foodstuffs. In fact, U.S. exports almost three times the yearly production of Mexico in corn worldwide. What the trade statistics do not tell us is the fact that many of the poorest rural Mexicans are dependent on the production of corn, which is also a basic means of subsistence (tortillas are made of corn flour and water). This was also the reason why the production of corn was subsidized and the whole market regulated by the state. Under NAFTA, this is no longer possible, and the changes brought with the influx of cheaper U.S. corn are seriously damaging the rural communities.

Table 9: *Agricultural Production 2000 (thousands metric tonnes)*

Country	Corn	Rice	Wheat	Corn Exports 1997	Corn Exports 1999
United States	253,208	8,669	60,512	41,792	51,975
Mexico	18,761	450	3,300	–2,519	–5,546

Source: *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 137

In a situation, where the social safety net is nonexistent or very thin at best, this could lead as far as armed rebellion, as was the cause in Chiapas, where the rebellion started on January 1, 1994, symbolically the first day of NAFTA in effect. NAFTA became a scapegoat for the long-term ills of the population, as is forcefully argued in Rich's "NAFTA and Chiapas".[36] The ultimate proof would be that if the rebellion started two month earlier, it is pretty certain that this would seal the fate of the agreement in U.S. Congress. Inability to cope with adjustment costs in Mexico goes so far as suggesting renegotiation of some agricultural chapters in NAFTA,[37] a topic highly topical in Mexican politics with next round of tariff reductions scheduled after 10 years of agreement in effect, in 2004 (see Table 10).

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[36] Rich, P.: "NAFTA and Chiapas", in: Rich, P., de los Reyes, G. (eds.): *NAFTA revisited: Expectation and Realities,* The Annals of The American Academy of Political and Social Science, Vol. 550, March 1997, pp. 158–175.

[37] Garcia-Barrios, R.: "Free Trade and Local Institutions: The Case of Mexican Peasants", in: Appendini, K., Bislev S. (eds.): *Economic Integration in NAFTA and the EU: Deficient Institutionality*, pp. 34–51, Macmillan Press, London, 1999.

Table 10: *NAFTA: Schedule of Tariff Reductions*

Imports / Date of tariff elimination	**US Imports from Mexico** (% of total value of imported goods from Mexico)	**Mexican Imports** (% of total value of imported goods from USA)
A. Effective on Date of Agreement	53.8	31.0
B. 5 Years After	8.5	17.4
C. 10 Years After	23.1	31.8
C. + 15 Years After	0.7	1.4
D. Duty Free Before Agreement	13.9	17.9

Source: Gruben, W. C., Welch, J.: "Is NAFTA More Than a Free Trade Agreement? A view from the United States," in: Bulmer-Thomas, V., Craske, N. and Serrano, M. (eds.): *Mexico and the North American Free Trade Agreement: Who Will Benefit?*, pp. 177–198, Macmillan Press, Houndmills, 1994, p. 184

6.3 Polarization of the country

One of the significant effects NAFTA had on Mexico was the polarization of the country. In the territorial sense it exacerbated the division between North and South. Northern Mexico is getting more and more connected to the richer U.S. economy, it is the target of most of U.S. investment, creating jobs and infrastructure. Inner migration in Mexico contributes to the divisions. Unofficial capital of Northern Mexico, Monterrey, is becoming more and more westernized, with shopping malls on the outskirts, billboards of Eva Herzigova in Wonder Bra,[38] and the standard of living rising overall. President Fox comes from Baja California, a Northern state as well, and his party has its strongholds in the North.

[38] The pictures of the Czech model have in fact created a heated controversy about morals and public spaces. Preston, J.: "How Brazen Can You Get? In Mexico, Not Quite As Far As This", *The New York Times*, July 31, 1996, A4.

Table 11 shows the population increase in the border region. Not only migrating Mexicans are responsible for the changes, Americans share the tendency to move and exploit the oportunities of the trans-border economy, albeit to a lesser degree.

Table 11: *Population in Border Cities (in thousands)*

U.S.Border City	**1980**	**1990**	**Mexico Border City**	**1980**	**1990**	**2000**
San Diego, CA	1,876	2,513	Tijuana	461	747	1,150
Imperial, CA	93	111	Mexicali	511	602	601
El Paso, TX	484	596	Ciudad Juarez	567	799	1,107
Laredo, TX	101	135	Nuevo Laredo	203	220	307
McAllen, TX	287	387	Reynosa	211	283	360
Brownsville, TX	212	262	Matamoros	239	303	363

Sources: U.S. BEA, Regional Economic Information System; Mexico Censo de Poblacion, quoted in Hanson, G. H.: *U.S. – Mexico Integration and Regional Economies: Evidence from Border City Pairs*, National Bureau of Economic Reasearch, Cambridge, 1996, p. 23

Southern Mexico (except for Mexico City, which is a case sui generis in this respect) does not share the fruits of increased trade and investment with the U.S. and its mostly rural population is on the losing side in the free trade arrangement. This imbalance causes migration flows within Mexico, with young peasants moving first to factories in the North, and subsequently, if possibility arises, further north to the U.S. The South became a stronghold for the traditional post-Salinas PRI, which partially returned to its leftist rhetoric. Thus, the division of the country has political ramifications as well.

Second polarization taking place under NAFTA is the widening gap between the rich and the poor. The neoliberal ideology does not have equalization of income levels on the agenda, the dismantling of the state

in favor of the market is much more important. In the Mexican case the state was the provider of public welfare, and although great inequalities existed, the socialistic rhetoric of the PRI provided some check on these developments. Under NAFTA, the redistributive capacities of the state are largely undermined and some of the governmental programs had to be abolished, because they constituted a breach of the free trade requirements.[39]

Under the neoliberal doctrine, the only solution to the problem of rising inequality is the so-called "trickle-down" effect, under which the wealth accumulated by the rich is supposed to benefit the lower strata of the society by providing employment opportunities and improved public services due to increased tax revenues. However, the supposed results of the "trickle-down" economy did not materialize in Mexico. Lax tax enforcement and large money transfers to foreign banks by Mexico's wealthy citizens[40] undermined this model of income equalization.

6.4 NAFTA as developmental model

Mexican experience under NAFTA has been used as a neoliberal (i.e. extremely market-oriented) version of developmental politics. After nine years of the agreement in effect, we can see mixed results (for GDP growth, see Table 12). One of the main features of the development was the decline of the Mexican state as the principal actor in Mexican society and economy. Huge privatization program was underway in the 1990's and today only a fraction of state enterprises remained. Some writers argue that effective state policies are needed in developing economies and that the market forces themselves are not able to provide a suitable developmental program.[41]

Consistent with this claim are the data which show how only small value is added to the products made in Mexico. High-level trading statistics conceal the most common trading pattern in Mexico (see Graph 1).

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[39] Motamen-Samadian, S., Ortiz Cruz, E.: "Successful Integration and Economic Distress: The New Dual Economy – The Case of Mexico in NAFTA", in: Appendini, K., Bislev S. (eds.): *Economic Integration in NAFTA and the EU: Deficient Institutionality*, pp. 209–227, Macmillan Press, London, 1999.

[40] The case of Raúl Salinas, brother of ex-President Carlos Salinas, was widely publicised, especially because his alleged good connection with organized crime.

[41] Rodrik, D.: *Has Globalization Gone Too Far?,* Institute for International Economics, Washington, 1997.

Majority of the trade is intra-firm and consists of high value parts imported to Mexico, where only little value is added when assembling these parts, which are then re-exported as high-value finished products.[42] Such patterns of trade do not create any demand for skilled or educated population, which would consequently get higher wages that would increase the standard of living in Mexico. Furthermore, market forces are not well suited to deal with the situation of marginalized groups, whose situation in Mexico only worsened after the entry into NAFTA.

Table 12: *GDP growth per capita in Mexico under NAFTA*

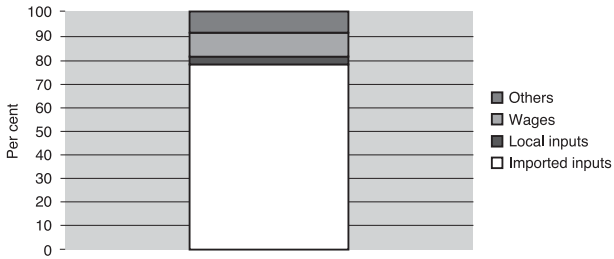
year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003*
GDP growth	3.7	1.8	4.4	–6.1	5.4	6.8	5.1	3.7	6.9	–0.3	1.7	4.9

* estimates

Source: www.latinbusinesschronicle.com/statistics/gdp/mexico.htm, 18. 3. 2003

Dependence on the U.S. economy can be demonstrated by the Mexican recession in 2001, which followed the recession and contraction of the U.S. market. Mexican trade is not diversified, thus Mexico cannot really aviod following U.S. economic misfortunes. This data also suggest the possible huge losses in case of hypothetical severing of ties between the two economies.

Graph 3: *Final value from Mexican maquiladora exports*



Source: Oxfam: *Rigged Rules and Double Standards: Trade, Globalization, and the Fight Against Poverty*, Oxfam, London, 2000, p. 136

[42] Oxfam: *Rigged Rules and Double Standards: Trade, Globalization, and the Fight Against Poverty*, Oxfam, London, 2002, p. 41.

6.5 Illegal drugs

One of the side effects of NAFTA has been a rapid increase of smuggling of illegal drugs into U.S. via Mexico, since with increased levels of trade it has become easier to hide the illegal goods among the legal ones. This had negative consequences in Mexico, as thanks to the enormous money flows coming form drug trade, corruption of Mexican officials rose to unprecedented levels.[43] After it was widely established that majority of Mexican policemen are on the payroll of the drug lords, the U.S. administration pushed for Mexican military to step in and lead the fight against drugs. This was not the brightest idea, since it did not take long and even some of the army generals got on the payroll of narcobosses, creating a situation potentially more dangerous than if only the police force were corrupt. Political assassinations of presidential candidate of the PRI Donaldo Colosio and secretary general José Ruiz Massieu in 1994 are widely believed to have some connection with illicit drugs and show how potentially destabilizing the effects of drug trade are for Mexico.

7 Effects of asymmetric integration in the United States

"We can – and we must – use America's leadership to harness global forces of integration, reshape existing security, economic and political structures, and build new ones that help create the conditions necessary for our interests and values to thrive."

Bill Clinton, National Security Report to Congress, 1997

The effects of NAFTA on the U.S. have not been that far-reaching as on Mexico, yet some lessons were learned about the position of the stronger partner in asymmetric integration.

7.1 Influence and responsibilities

In the long run, probably the most important benefit the U.S. got out of NAFTA is its increased role in Mexican affairs, both economic and political. Mexico's traditionally closed economy has been successfully penetrated and

[43] Allegedly even the family of President Salinas, the chairman of Banco Nacional de México and top-level army generals, http://www.narconews.com/pressday2000.html, 18. 3. 2003.

the mutual relationship has got new foundations, allowing for much more influence of the United States. This is no meager accomplishment, given the troubled relationship in the past. However, there was a price to pay for this influence.

By increased integration with Mexico, the U.S. assumed more responsibility for the development south of its borders.[44] This was demonstrated for example by the conduct of the U.S. government during the Mexican peso crisis in 1995. Bill Clinton invested considerable political capital into the passage of NAFTA through U.S. Congress and the financial trouble in Mexico could undermine the whole agreement. Therefore, 30 billion USD bailout package was issued to help Mexico get over the crisis.[45] U.S. has now much higher stakes in Mexico's democratic political system as well as human rights record, since any bad news coming from Mexico is potentially embarrassing for its partner in the NAFTA and casts doubt on the viability of the market-led neoliberal asymmetric integration as a model *per se*.

The U.S. was able to exploit its role as the stronger party in the North-American partnership, and therefore was able to control the level of further cooperation unilaterally. Instead of any sensible anti-drug and migration policy, the U.S. chose to fortify the border in highly publicized operations, using hi-tech military equipment and erecting traditional fences and walls reminiscent of the Cold War. Reasonable cooperation with Mexico on these matters does not really occur, mainly because overriding security concerns in Washington prevent constructive dialogue.[46] Even in trade dispute settlement, the prime domain of NAFTA, the U.S. has found ways to circumvent NAFTA regulations by using domestic procedures, to the great dismay of both Canadian and Mexican businesses, albeit such cases are not frequent.[47] After September 11, this trend was only deepened and demonstrated the power relations and limits to further integration.[48]

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[44] Much like Saint-Exupéry's maxim concerning Little Prince and his rose.

[45] It is necessary to emphasize that these were no gifts but mere credit guarantees to stabilize the currency, Mexican government later repaid all these credits.

[46] Drache, D.: "Trade Blocs: The Beauty or the Beast in the Theory?", Stubbs, R. and Underhill, G. D. (eds.): *Political Economy and the Changing Global Order,* pp. 184–197, 2nd edition, Oxford University Press, Oxford, 2000.

[47] Bendesky, L.: "Mexico: From Euphoria to Sacrifice", in: Dallmeyer, D. G. (ed.): *Joining Together, Standing Apart: National Identities after NAFTA*, pp. 63–73, Kluwer Law International, Hague, 1997.

[48] This frustrated Mexican foreign minister Jorge Castañeda and contributed to his resignation. "Castañeda, de cancillller a activista por el cambio", *El País de domingo*, 26 enero 2003.

7.2 Unemployment and competitive edge

One of the principle fears in the U.S. was that due to integration with Mexico, where cheap labor was so abundant, companies would relocate their manufacturing activities to Mexico, causing higher unemployment and downward pressure on wages in the U.S. manufacturing sector. This main argument of the opponents of NAFTA was proven wrong at least in the unemployment data (see Table 13). Although some controversies about the net loss or gain of jobs caused by NAFTA remain, overall low unemployment ratings suggest that the effect of NAFTA on unemployment has been marginal at best.

Table 13: *Unemployment in the U.S., 1987–2000 (in percent, civilian, labor force, persons 16 years of age and older, annual averages)*

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Unemp.	6.2	5.5	5.3	5.6	6.8	7.5	6.9	6.1	5.6	5.4	4.9	4.5	4.2	4.0

Source: *World Almanac and Book of Facts 2002*, World Almanac Books, New York, 2002, p. 140

However, the effect of NAFTA on the downward pressure on wages, worsening quality of new jobs created and weakening of bargaining position of trade unions might have been rather significant, as some statistical data suggest (see Tables 14 and 15). Some authors speak of the "brazilianization" of labor market, meaning increasing divisions between highly paid specialized professionals and low-skilled workers. Long-term effects of this development are hard to assess, apart from growing distrust of the desirability of the neoliberal model among the people hit by it.

Table 14: *Manufacturing Productivity and Wages in NAFTA*

Productivity (value added per worker, in thousands dollars year)	1980	1985	1990	1995
USA	40.1	57.2	75.5	98.2
Mexico	17.8	20.0	19.3	33.4
Canada	32.2	42.0	60.0	68.6

Average Wage (including supplements, US$'000 per year)	1980	1985	1990	1995
USA	20.4	27.9	33.6	31.8
Mexico	5.8	4.2	3.9	5.1
Canada	15.3	19.2	27.5	28.0

Source: FitzGerald, E. V. K.: "Trade, Investment and NAFTA: The Economics of Neighbourhood", in: Bulmer-Thomas, V., Dunkerley, J. (eds.): *The United States and Latin America: The New Agenda*, pp. 91–123, Harvard University Press, Cambridge, 1999, p. 119

Table 15: *Wage as percentage of productivity*[49]

	1980	1985	1990	1995
USA	50.9	48.7	44.5	32.4
Mexico	32.5	21.0	20.2	15.2
Canada	47.5	45.7	45.8	40.8

Source: my calculations from Table 7

The plight of the workers on one hand is counterbalanced by the satisfaction of the U.S. business community, which was able to increase its competitive advantage *vis-à-vis* Japan and EU by reducing production costs when manufacturing in Mexico. Furthermore, the emerging Mexican market is bound to be dominated by U.S. companies and products and less so by their foreign competitors.[50]

7.3 Immigration and transformation of the U.S. Southwest

Despite vigorous border-enforcement efforts, market-oriented reforms of which NAFTA was an important part caused significant increases in

[49] This table shows how many percent of the produced value goes back to the worker as his wage.

[50] "I would like to invoke the late George Orwell and begin by asserting that the widespread usage of the term *free trade agreements* (FTAs) to describe what are really preferential trade agreements (PTAs) is nothing but Orwellian newspeak." Bhagwati, J.: *A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy*, The MIT Press, Cambridge, 1998, p. 289.

migration[51] from Mexico to U.S. Causes of this flow are many, the dramatic wage difference being quoted most often[52] (see Tables 3 and 9). However, it would be simplistic to see this factor as decisive – as Table 16 shows, historically, immigration from Mexico was relatively limited even if the wage differences stayed the same and border enforcement was not that strict. Traditional demand for Mexican labor by U.S. employers dating back to the Bracero program during World War II[53] combined with practically no enforcement against U.S. employers employing illegal migrants contributes greatly to the migration phenomenon.[54]

Table 16: *Immigration to United States from Mexico*

Years	All countries	Mexico	Mexico as % of All
1820–1860	5,062,414	17,776	0.35
1861–1900	14,061,192	10,237	0.07
1901–1920	14,532,297	268,646	1.85
1921–1930	4,107,209	459,287	11.18
1931–1940	528,431	23,319	4.22
1941–1950	1,035,039	60,589	5.85

[51] In U.S. literature the term "illegal migration" is commonly used, however I consider this term to be far from neutral, its negative discourse connotations preventing reasonable solution to the problem, so I prefer to use the term migration. Legal migration also exists, but is lower than illegal one.

[52] If poor Mexicans behaved like ideal *homini economici*, they would probably all be happily crowded in Californian prisons by now. Thurow, L. C.: *The Future of Capitalism*, Penguin Books, New York, 1996, p. 92.

[53] Suaréz-Orozco, M. M.: "Latin American Immigration to the United States", in: Bulmer-Thomas, V., Dunkerley, J. (eds.): The *United States and Latin America: The New Agenda*, pp. 227–247, Harvard University Press, Cambridge, 1999.

[54] The policy of government agencies can be summarized as "once you are in, you are in". Orrenius, P. M.: Illegal Immigration and Enforcement along U.S. Mexico Border: An Overview, *Economic and Financial Review*, First Quarter 2001, available online at http://www.dallasfed.org/htm/pubs/pdfs/efr/efr0101a.pdf, 20. 3. 2003.

Years	All countries	Mexico	Mexico as % of All
1951–1960	2,515,479	299,811	11.92
1961–1970	3,321,677	453,937	13.66
1971–1980	4,493,314	640,294	14.25
1981–1990	7,338,062	1,655,843	22.56
1820–1990	56,994,014	3,888,729	6.82

Source: U.S. Department of Justice, Immigration and Naturalization Service, Statistical Yearbook 1990 (Government Printing Office, Washington D.C., 1991), quoted in Pastor, R. A.: *Integration with Mexico: Options for U.S. Policy*, The Twentieth Century Fund Press, New York, 1993, p. 12

Last but not least, the lack of adjustment mechanisms under NAFTA and the general introduction of market principles had the side effect of pushing many young Mexicans on the road, first to Mexican cities, then to the cities on the North of Mexico and ultimately to the U.S. Southwest. Economically, this type of migration does not cause a problem for the U.S. economy, on the contrary. The issue is much more sensitive on political and cultural level in the non-Hispanic U.S. society, where anti--immigrant sentiments are easily invoked, as was shown for example in the referendum on Proposition 187 in California under conservative governor Pete Wilson in 1994. American pundits were appalled at the sight of Mexican flags waving at the mass pro-immigration demonstration in Los Angeles. The mariachi version of "Star-Spangled Banner" sung at this event only added to the feeling that traditional American values are threatened.[55]

Examples of tensions in the Southwest related to immigration are many, ranging from Los Angeles street riots to Texas volunteer-militias patrolling the border. These incidents did not cause that much alarm in

[55] Gutierrez, D.: "Migration, Emergent Ethnicity, and the 'Third Space': The Shifting Politics of Nationalism in Greater Mexico", available at http://www.indiana.edu/~jah/mexico/dgutierrez.html, 20. 3. 2003.

Washington, yet. However, the trend is continuing (by now the Hispanic community in the U.S. surpassed the Afroamerican one in population) and at some point it will pose a serious challenge[56] for the U.S. society, which might be forced to redefine some of its characteristics. Cultural impact has been significant as well, but thanks to the diverse structure of U.S. media market, the mainstream U.S. media has not changed dramatically.[57]

All this comes as an unintended consequence of the asymmetric integration, where it was originally supposed that with Mexico being modernized, the immigration to the U.S. would eventually decrease as more economic opportunities would be created at home. The inertia of the ties created by NAFTA means that the Latinization of the U.S. Southwest is extremely difficult to reverse even if the U.S. administration chose to do so. Some hope for the possibility smooth mutual coexistence might be seen in the converging of attitudes between Mexicans and Americans, as some empirical studies show (see Table 17).

Table 17: *Changing Attitudes Toward Authority at Work*

	USA		Canada		Mexico	
	1981	1990	1981	1990	1981	1990
Follow instructions	68	61	55	52	33	39
Use your own judgment	37	39	45	48	67	61

Question: People have different ideas about following instructions at work. Some say that one should follow the instructions of one's superiors, even when one does not fully agree with them; others say one should follow one's superior's instructions only when one is convinced that they are right. With which of those two opinions do you agree?
Source: 1981 and 1990 World Values Surveys, quoted in Nevitte, N., Basañez, M., Inglehart, R.: "Directions of Value Change in North America", in: Randall, S. J. (ed.): *North America Without Borders? Integrating Canada, the United States and Mexico*, pp. 245–261, University of Calgary Press, Calgary, 1992, p. 255

[56] In this respect meant as challenge to deal with, not necessarily challenge to fight.
[57] Silverman, S.: "Reflections on the Cultural Impact of a North American Free Trade Agreement", in: Randall, S. J. (ed.): *North America Without Borders? Integrating Canada, the United States and Mexico*, pp. 307–313, University of Calgary Press, Calgary, 1992.

8 Asymmetric integration – Conclusions

8.1 General observations

"The division of labour among nations is that some specialise in winning and others in losing."

Eduardo Galeano

After exploring the North American integration in some detail and having in mind especially the Southern enlargement of the EC as another relevant example, some limited observations can be made concerning asymmetric integration in general.

First, we can see what the motives of the weaker countries are when they pursue the integrative path with stronger partners. They are driven by the vision and hope that the integration would bring them up on the same level as the stronger countries. The stronger countries see in the integration process an opportunity to enhance their sphere of influence and widen the zone of stability where they can exercise some degree of control. Seen from this angle, the Machiavellistic and selfish motivations of the states definitely play an important role.

The fact that states continue to play an important role in this process can be demonstrated by their readiness to act unilaterally if they feel their vital interests are threatened.[58] The stronger states are much more likely to choose such a course of action, since they have less to lose. In this respect, if defined as independence of action, the degree of sovereignty within asymmetrically integrated structures is thus greater in the stronger states. The predictions of some academics that states will cease to have their importance within supranational superstructures[59] will need more time to materialize.

Second, the impact (both positive and negative) of asymmetric integration is disproportionately greater in the weaker countries, both politically and economically. Economically the proportion of adjustment costs to the whole economy is much higher. When not successfully tackled, this can result in trade deficit, higher unemployment or slower economic growth.

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[58] Unilateral steps taken by the U.S. concerning Mexican migrants or recent rift in the EU over Iraq can be examples of such behavior.

[59] Giddens, A.: *Runaway World: How Globalization is Reshaping Our Lives*, Profilebooks, London, 1999, p. 14.

If this is to be avoided, active and well-designed policies have to be pursued both in the private and the public sector.

Perhaps more importantly, asymmetric integration tends to "lock in" certain policies and political structures and values in the weaker countries, which might otherwise be dismantled in the future had the country remained outside of the integrated structure.[60] The reason for this "lock in" is the inertia effect, once a country gets into the integrated structure and starts adjusting itself to the new environment, it is then difficult to get out of this process. Historic evidence shows that the rate of states leaving international organizations is low, which sharply contrasts with the difficulties and delays many states face if they actually want to get into an integrated organization. This political "lock in" effect can be seen as having negative influence on the legitimity of the state, since the ability of the population to change the course of public politics becomes limited.

Unlike economic and political influences, culture[61] seems relatively unaffected by the asymmetric integration. This might be caused by the fact, that if a country is weaker in the economic sense, this weakness does not automatically translate into the weakness of cultural life in that country. On the contrary, culture of the weaker country might challenge the cultural models of the stronger country.[62] Lifestyle, especially on the surface, is more sensitive to asymmetric integration, as it is more dependent on the economic variables that are undergoing transformation. Regular Saturday visits to shopping malls have become favorite family past time not only in Northern Mexico, but Southern and Central Europe as well, reflecting the changing patterns of economic life.

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[60] Opening of Mexico to the U.S. or the Europeanization of politics in Spain, Portugal and Greece can be seen as prime examples of this process.

[61] In this respect I mean the narrower definition of culture, based on Bell's description: "The modalities of culture are few, and they derive from the existential situations which confront all human beings, through all times, in the nature of consciousness: how one meets death, the nature of tragedy and the character of heroism, the definition of loyalty and obligation, the redemption of the soul, the meaning of love and sacrifice, the understanding of compassion, the tension between an animal and a human nature, the claims of instinct and restraint." Bell, D.: *The Cultural Contradictions of Capitalism*, Basic Books Publishers, New York, 1978, p. 12.

[62] As is to a certain extent the case in the Southwestern United States where Latino culture is successfully penetrating even the mainstream media. Gutierrez, D.: "Migration, Emergent Ethnicity, and the 'Third Space': The Shifting Politics of Nationalism in Greater Mexico", available at http://www.indiana.edu/~jah/mexico/dgutierrez.html, 20. 3. 2003

On the international level, consolidating and institutionalizing relations between integrated partners is obviously the most important factor. Especially when the free trade areas are viewed more like preferential trade areas,[63] possible exclusion of third states (both economic and political) becomes relevant. For the weaker partners this might not be the most desired of outcomes, since it increases their dependence on the stronger partners, making diversification strategy harder to achieve.

Lastly, it is important to emphasize that asymmetric integration does not cause any economic growth for the weaker participants per se, even if it might attract increased foreign direct investment. More likely, asymmetric integration is set to liquidate uncompetitive elements in the national economy, while at the same time presenting stable framework and opportunities for export growth. The adequate use of these opportunities then determines the success of the integration endeavor.

8.2 Value judgments

Ma foi, pas si bête; chacun pour soi dans ce désert d'egoïsme qu'on appelle la vie.
Stendhal, Le rouge et le noir

Apart from general observations independent on value judgements, some sort of evaluation of the concept of asymmetric integration is also necessary. Given the complexity of the objectivity question (see the Methodology section above), this is by no means easy. There are three main issues that deserve attention in this respect, namely the notion of equality, legitimity and independence.

Concerning equality, the critical question is whether it is an important objective that should be strived for at all. In the neoliberal worldview, this is definitely not the case, as long as fair procedures are used. However, in more liberal view (in the American sense of the term), steps should be taken to alleviate inequalities, since persisting patterns of inequality are considered immoral. These controversies in mind, we can now look at the concept of asymmetric integration. Two questions arise in this respect.

First, does asymmetric integration help the integrated states to become more equal in their mutual relations? The answer would be: not really.

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[63] Bhagwati, J.: *A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy*, MIT Press, Cambridge, 1998, p. 289.

Asymmetric integration does not alter the relative positions of states; it just transforms the ways and means how they can use their influence within the integrated platform. If some states are better prepared to use these new means, they can gain temporary advantages, but otherwise asymmetric integration has little influence on the inequality between states; power relations between integrated countries change by other means. However, asymmetric integration might help the weaker countries to improve their position *vis-à-vis* countries outside of the integrated structure, because they are perceived to have the backing of this larger international structure.

Second, does asymmetric integration diminish inequalities within the integrated states? The answer is again: not automatically. Asymmetric integration only tends to strengthen and support the domestic political model of the stronger partners. If they are dedicated to neoliberal reforms (as was the U.S. in 1990s), this was a signal that inequalities within Mexico are not given the highest priority. If the stronger partners are dedicated more to solidarity and social justice (as were the governments in EC in the 1980s), the poorest regions in Portugal, Spain and Greece could have looked forward to structural adjustment funds and overall effort aimed at inequality reduction.

There is no doubt that integration pushes the decision-making one step further from the people in the direction of supranational unaccountable governance, be it a binding treaty with significant economic consequences or unelected bureaucracy. The weaker countries are particulary sensitive to this shift of decision-making, since they usually have less influence on the supranational structure under asymmetric integration. Such development is considered undesirable for the advocates of the popular participation, who see this as an infringement on people's right to choose and regularly legitimate the government. Given the difficult nature of getting out of integrated arrangements, asymmetric integration is seen as negative in this respect. However, other writers see this same development as as positive, as long as the integrative framework provides the democratic political system with stability needed for future development. As long as this framework is seen as positive and democratic, supporters of integration do not see such a problem in the loss of direct popular participation.

Third important controversy related to assessing asymmetric integration is the question of independence. The nation state is far from dead, yet, and the vision of national independence is appealing to both politicians and the general public, especially in weaker countries subject to foreign intervention

or interference. Integration can in this connection be seen as a voluntary entry into a dependent position, sanctioned by international treaty, thus abandoning the noble ideal of national independence. It cannot be denied that foreign influence becomes much greater in the weaker countries, to the chagrin of the nationalist forces. On the other hand, in the world of today, the decision is often between independence, backwardness and closeness on one side[64] and (inter)dependence, openness and progress[65] on the other. For many this presents a hard choice indeed, but it is the lack of viable options that leads even the countries with strong nationalistic tradition (like Mexico) to the cooperation with and (inter)dependence on its stronger Northern neighbor.

8.3 The Czech connection

Given the fact that the Czech Republic is about to enter the EU in the near future and that this would be a prime example of asymmetric integration process, I deem it appropriate to allocate one section to connect the findings of this thesis to the possible developments in this example, although it is impossible to take direct lessons from the U.S.-Mexican example, one reason being that the economic differences are much stronger in the case of the NAFTA partners. Nevertheless, some similarities arise.

Stabilization of domestic politics along European lines will definitely be an important factor. This process of Europeanization of politics will encompass among other things diminishing threat coming from parties potentially hostile to the democratic regime. Other features will include less discretion in the fiscal and monetary policies and restriction on some other policies which would violate the EU law (e.g. excessive subsidies for certain sectors of the economy, policies concerning ethnic minorities, etc.). Since Europe is by no means homogenous by now, the Europeanization of politics can include diverse influences from different EU countries, be it Germany, U.K., Austria or Italy. This could give the Czech politics a variety options all within the European area. I would see it as an advantage as political models can be chosen which adapt best to Czech particularities.

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[64] In this respect, one of the most independent countries in the world would be Myanmar, not a very shining example indeed.

[65] The economic success of East Asian developing countries was based on export economy, thereby extremely sensitive to and dependent of the international business climate.

The adjustment process might not be that easy at all, uncompetitive businesses, especially those still relying on state support, will be forced to close down, causing rise in unemployment levels. The overall outcome of the integrative process depends on the successful use of structural adjustment funds and on competent seizing of the newly open export opportunities.

Some increases in the foreign direct investment can be expected as well, but as we have seen especially in the Mexican case, the economy based on steady flow of foreign direct investment is very vulnerable to external shocks. If the economic growth is to be more stable, it should rahter have solid domestic foundations, like in the case of Spain or Portugal, especially when the speculative capital can leave the country in minutes.

In this respect one negative example from Mexico should definitely be avoided, which is the growth of assembly plants where underpaid workers are assembling imported parts for re-export, adding only little value to the product and having little or no linking to other sectors of the national economy. Such scenario might solve the high unemployment issue in the short term, but would have negative longer-term consequences like not creating demand for highly skilled professionals and increasing income inequality. Emphasis on quality education on all levels could be a solution to this potential problem.

The symbolic significance of joining the EU might be the best asset the Czech Republic is going to get from this asymmetric integration process. Economically speaking, some old options will not be available anymore, and it is up to the skills of our entrepreneurs, politicians and bureaucrats if they will be able to make the economic opening beneficial for the country as a whole.

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U.S. CHINA POLICY AFTER TIANANMEN: TWO-LEVEL GAME ANALYSIS

JAKUB LEPŠ

On the night of June 3–4, 1989, units of the Chinese army carried out a violent crackdown on students and Beijing citizens engaged in demonstrations and protests in and around Tiananmen Square. This event deeply shocked the public as well as policymakers in the United States and other western countries and led to strong calls for punishing China's leaders who had ordered the crackdown. Although U.S. President George H.W. Bush immediately imposed sanctions on the People's Republic of China (P.R.C.) and thus briefly succeeded in maintaining U.S. consensus over his China policy, it soon transpired that his views of the future of the Sino-American relationship were in clash with those of the U.S. public and particularly Congress. In his efforts to ensure continuation of U.S.-Chinese cooperation, paralyzed in the aftermath of Tiananmen, Bush resisted immense domestic pressure for stronger sanctions, which caused harm to his political standing.

This article covers U.S. China policy making in the period between the Tiananmen massacre and the end of 1990 since by December 1990 Bush had succeeded in restoring most of the facets of the Sino-American relationship to their pre-Tiananmen levels (the aforementioned pressure notwithstanding). Adopting the framework of two-level game theory I analyze President Bush's attempts to reconcile the contradictory international and domestic imperatives he faced in order to push through his preferred China policy. The aim of the analysis is to explain in a theoretically coherent manner what were the main international, domestic and personal factors involved in President Bush's China policy making.

Theoretical Framework – Two-Level Game Theory[1]

Two-level game theory was introduced by Robert D. Putnam in 1988 with the goal to provide "a conceptual framework for understanding how diplomacy and domestic politics interact".[2] What Putnam proposes is to conceive of the politics of many international negotiations as a two-level game, in which each chief of government (hereafter COG) is present at two separate and quite different negotiating tables. At the international one he faces his foreign counterparts, whereas at the domestic one he bargains with members of parliament, representatives of key interest groups, labor unions, his own political advisors and others. Therefore the theory sometimes describes the COG as a "two-faced" or "Janus-faced" executive involved in the bargaining process of "double-edged" diplomacy.

In its most simplified form, this bargaining process can be described as follows. Each side at an international negotiation is represented by its COG with no independent policy preferences, who seeks to achieve an agreement his domestic constituents will likely accept/ratify. For analytical convenience Putnam decomposes the process into two stages: *Level I* (bargaining between COGs, leading to a tentative agreement) and *Level II* (process of ratification of the agreement at the domestic level). *Ratification* is defined by Putnam as "any decision-process at Level II that is required to endorse or implement a Level I agreement, whether formally or informally."[3]

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[1] In this article I employ two-level game theory as it was presented in Robert Putnam. "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization*, 1988, pp. 427–460 and further developed in Peter B. Evans, Harold K. Jacobson, Robert D. Putnam, ed., *Double-Edged Diplomacy: International Bargaining and Domestic Politics*. Berkeley: University of California Press, 1993. See also Robert Pahre and Paul L. Papayoanou. "Using Game Theory to Link Domestic and International Politics." *Journal of Conflict Resolution*. Vol. 41, Issue 1 (Feb. 1997), William M. LeoGrande. "From Havana to Miami: U.S. Policy as a Two-Level Game." *Journal of Interamerican Studies & World Affairs*, Vol. 40, Issue 1 (Spring 1998), Krishna P. Jaykar. "The U.S.-China Copyright Dispute: A Two-Level Games Analysis." *Communication Law and Policy*, 2 (4), 1997, Leonard J. Schoppa, "Two-Level Games and Bargaining Outcomes: Why *Gaiatsu* Succeeds in Japan in Some Cases but not Other." *International Organization*, Vol. 47: 3, Summer 1993, Peter F. Trumbore, "Public Opinion as a Domestic Constraint in International Negotiations: "Two-Level Games in the Anglo-Irish Peace Process," *International Studies Quarterly*, 42: 545–565, 1998, and Helen V. Milner. *Interests, Institutions, and Information: Domestic Politics and International Relations*. Princeton, N.J.: Princeton University Press, 1997.

[2] Robert Putnam, op. cit., p. 430.

[3] Ibid., p. 436.

Each Level II constituency has what Putnam defines as the *win-set*, which is "the set of all possible Level I agreements that would [...] gain the necessary majority among the constituents."[4] Thus if Congress is the dominant domestic player, which is the case here, the win-set is the set of all potential agreements on a certain issue that Congress would approve or at least would not override. Alternatively, the win-set can be defined as the group of all possible international agreements that the domestic constituency considers better than the least acceptable agreement.

In the most simplified form presented above we assume that the COG has no independent policy preferences and acts as an "agent" of his domestic constituency, called *COG-as-agent*. In reality, however, most COGs have their own policy preferences, based on their domestic goals, personal proclivities, professional background, ideas about national interests and other factors. Then the COG has his own set of preferred agreements, called the *acceptability-set*. It includes all agreements that the COG regards as better than the least acceptable one.

With COGs whose acceptability-sets are not identical with their countries' win-sets, the whole bargaining process between two states might be portrayed as follows. Two COGs meet at a Level I negotiation to find an agreement on a certain issue. If their acceptability-sets concerning the given issue do not overlap, the negotiation ends without an agreement and the status quo prevails. If their acceptability-sets overlap the two COGs reach an agreement acceptable to both of them, nevertheless in order for the agreement to enter into effect it must be ratified by the two countries' Level II constituencies. If at least one of the Level II constituencies fails to ratify the agreement since it lies outside the given constituency's win-set, the status quo prevails, as in the above case of no-agreement at Level I.

The term negotiation is usually used broadly in two-level game theory. In addition to a summit meeting between chief executives or a meeting of the COGs' proxies, the negotiation can take the form of discussing and clarifying positions via letters, phone calls, or even mass media. In other words, any process, whether direct or indirect, which allows exchange of demands, agreement proposals or policy recommendations can count as a negotiation.

Regarding the process of domestic ratification, it can be either formal or informal. In the case of formal ratification, the constituency with

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[4] Ibid., p. 437.

ratification power (e.g. Parliament or the public through a referendum) can directly vote an international agreement up or down. In fact the U.S. Senate, for instance, can do even more than just ratify an agreement. Through binding legislature it might (a) rule our some international agreements or even (b) obligate the COG and the executive to pursue a policy that might not fall into the COG's acceptability-set.

In the case of informal ratification, the involved domestic players cannot directly override the COG's preferred policy, but must influence it indirectly: interest groups can bring about a shift in the COG's preferences or instigate pressure from the legislature; labor unions might use the threat of a strike to have their preferred policies passed; and the voters can shift their preferences to other candidates in the next presidential elections.

To better understand the COGs' position in two-level game negotiations, it is useful to distinguish between two basic types of international issues or conflicts. In the case of *homogeneous* or *boundary* issues, the basic disagreement among domestic constituents is not what kind of international outcome is desired, but how much of it the COG should exact from the opposing side (e.g. curbs on industrial pollution). In other words, constituents only vary in their evaluations of the cost of no-agreement. Those who perceive the costs of no-agreement as substantial are likely to content themselves with less favorable agreements than those constituents who attach lower value to the failure of the negotiation.

The other issue type is called *heterogeneous* or *factional* and is common when the negotiation involves multiple issues. In this case the COG faces domestic groups or factions which cannot agree on the type of the desired outcome (e.g. whether import taxes should be raised or reduced).[5]

In the cases involving boundary issues, which are relevant in this study,[6] we might distinguish between three types of COGs. The aforementioned *COG-as-agent* simply attempts to negotiate an international agreement that is most likely to win domestic ratification. Accordingly he has no

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[5] On the topic of homogeneous and heterogeneous issues see Putnam, op. cit., pp. 442–5.

[6] Although the Sino-American agenda in the period of 1989–90 involved more issues than just human rights, there was little conflict among various domestic groups as to what China should do for Chinese-American cooperation to continue; namely decrease human rights violations, grant more freedom to Chinese citizens, end jamming the VOA, curb its arms exports, etc. The disagreement was over how much China should do to deserve the benefits associated with cooperation.

acceptability-set or we might say that his acceptability-set copies his domestic win-set.

The second type, called *COG-as-dove,* is caught between his Level II constituency and the Level I opponent. In other words the position of the COG-as-dove on a given issue is closer to his international opponent than is the case with most of his domestic constituents (they take on the role of hawks).[7] In terms of no-agreement, the COG-as-dove perceives the cost of no-agreement as relatively high and hence is willing to accept less favorable agreements than his Level II constituency (which perceives the cost of no-agreement as comparatively low). Consequently the acceptability-set of the COG-as-dove is larger than his country's domestic win-set.

The third type, called *COG-as-hawk*, attaches lower value to no-agreement than most of his domestic constituents do and his positions are farther from his Level I opponent than is the case with his Level II constituency (which is now in the position of doves). Since the COG-as--hawk rejects some of the agreements the domestic constituency would ratify, his acceptability-set is smaller than the domestic win-set.

As will be analyzed below, during the whole period between June 1989 and December 1990 U.S. President Bush was in the position of *COG-as--dove*. Caught between his domestic constituency and the opposite number, the COG-as-dove faces two interrelated problems. First, his own acceptability--set does not overlap with his opponent's acceptability-set. Alternatively, even if overlap exists, agreements acceptable to the both COGs involved would not win domestic ratification. Second, agreements potentially acceptable to both the COG-as-dove and his domestic constituents are unacceptable to the opposing COG.

Consequently, the COG-as-dove pursues two basic goals. First, he attempts to expand his international opponent's acceptability-set. In other words, the COG tries to convince or force his opponent to accept an agreement this opponent previously considered unacceptable (outside his acceptability-set). In a situation when the opponent's domestic constituency blocks a certain agreement, the COG might also need to expand the opposite country's win-set. Second, the COG-as-dove needs to "synchronize" his domestic win-set with his own acceptability-set. With regard to the "synchronization" of the two aforementioned sets, the COG-

[7] In the whole study, hawks/doves are defined as constituents whose positions are farther from/closer to the opposing side than is the case with the other domestic constituents.

-as-dove can apply the following strategies that two-level game theory operates with.

First, he can shift his acceptability-set in the direction of the domestic win-set, i.e. adopt a more hawkish stance toward his international opponent. With this move the COG can save domestic consensus and retain or even increase his domestic popularity. On the other hand due to this "betrayal" of his real acceptability-set he has to abandon at least some of his preferred policies. Even more importantly, by adopting a hawkish stand toward his international opponent the COG, all else being equal, makes the international agreement less likely.

Second, he can target certain domestic constituencies with concessions or services not directly related to the given international agreement. This instrument, called *side-payments,* is generally most effective when directed at cohesive powerful groups or individuals, whose support may help the COG acquire the necessary ratification majority. A good example of side--payments would be funding public programs from federal money in U.S. states whose representatives in Congress might in exchange vote for a certain agreement the president wants to get passed.

Third, the COG can use his prestige and popularity with the domestic audience in order to expand the domestic win-set. This strategy is called *persuasion*. The COG might use it in two basic ways: (1) as a public educator (delivering speeches, giving interviews, writing articles etc.) or (2) to target powerful groups as in the case of side-payments (e.g. by inviting a group of wavering members of Parliament to explain them the motives underlying his policy or urge them to vote along party lines).

Fourth, the COG might attempt to change the rules of domestic ratification of international agreements. By doing this, the COG does not change the preferences of domestic actors, but curbs their ability to challenge the international agreements he prefers. In the case of Bush's China policy the option of changing congressional ratification procedures was, however, beyond the president's power.

As was said above, on the international level the COG-as-dove attempts to expand the opponent's acceptability-set and win-set. The aim is to make the international agreement feasible and its provisions more acceptable to the COG and particularly his domestic constituents.

One strategy serving this purpose is *reverberation,* which can be defined as a process in which actions by one country change the win-set in the opposite country. Reverberation can be a deliberate process such as

a carefully staged speech or interview aimed at making positive impact on a foreign audience, due to which the opposite country's win-set should expand. Or it can be an unintended result of a state's action such as the negative impact the Tiananmen massacre had in the United States. In this latter case the targeted win-set shrinks.[8]

Another strategy COGs use to enlarge both the acceptability-set and the win-set of the opposite country is raising the cost of *no-agreement*. In the simplified case described above, if the acceptability-sets of COGs did not overlap or if at least one of the countries failed to ratify the tentative Level I agreement, no-agreement in the form of return to the status quo prevailed. In relation to the status quo/no-agreement both the win-set and acceptability-set can be defined as sets of agreements/policies that the given constituency or COG consider better or not worse than the status quo. This definition implies that if no-agreement leads to a worsening situation (in comparison with the previous status quo), all else being equal, the acceptability-set and win-set should expand, as more agreements now seem better than the new status quo. One instrument which the COG can apply to raise the cost of "no-agreement" and which is relevant here is sanctions or a threat of sanctions.

In some cases, however, sanctions can cause the opposite effect than they were designed to bring about, particularly if the country threatened by the sanctions can reach an alternative agreement with another country. Some U.S. sanctions against the P.R.C. did not expand the Chinese win-set, i.e. China's hard-liners did not become more willing to make concessions to Washington. U.S. pressure led to Chinese attempts to redirect Beijing's overall trade and foreign policy orientation away from the United States to other countries. In other words, the sanctions created negative reverberation whose effect on China's win-set was stronger than the effect of raising the cost of no-agreement.

Thus far both reverberation and raising the cost of no-agreement referred to an action by a single COG. Yet in some situations COGs might discover that by joint action they can both end up better in terms of their desired results. In two-level game theory such cooperation is called *COG collusion*. The most likely setting for COG collusion is two doves facing hawkish domestic players, in which case both of them need to expand their

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[8] Any reverberation whose result is the expansion/shrinking of the opposing country's win-set is called positive/negative reverberation.

domestic win-sets. To accomplish this, they negotiate a package of reciprocal steps targeted at their domestic constituencies. In addition to steps aimed at creating positive reverberation it is likely to include side--payments to key groups in the opposite country.

Washington and Beijing, 1989–1990[9]

Since Nixon's opening to China in 1972 up to the late 1980s, the basic force behind Chinese-American cooperation had been the two countries' shared opposition of the Soviet Union. Maintaining the Sino-American strategic relationship required the U.S. to assign lower importance to issues such as human rights. Although many Americans did not feel fully comfortable with this *realpolitik* approach, the Soviet Union's expansionism provided sound justification for strategic cooperation between Washington and Beijing. With the advent of Gorbachev in 1985 the anti-Soviet rationale started slowly to decline, nevertheless this trend was partly offset by the perception that the P.R.C. was only a "so-called communist country"[10] on the path toward market economy and eventually more pluralistic society. In short, before the Tiananmen massacre of 1989 U.S. public opinion, mass media and Congress, including Democrats, generally supported the executive branch in promoting broader and deeper ties with China.

In terms of two-level game theory, the combination of (a) Sino-American strategic cooperation vis-à-vis the Soviet Union and (b) restrained public criticism of some less favorable aspects of the Chinese regime (e.g. human rights violations, Tibet, China's abortions program) fell into both the U.S. win-set and Reagan's and Bush's acceptability-sets, causing no fundamental clashes over U.S. China policy at Level II. On the Chinese side, Deng Xiaoping had exclusive control over China's American policy. In Deng's case, too, cooperation along the above described lines fell into his

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[9] For more details on Sino-American relations in 1989–90 see the following sources: David M. Lampton. *Same Bed, Different Dreams: Managing U.S.-China Relations, 1989–2000*. Berkeley: University of California Press, 2001, James Mann. *About Face: A History of America's Curious Relationship With China From Nixon to Clinton*. New York: Alfred Knopf: Distributed by Random House, 1999, and Harry Harding. *A Fragile Relationship: the United States and China since 1972*. Washington, D.C.: Brookings Institution, 1992.

[10] The strongly anti-Communist President Ronald Reagan referred to "...this so-called Communist China" on his way back from the P.R.C. in 1984. See James Mann, op. cit., pp. 146–7.

acceptability-set and his policy toward Washington did not face any serious domestic challenges.

Upon replacing Ronald Reagan in the White House in January 1989, George Bush was determined to pursue his predecessor's China policy, which, as mentioned above, enjoyed domestic consensus. In the spring of 1989, Bush believed that the main challenge to Sino-American relations was posed by improving Sino-Soviet ties, leading to Gorbachev's groundbreaking May visit to Beijing. The real challenge to the relationship, however, emerged in early June 1989 from inside the P.R.C. itself.

Since mid-April 1989 Beijing witnessed massive student demonstrations, which were later in the spring joined by workers and Beijing citizens of various walks of live. Usually described as a movement for democracy, the main driving force behind the loose coalition of various student and workers groups was dissatisfaction with corruption, economic crime, inflation and inequality of opportunity.[11] During the initial stages of the protests the Chinese leadership was split over how to best respond, with conservative voices gradually prevailing. On May 20 Premier Li Peng signed the order imposing martial law in several Beijing districts and on the night of June 3–4 units of the People's Liberation Army violently suppressed the whole movement. Reports on casualties vary greatly, with best available estimates at between 1,000 and 2,600 deaths (including at least 36 students).[12]

Due to instantaneous TV broadcast from Tiananmen Square and the surrounding areas Americans saw much of the violence at the very time it was happening. Virtually overnight the previous positive image of China was in shambles. While in February 1989 a full 72 percent of polled Americans held a favorable or very favorable opinion about China, by August the same figure shrank to a mere 34 percent.[13]

From the viewpoint of two-level game theory, the crackdown created strong negative reverberation in the United States and made the U.S. domestic win-set shrink. For most American citizens and particularly Congressmen, the previous U.S.-Chinese deal "let not disagreements over domestic issues such as human rights complicate our strategic cooperation"

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[11] For details on the protest movement see e.g. Richard Madsen. *China and the American Dream: A Moral Inquiry*. Berkeley: University of California Press, 1995.

[12] See Richard Baum. *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. Princeton, N.J.: Princeton University Press, 1994, p. 276.

[13] See David M. Lampton, op. cit., Table 6.

was no more acceptable. The following are the three main factors to account for this dramatic shift in the U.S. win-set.

First, during the nearly two months of the Beijing protests, the U.S. press tended to give voice to the most radical elements among the Chinese students demonstrating in Tiananmen Square. Whereas most of the demonstrators protested against corruption and economic crime,[14] some student factions expressed far bolder demands. As a result, most Americans came to the conclusion that it was a massive movement for western-type democracy, one that deserved their strongest possible moral support. The fact that the Chinese leadership long seemed to be unwilling to suppress the protests by force (which was due to the split within the Politburo) further increased expectations about the result of the protests. Given these expectations the brutal action by the Chinese army came as a huge shock.[15]

Second, by the summer of 1989 the Soviet Union had lost much of its formidability. Gorbachev's "new thinking" in foreign policy illustrated by shrewd public relations gestures such as the announcement of unilateral withdrawal of 1,000 tanks from Eastern Europe in December 1988[16] or the early 1989 end of Moscow's military involvement in Afghanistan had given rise to much hope the Cold War might be ending soon.[17] Ironically, the same weekend that the PLA crashed the protest movement in Beijing the first nearly free parliamentary elections took place in Poland, a member country of the Soviet bloc.

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[14] According to an opinion poll conducted among Chinese students and cited by Richard Baum, the leading cause of antigovernment protests during the Beijing spring was "popular resentment over the rising incidence of economic crime, corruption, and inequality of opportunity." See Richard Baum, op. cit., p. 317.

[15] The negative reverberation Tiananmen had in the United States was enhanced by the amount of attention the U.S. media paid to the Beijing events. According to NBC news anchor Tom Brokaw not since the explosion of the space shuttle Challenger had a story "so penetrated the American consciousness." Cited in Richard Madsen. *China and the American Dream: A Moral Inquiry*. Berkeley: University of California Press, 1995, p. 2.

[16] In a speech at the United Nations in December 1988 Gorbachev announced the USSR would withdraw 1,000 tanks from Europe and realign Soviet forces in Europe from an offensive to a defensive configuration. For more background see e.g. Peter G. Boyle. *American-Soviet Relations: From the Russian Revolution to the Fall of Communism.* London; New York: Routledge, 1993. Chapter 15.

[17] In early May, 1989, four leading U.S. foreign policy figures outside of government – Zbigniew Brzezinski, Robert McNamara, Henry Kissinger and editor of Foreign Affairs William Hyland – concluded that an end to the Cold War era was approaching. See Don Oberdorfer. *From the Cold War to a New Era: The United States and the Soviet Union, 1983–1991.* Baltimore, Md: Johns Hopkins University Press, 1998, p. 346.

In short, the two main factors by which the Sino-American cooperation had been previously justified by most Americans were now gone. Whereas the Soviet Union was less and less perceived as the "evil empire",[18] Deng Xiaoping transformed from a progressive reformer and *Time* magazine's two-time "Man of the Year" into one of the "butchers of Beijing".

In addition, Tiananmen had ended the period of bipartisan consensus over U.S. China policy. From this moment on, the Democrats in Congress would have a strong issue on which they could challenge the Republican president.[19]

In the wake of Tiananmen Bush's acceptability-set concerning Sino-American cooperation shrank too, but to a lesser degree than the U.S. win-set. The shift in his acceptability-set was due to two factors: (a) personally, Bush seems to have been appalled by the images of Beijing violence to the same extent most Americans were and (b) he and his aides felt that a clear signal had to be sent to Moscow that this kind of solution to domestic unrest Washington would not tolerate. Whereas these two factors called for adopting critical stance toward the Chinese leadership, there were other influences preventing Bush from shifting his acceptability-set toward a hawkish stance.

First, in contrast to his predecessor Reagan President Bush was a cautious politician without the ability to push ahead or embrace radical visions. Another important trait was Bush's respect of established leaders and the status quo. These influences were reflected in Bush's criticism of Reagan's approach to Gorbachev, which Bush considered irresponsible.[20] In his evaluation the Soviet threat had not disappeared by summer 1989, which required continuation of Sino-American strategic cooperation.

Second, Bush composed his foreign policy team of like-minded individuals, mostly Bush's close friends and former colleagues (Brent Scowcroft, James Baker, Secretary of Defense Richard Cheney or Ambassador to China James Lilley). As a result, the work of the team was

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[18] An opinion poll conducted in 1989 before Tiananmen found 62 percent of Americans having favorable attitude toward the USSR. A Gallup poll cited in Taifa Yu. "Sino-U.S. Relations During the Post-Tiananmen Era: Domestic Politics, Systemic Change, And Value Incompatibility," *Asian Affairs* (New York), 19 (Winter 1993), Table 1.

[19] In fact the previous bi-partisan consensus over China policy transformed into bi-partisan opposition of Bush's policies toward Beijing, with many Republicans in Congress voting alongside their Democratic opponents.

[20] For more details see e.g. Don Oberdorfer, op. cit., particularly pp. 327–29.

not hindered by frictions as had been the case with many previous administrations; on the other hand it somewhat isolated Bush from alternative and more challenging views. Moreover the only member of the team more inclined to let U.S. China policy reflect public opinion and Congressional moods – James Baker – switched his focus to issues other than China as early as late June 1989.

Third, the three people most involved in U.S. China policy – Bush, Scowcroft and Baker's Deputy Lawrence Eagleburger – had all been strongly influenced by Henry Kissinger and his strategic thinking (Scowcroft and Eagleburger having been his subordinates). To make this influence even stronger, Kissinger as well as Richard Nixon exerted direct influence on Bush, offering advice[21] and making unofficial trips to China, which were, however, coordinated with the White House. While Nixon's and Kissinger's views of post-Tiananmen China and cooperation with Beijing ran contrary to public opinion and had little impact on Congress, Bush valued their advice, all the more as it was identical.[22] Having been the founders of modern Sino-American relations, it was hardly surprising that Nixon's and Kissinger's basic message to Bush was to save the relationship.

Last but not least, evidence suggests that Bush valued his personal relationship with Deng to an extent that it verged on obsession.[23] Imposing sanctions on the regime Deng headed not only collided with Bush's strategic vision of continued cooperation, but also went against his grain for personal reasons.

The above discussion shows that while Tiananmen caused shifts in both Bush's acceptability-set and the U.S. domestic win-set, Bush's acceptability-set shrank only little. Consequently, the policy toward China preferred by

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[21] E.g. Bush discussed the situation in China with Nixon as early as June 5. See George Bush and Brent Scowcroft, op. cit., p. 98.

[22] Bush writes that it "was reassuring that Nixon and Kissinger had returned from their separate trips to China with the same analysis of the situation." George Bush and Brent Scowcroft, op. cit., p. 158.

[23] In his two personal letters to Deng, Bush used at least nine times words "friend, friends and friendship" in the sense of friendship between him and Deng (see George Bush. *All the Best, George Bush: My Life in Letters and Other Writings*. New York, NY: Scribner, 1999, p. 428–435). Most likely it was in reaction to this excessive use of these words that Deng replied to Bush (via Scowcroft) that he also wanted to continue their friendship, yet that the problems in Sino-American relations could not "be solved by two persons from the perspective of being friends." (See George Bush and Brent Scowcroft, op. cit., pp. 106–7).

Bush was now outside the domestic win-set. Bush and his aides immediately realized that this was a problem which needed to be addressed. Otherwise, in the words of Representative Stephen Solarz, "the Congress will do it for him [for Bush]".[24]

In response, President Bush made two decisions. First, he tried to telephone Deng Xiaoping in order to discuss the new situation, yet his phone call was rebuffed. Second, he decided to "negotiate" with the Chinese leadership indirectly via sanctions. On Monday, June 5, Bush announced his first batch of sanctions against the P.R.C. These included a warning against American travel to China, the suspension of military sales to Beijing and the postponement of all high-level military exchanges.[25] Realizing that Chinese students and scholars visiting U.S. universities might face problems upon returning home Bush also announced that those who wished to prolong their stays could expect a sympathetic review of their requests.

By imposing the first batch of sanctions against the P.R.C. as soon as June 5, Bush shortly managed to save the national consensus over his China policy. These sanctions represented a tactical misrepresentation of Bush's acceptability-set in the direction of the hawkish domestic constituency. In other words, public and Congressional pressure induced Bush to impose stronger sanctions than he would have adopted based only on his own preferences.[26]

This strategy was most likely designed to work as follows: first, Bush hoped the sanctions and the overall international pressure would increase the price for China to pay for its no-agreement with the United States and the West. Consequently, Beijing would moderate its domestic suppression, or at least end it soon. This positive development would create positive reverberation in the United States and expand the domestic win-set. As a result Bush could withdraw at least some of the sanctions and resume cooperation with Beijing.

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[24] Cited in Harry Harding, op. cit., p. 230.

[25] See e.g. Harry Harding, op. cit., p. 225.

[26] The fact that the sanctions represented at least partial misrepresentation of Bush's acceptability-set was confirmed e.g. by Richard Solomon, Baker's assistant secretary of state for East Asian and Pacific Affairs. According to Solomon, Bush and "Baker [...] said we've got to impose some sanctions, because if we don't do it Congress will make things even worse." See Nancy Bernkopf Tucker, ed., *China Confidential* (New York: Columbia University Press, 2001), p. 446.

Second, the shrunk U.S. win-set was likely to gradually expand itself – in time the salience of many issues tends to decrease as the public grows tired of the topic and refocuses on new issues. By imposing the first series of sanctions Bush hoped to retain initiative and gain some time for the win-set to expand.

Unfortunately for Bush, from the viewpoint of the Chinese leaders far more was at stake than Sino-American relations, given the fact the Beijing protests had threatened the CCP's rule over Chinese society. In the days and weeks after June 4, the suppression of anti-government forces throughout China continued with unabated vigor. Even worse, in the second half of June first show trials of Tiananmen protesters were staged, with some convicts receiving death sentences.[27] The footage of these trials, intended as a preventive warning to China's citizens, was rebroadcast in the United States. With these images the initial negative reverberation in America further deepened and accordingly the U.S. win-set grew even smaller/more hawkish.

Recognizing domestic pressure to react to this development, on June 20 Secretary of State James Baker announced further sanctions during his pre-scheduled appearance before the Senate Foreign Relations Committee. First, he made public the administration's earlier decision to propose freeze on all international lending to the P.R.C. Second, the politically attuned Baker said he was proposing to the White House a ban on all government-level exchanges between the two countries. As at least two observers suggest this decision was Baker's own and caught Bush off guard, in any case the White House approved the ban on high-level exchanges the same evening.[28]

Unable to contact Deng directly or at least via his ambassador to China James Lilley, Bush decided he needed to seize the initiative and send an envoy to Beijing. Via a long personal letter to Deng, the president obtained the patriarch's consent with a trip by Bush's envoy, for which were chosen Scowcroft and Baker's deputy Lawrence Eagleburger. Given the self-imposed ban on high-level visits, the trip was planned and carried out in utmost secrecy.

On July 2, Scowcroft and Eagleburger met with China's leaders including Deng and tried to make the following main points: (1) while China's internal

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[27] According to Richard Baum, op. cit., p. 292, China carried out at least 35 executions.
[28] James Mann, p. 205 and David M. Lampton, p. 303 and note 73 on p. 441.

affair, the Tiananmen massacre and the consequent suppressions created huge negative reverberation in the U.S. translating into pressure on Bush to impose even stronger sanctions on China than he did, (2) the U.S. president took no joy in imposing sanctions on China and (3) despite the sanctions he had a "deep personal desire" in seeing the Sino-American relationship continue.[29] In Baker's words, Scowcroft and Eagleburger found China's leaders "as inscrutable as ever"[30] and accordingly the secret negotiation did not yield any tangible results. Obviously the most important tasks for Deng at that time were restoring domestic stability and consolidating leadership unity. With many conservative cadres claiming the Tiananmen demonstrations were due to Deng's reforms and opening to the United States, Deng could not afford to make any concessions to Washington. Consequently, there could be no overlap between Bush's acceptability-set, however dovish it was, and Deng's acceptability-set.

An interesting feature of the Scowcroft and Eagleburger trip was its secrecy, which enabled Bush to kill two birds with one stone: (a) by imposing several sanctions on the Beijing regime Bush pretended for the domestic audience that he understood the necessity to punish Beijing leaders for the Tiananmen massacre and its aftermath; (b) at the same time by secretly violating some of these sanctions Bush conveyed the message to Deng that the sanctions were to a great extent due to domestic pressure. In addition, this violation of his own sanctions showed to Deng Bush's deep interest in keeping the Sino-American relationship alive.

Shortly after the Scowcroft and Eagleburger trip, during the annual economic summit of the G-7 group in Paris, the leading industrialized countries – including the United States – announced that World Bank loans to China were being postponed. Japan also announced freezing a further $ 5.6 billion of its loans to Beijing.[31] Additional sanctions against Beijing were also introduced in the U.S. Congress, pushed by a newly emerged anti-China coalition of liberals and conservatives from both parties. In June and July Congress codified the president's June 5 sanctions and added to them. This amendment to a foreign aid bill was passed by convincing votes

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[29] See e.g. the State Department's document called "Themes", prepared before Scowcroft's and Eagleburger's first secret trip to China. http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB16/documents/34-01.htm.

[30] James A. Baker, III with Thomas M. DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989–1992.* New York: G. P. Putnam's Sons, 1995, p. 109.

[31] See James Mann, p. 197–8.

of 418–0 (House) and 81–10 (Senate).[32] In July the so-called Pelosi bill, which offered stronger protection to Chinese students in the United States than Bush had proposed, was introduced in Congress.[33]

Summed up, shortly after the Tiananmen massacre Bush faced two major obstacles in his China policy. First, the U.S. and international sanctions obviously hit the P.R.C. and thus increased the cost of no-agreement for the Chinese government. Nevertheless in the eyes of Beijing leaders the costs generated by the sanctions were smaller than the price they would have to pay if they failed to restore stability and party authority in China. In addition, the U.S. sanctions created negative reverberation as they changed the preferences of many CCP politburo members. From their viewpoint the sanctions confirmed that Washington had never abandoned the plan to bring about the end of communism in China. This stance translated into a hawkish domestic win-set, with conservatives in the CCP politburo blocking any potential steps aimed at accommodating Washington. Consequently in the aftermath of Tiananmen no conciliatory gestures came from Deng that would make plausible Bush's point that continued cooperation with Beijing was possible and desirable. If Deng had expressed regret over the deaths of Beijing protesters or suggested martial law and other post-Tiananmen measures might be moderated in the foreseeable future, Bush would have been better able to argue that Tiananmen was only a temporary obstacle to Sino-American cooperation, not a one completely alternating the overall justification for the relationship.

Second, at home Bush faced several hawkish constituencies. The U.S. public considered Tiananmen and its aftermath deplorable and supported sanctions against Beijing. Yet Bush was willing to go against public mood to pursue his preferred China policy.[34] With no presidential elections within

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[32] See e.g. George Bush and Brent Scowcroft. *A World Transformed.* New York: Knopf; Distributed by Random House, 1998, p. 108. For the whole list of provisions added to Bush's initial sanctions see Robert Sutter. "China and the U.S. Congress: Policy Determinants and Constraints", pp. 45–46, in William T. Tow, ed., *Building Sino-American Relations: An Analysis for the 1990s.* New York: Paragon House, 1991.

[33] Many of the Chinese students in the United States had supported the Beijing demonstrations, which could bring them problems upon their return to China. Hence after Tiananmen both Bush and various Congressmen proposed measures allowing the Chinese students to prolong their U.S. visas. Unlike the proposals in Congress, Bush's initial protection to the students was rather vague, as the president understood that Beijing was irritated by these efforts to keep the students from returning home.

[34] While in 1990 Bush's handling of foreign affairs enjoyed the support of 68 percent of Americans, the respective number for his China policy was only 45 percent, which testifies

the next three years, the public had virtually no direct leverage over Bush's China policy.[35] The other actors with intense interest in influencing the course of U.S. China policy were various interest groups, most importantly Chinese students in the United States and groups focused on promoting human rights. Particularly the Chinese students became skillful lobbyists on Capitol Hill, enjoying substantial influence on many Congressmen and Senators. In the end, it was only the U.S. Congress that could attempt to directly participate on U.S. China policy making. As a result, the U.S. win-set was in reality nearly exclusively composed of policies acceptable to the Congress, the only domestic constituency with formal ratification power over U.S. China policy. And as the above described steps evidence (e.g. the foreign aid bill amendment and the Pelosi bill), Congress was anxious to participate on U.S. China policy making via imposing stronger sanctions on the P.R.C. than the president did. Since these sanctions were outside Bush's acceptability-set, he fought against them. In other words, he tried to expand the domestic win-set so as to reach at least some level of synchronization of his acceptability-set and the U.S. win-set.

To this end, theory suggests that persuasion and side-payments can be applied. As to persuasion, after Tiananmen Bush faced certain pressure to deliver a comprehensive speech on U.S. China policy which would explicate why he attached so much importance to the continuation of Sino-American cooperation. In the end Bush's domestic advisors prevailed in dissuading him from making such a speech;[36] from the current perspective it seems very unlikely that such an effort at broadening the U.S. win-set would have had a chance to succeed. An isolated and inconsequential post-Tiananmen attempt at influencing the domestic win-set had the form of a "leak" to the *Washington Post* of the Bush administration's comprehensive discussion of Sino-American strategic cooperation, which was supposed to stress China's importance to overall American foreign policy.[37]

Side-payments are generally most effective when targeted at a small cohesive group comprised of undecided or wavering individuals. As Bush

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to Bush's willingness to pursue an unpopular China policy. A Harris poll cited in Taifa Yu, op. cit.

[35] In addition, during the latter half of 1989 the public was gradually becoming less hostile toward cooperation with Beijing – see discussion below in the text.

[36] Bush delivered his first comprehensive speech on China only in May 1991. See Lampton, p. 27.

[37] Harry Harding, p. 227.

faced a Congress nearly unanimously voting against him, the instrument of side-payments was useless.

Regarding China, the post-Tiananmen sanctions might have raised the cost of no-agreement, yet, as was said above, did not lead to a single sign of Deng's willingness to moderate the post-Tiananmen repression. In this situation, Bush decided to replace sanctions by concessions and gradually started to dilute some of the effects of his own sanctions. Already in July the president waived the military-related sanctions and permitted the sale of four Boeing aircraft to China. In October he allowed Chinese military officers to return to U.S. facilities where they cooperated with U.S. engineers on upgrading China's F-8 fighter.[38] Most importantly, in late November Bush announced his veto of the aforementioned Pelosi bill. Since the bill had been passed by veto-proof margins (403-0 in the House and by a unanimous voice vote in the Senate), the president announced he granted the students the same protection via an executive order. While this step did not make the provision look better in Deng's eyes, it helped Bush retain maximum control over the Sino-American agenda.

Despite the above-mentioned conciliatory gestures, during the rest of the summer and early fall 1989 there still emerged not a single sign of regret over Tiananmen or concession from the P.R.C. or Deng himself. This fact made Bush's task of defending before the U.S. Congress his conciliatory gestures toward China extremely difficult. Evidence suggests that via various channels Deng understood Bush's difficulties. The explanation why not a single tangible concession emerged from Deng lies in the P.R.C. itself. Deng's domestic as well as foreign policies were under severe attack from the conservatives and Deng's foremost task was defending his overall economic reform against these powerful critics. The sanctions had a strong negative effect on China's economy, yet due to the negative reverberation caused by international pressure and criticism, most Beijing leaders were against making any concessions demanded by Washington. To at least partially offset the negative impact of the sanctions, Beijing increased political and trade contacts with other socialist countries.[39] Nevertheless

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[38] See e.g. Robert G. Sutter, *U.S. Policy Toward China: An Introduction to the Role of Interest Groups.* Lanham, Md.: Rowman & Littlefield Publishers, 1998, p. 30.

[39] Between July and November 1989, China concluded many trade and cooperation agreement with Eastern European countries. See e.g. John Garver. "Chinese Foreign Policy: The Diplomacy of Damage Control". *Current History,* Vol. 90, No. 557 (September 1991).

these efforts generally failed with the fall 1989 outbreak of revolutions and regime changes within the Soviet bloc. This failure partly accounts for the first signs of Deng's willingness to engage in negotiations with the Bush administration, brought from the P.R.C. by the former U.S. President Richard Nixon and the former Secretary of State Henry Kissinger.

In late October/early November 1989 these two architects of U.S. opening to China in the early 1970s made two separate trips to Beijing. These visits, coordinated with the White House, represented attempts at positive reverberation. Nixon and Kissinger took advantage of being highly respected by many Chinese leaders and persuaded Deng that he should engage in negotiations with the Bush administration on the outstanding issues blocking the two countries' relations. Deng agreed that Scowcroft and Eagleburger make a second trip to Beijing.

During this trip, taking place in December 1989, Scowcroft believed Deng and his supporters were ready for COG collusion and in fact indirectly proposed such a scenario in his opening toast. Scowcroft's words – "in both our societies, there are voices of those who seek to redirect or frustrate our cooperation... We must both take bold measures to redirect these negative forces..."[40] – implied that Bush and Deng were in the same position of COGs-as-doves facing domestic hawks. It is exactly this setting that is conducive to COG collusion. According to Scowcroft, the two sides did agree on such collusion or a "road map", consisting of mutual concessions and reciprocal gestures. In the language of two-level game theory, Bush's proxies and Deng found an overlap between Deng's and Bush's acceptability--sets, allowing renewed cooperation. The agreed mutual gestures and concessions were aimed to ensure that this agreement on renewed cooperation be acceptable to both sides' domestic constituencies. Beijing's moderation of its post-Tiananmen suppression was supposed to mollify the U.S. Congress, while Bush's steps would enable Deng justify the planned concessions.

The immediate domestic impact of Scowcroft's and Eagleburger's second trip to the P.R.C. was, however, devastating. Unlike during the first secret trip, this time TV cameras were present in Beijing and what they transmitted were images of Scowcroft clinking glasses with the "butchers of Beijing", despite the ban on high-level exchanges. Second, the trip took

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[40] Cited in James Mann, op. cit., p. 221.

place only weeks after the fall of the Berlin Wall and the Czechoslovak Velvet Revolution, which made it appear even more inappropriate and unjustified. Last but not least, the main justification for the trip – the aforementioned agreement on COG collusion – could not be revealed. Making things even worse, shortly afterward the news about Scowcroft's first secret mission to Beijing leaked to the press.

Strong domestic criticism notwithstanding, Bush started implementing the agreed "road map". In December he approved export licenses for three U.S. communication satellites to be launched in China and waived a congressional ban on Export-Import Bank loans to U.S. firms doing business in China. Most importantly, in late January 1990 Bush sustained his November veto of the Pelosi Bill. It was before the crucial Senate vote on the Pelosi bill veto that Bush had successfully employed the strategy of persuasion. Via extremely intensive lobbying, which culminated in Bush's breakfast with Republican senators in the White House, the president persuaded thirty-seven Senators not to vote in favor of overriding his veto.

In response to these conciliatory steps taken by Bush, on January 10, 1990, the Chinese side announced it was lifting martial law in Beijing. China also accredited a VOA correspondent and accepted the Peace Corps. Yet after these concessions, the process was "grinding to a halt".[41] According to Scowcroft, in the wake of the December 25, 1989, execution of Romanian Dictator Ceausescu and his wife many Chinese leaders came to the conclusion it was dangerous to loosen their grip on Chinese society. As a result, the agreed COG collusion was put on hold.

Confronted with inadequate concessions on the Chinese side, in February President Bush began to speak about his disappointment with China's lack of progress. To add weight to his words, the president let it be known that he might not grant another waiver to the Jackson-Vanik amendment which would result in China's loss of its Most Favored Nation (MFN) status.

Via this announcement, Bush misrepresented his acceptability-set once again. The message that he might not renew China's MFN status suggested Bush's acceptability-set had shifted toward the U.S. domestic win-set, which served two purposes. First, it accommodated the hawkish U.S. Congress whose pressure Bush had opposed for nearly one year. Second, it

[41] George Bush and Brent Scowcroft, op. cit., p. 178.

created pressure on the Chinese leadership through his suggestion that the continuation of no-agreement could cost Beijing dear.

It was most likely this threat that helped persuade the Chinese leadership that the price for lack of cooperation with the Bush administration could be extremely high – one analysis estimated that the loss of MFN status could cost China around $ 6 billion.[42] Hence in spring Beijing released 211 dissidents and lifted martial law in Tibet. President Bush believed that these accommodating steps clearly signaled that the December COG collusion plan was back on tracks. Therefore in late May the president announced his decision to renew China's MFN status for another year.

Yet the Chinese leaders faced a far more daunting task of gaining at least some support for MFN continuation in the U.S. Congress, which had the ability to override Bush's MFN renewal. Hence, in late June it was announced that Chinese physicist Fang Lizhi and his family were granted safe departure from the country. Considered the most prominent domestic critic of the P.R.C. leadership, Fang and his wife had taken refuge at the U.S. embassy in Beijing immediately after Tiananmen. With their emigration from China one of the most vexing post-Tiananmen issues between Washington and Beijing disappeared.

Second, in June Beijing released another batch of dissidents and announced it would purchase $ 2 billion worth of Boeing jetliners.[43] In an attempt to gain support among senators from farmer states, China also bought 400,000 metric tons of U.S. wheat.[44] All these measures were aimed at creating positive reverberation in the United States, which would translate into more Congressional votes in favor of MFN continuation.

Despite these efforts, in October the House of Representatives passed by very large majorities two bills concerning China's MFN status. The first proposed revocation of the status, the second called for attaching strong conditions China was supposed to meet. This hawkish stance of Congress could give the impression that the general mood in America in 1990 was still very hostile toward the combination of Sino-American cooperation and limited criticism of China's violations of human rights. In fact an opinion poll taken in January 1990 among U.S. citizens showed that the group of

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[42] An estimate made by the U.S.-China Business Council. Cited in Harry Harding, p. 260.
[43] Harry Harding. pp. 264–5.
[44] James Mann, p. 232.

respondents assigning higher priority to criticizing China's human rights record than maintaining good relations with Peking was smaller than the group of those who favored relations over human rights criticism (42 percent and 46 percent respectively).[45] Thus Congress' hawkish mood did not reflect public opinion as much as it was the result of three factors: (a) the fact that in the period following Tiananmen the U.S. business community exerted little pressure on Congress on behalf of continuing China's MFN, (b) the strong influence and lobbying power the Chinese students and human rights interest groups had in Congress, and (c) China was an issue the Democrats in Congress could use against Bush so effectively that few Republicans were willing to come to Bush's defense.

When in fall 1990 the U.S. Senate decided not to deal with the MFN legislature Bush's renewal of China's MFN status remained unchallenged. The Senate's failure to consider the issue meant that for the time being the domestic ratification process simply disappeared.[46]

During the whole period between Bush's spring MFN renewal and the Senate's failure to consider the issue the president continued accommodating Beijing. In early summer 1990, the United States and the G-7 group announced relaxation of the ban on international loans to the P.R.C. Following a July trip to the United States by Shanghai Mayor Zhu Rongji,[47] Bush himself met with the former and current Chinese ambassadors to the United States. Via these meetings the Bush administration continued to terminate its own prohibition of high-level U.S.-Chinese exchanges.

However the biggest boost for the Bush-Deng COG collusion emerged with the Iraqi occupation of Kuwait in August 1990. Saddam Hussein's aggression influenced the U.S. domestic win-set on China in two ways. First, with the focus on Persian Gulf the salience of the China issue diminished. Consequently, Bush's controversial steps such as his meetings with Chinese officials received less attention than it would have been the case if China had been in the spotlight. Second, the United States favored conducting the operations against Iraq under the auspices of the United Nations. As a result, the value of Beijing's cooperation in the UN Security Council immediately increased.

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[45] Harry Harding, p. 243.

[46] The main reason why Senate leader Mitchell declined to call the issue to the Senate floor was that at that time Mitchell and the Senate were preoccupied with budget negotiations. For more details see e.g. James Mann, op. cit., p. 233.

[47] Zhu, a subsequent premier of the P.R.C., met with Scowcroft, Eagleburger and other officials.

Regarding Chinese leaders, they had three basic motivations to actively support UN sanctions against Baghdad. First, the goal of pushing Iraqi forces back from Kuwait did not run contrary to China's interest.[48] Second, active involvement in the work of the Security Council helped China end its international isolation. Third, by working closely with the United States in the Security Council Beijing deepened its ties with Washington and gained a bargaining chip for negotiations with President Bush. Accordingly China voted for eleven UN resolutions against Iraq, including Resolution 661 imposing mandatory economic sanctions.

A different situation arose when China was asked to vote in favor of Resolution 678, approving the use of force against Iraq. While evidence suggests that China was unlikely to become the only Security Council member to vote against the resolution, China's leaders decided to misrepresent their acceptability-set and ask for a side-payment – a White House audience for Chinese Foreign Minister Qian Qichen. Beijing sensed that the combination of China's vote for the use of force against Iraq and Bush's concession in the form of meeting with Qian fell into Bush's acceptability-set.

In the end Beijing decided to get the maximum benefit out of the situation. It only abstained on the crucial vote, which was in China's eyes the preferred move to actively supporting an international military operation against a sovereign state. In the case of Beijing's abstention, Chinese Foreign Minister Qian Qichen was supposed to meet only with Secretary Baker and not Bush. In the end Bush confirmed the correctness of China's estimate and the president's White House meeting with Qian took place.

Having secured China's cooperation on an issue as crucial to Washington as Iraq, Bush could at least partially justify his policy of rejuvenating Sino-American ties. Given the Senate's failure to deal with the MFN legislature and with the Bush-Qian meeting taking place in Washington it can be argued that by late 1990 Bush had generally succeeded in shaping U.S. China policy according to his own acceptability-set. As Robert S. Ross put it, "[b]y December 1990, Washington had for all

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[48] June Dreyer: "Military Relations: Sanctions or Rapprochement?" pp. 212–213. In William T. Tow, ed., *Building Sino-American Relations: An Analysis for the 1990s*. New York: Paragon House, 1991.

intents and purposes restored diplomatic relations with the PRC to the pre-Beijing crackdown level."[49]

Conclusions

As the discussion of Bush's policies toward Beijing shows, the obvious cause for Bush's problems with promoting his desired China policy was the large gap between the U.S. and Chinese domestic win-sets. The more surprising finding is that despite this disadvantageous setting and the power of the U.S. Congress President Bush eventually managed to shape his China policy in accordance with his acceptability-set. The analysis above aimed to show the following points.

First, one factor explaining Deng's lack of cooperation with Washington after Tiananmen was the failure of U.S. and international sanctions against Beijing. In two-level game theory, international sanctions are aimed at increasing the cost of no-agreement. As a result, the win-set of the country hit by the sanctions expands, as previously unacceptable agreements are now perceived as better than the new status quo. As Washington's post-Tiananmen policy toward Beijing shows, this logic does not apply if the sanctions create negative reverberation, whose effects are stronger than the impact of the sanctions on the cost of no-agreement. The U.S. sanctions after Tiananmen further shifted the preferences of many CCP politburo members who adopted a strongly anti-American stance, in other words China's win-set shrank. Consequently Deng knew he could not afford to be seen as yielding to U.S. pressure. The domestic price he would have, most likely, had to pay if he had tried to accommodate the United States would have far exceeded the potential benefit stemming from cooperation with Washington. The second consequence of the international sanctions was reorientation of China's foreign and trade policies toward Eastern European socialist countries. It was exactly in late fall 1989, when the shift to Eastern Europe proved pointless, that Deng agreed to engage in negotiations with Washington.

The implication of these findings for our understanding of sanctions in two-level game theory is as follows: in order for sanctions to be effective in

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[49] Robert S. Ross. "The Bush Administration and China: The Development of a Post-Cold War China Policy," p. 24. In William T. Tow, ed., op. cit.

expanding the opposite country's win-set, two conditions should be met. First, the sanctions should not create negative reverberation by changing the preferences of the main constituents in the opposing country. The stronger the negative reverberation is, the lesser impact of the sanctions on the win-set should be expected.[50] Second, the effect of raising the cost of no-agreement via sanctions tends to be limited if the country hit by the sanctions can offset the sanctions' impact by reaching agreements with other countries. Logically, if both of the above factors are present (i.e. negative reverberation and other countries with which agreement can be reached), the likelihood that the sanctions will succeed becomes still lower.

The second reason for Deng's unresponsiveness to Bush's sanctions and conciliatory steps alike was that in late spring 1989 Deng's own acceptability-set became very close to China's hawkish domestic win-set. Deng understood that the crackdown on Chinese society, which he considered necessary for his regime to survive, was unacceptable in Washington. In other words Deng knew that however dovish Bush might have been there could be no overlap between his and Bush's acceptability-sets. Accordingly Deng decided after Tiananmen not to negotiate with Washington and wait. It was only after Deng's acceptability-set had expanded in late 1989 that he became willing to agree on COG collusion with Bush's proxies. The juxtaposition of developments between and after the December 1989 negotiations in Beijing suggests that COG collusion between two COGs-as-doves can be a very powerful instrument. With Deng willing to reciprocate Bush's gestures and conciliatory steps, the two sides gradually managed to overcome domestic obstacles on the way to revived cooperation.

Third, international and domestic context unrelated to Sino-American relations played an important role. The principal goal of the above-mentioned COG collusion was to expand the respective domestic win-sets and to this end Bush and China's leaders employed several strategies. Yet two of the most important events influencing the U.S. win-set were the Iraqi aggression against Kuwait and the inability of the Senate to consider

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[50] This conclusion is implicitly included in John Odell's analysis of the overt threats in international economic bargaining. See John S. Odell. "International Threats and Internal Politics: Brazil, the European Community, and the United States, 1985 – 1987." In: Peter B. Evans, Harold K. Jacobson, Robert D. Putnam, op. cit. In his study, however, Odell does not directly specify the relationship between a threat's impact on the cost of no-agreement and negative reverberation the threat might create.

the anti-MFN legislature already passed by a veto-proof margin in the House of Representatives. Without these two events the process of reviving the Sino-American relationship would have been far more arduous.

Fourth, the case of Bush's post-Tiananmen China policy shows one possible mode of domestic ratification of international policies. Regarding public opinion, Bush was willing to promote China policies enjoying little public approval, which was due to several factors. First, the next presidential elections were relatively remote. As a result, the power of public pressure on Bush was somewhat limited. Second, Bush strongly believed in the correctness of his vision of U.S. China policy, which translated into his willingness to invest political capital into the struggle for this vision. Last but not least, since the initial post-Tiananmen shock the public's support for cooperation with Beijing was gradually increasing, which restrained the negative impact of Bush's China policies on his popularity. On the other hand, the U.S. Congress was nearly unanimously hostile to Bush's vision of cooperation with China, which was partly due to the influence of various human rights groups and Chinese students on Capitol Hill and the relative inactivity of business community. In addition, many in Congress felt that given Bush's unwillingness to shape his China policy according to domestic preferences Congress should directly participate on U.S. China policy making. As a result Bush's struggle with Capitol Hill took dominance over his attempts to make his policies more palatable to the general public, i.e. in this case Congress was the exclusive domestic player ratifying Bush's policies toward Beijing.

Finally, in terms of two-level game theory the most interesting feature of Bush's policies toward Beijing was his use of clandestine diplomacy. By keeping the first Scowcroft and Eagleburger trip secret, Bush managed to present two acceptability-sets to two different audiences. Acknowledging the trip would face strong domestic criticism, at home Bush pretended his acceptability-set was close to the U.S. win-set. Consequently Bush agreed to put into effect the ban on high-level Sino-American exchanges. By violating his own ban, the president showed to Deng and other Beijing leaders his real acceptability-set, i.e. his desire to continue Sino-American cooperation, the Tiananmen massacre notwithstanding. In terms of immediate results, the use of secret diplomacy was clearly unsuccessful, as the first secret trip failed to elicit any positive change in Beijing's policies. In longer term it seems plausible that the trip played an important role in Deng's late 1989 decision to enter into negotiations with Bush's proxies.

Namely, by taking the risk of sending secretly two envoys to Beijing Bush convincingly proved to Deng he was more dovish than his public statements and official policies suggested. Consequently, in fall 1989 Deng came to the conclusion that an overlap between his and Bush's acceptability-sets existed and COG collusion was possible. On the other hand, the domestic criticism following the disclosure of the secret trip highlights the risks that clandestine diplomacy poses. Hence, the practical implication of this case is that clandestine diplomacy should remain publicly undisclosed as long as it fails to produce results soundly justifying its application. Without a good prospect for success, it should not be attempted at all.

In sum, U.S. post-Tiananmen China policy suggests that even when a huge gap between two countries' win-sets exists cooperation is still possible. It requires patience and strong determination on the side of the COGs involved and their willingness to agree on and ability to carry out COG collusion. With these factors in place the U.S. president can succeed in neutralizing domestic opposition, even if it is constituted by a player as strong as the U.S. Congress.

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THE EMIGRATION OF SUDETEN GERMAN SOCIAL DEMOCRATS TO CANADA IN 1939

FRANCIS D. RAŠKA
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The surrender of the border territories of Czechoslovakia after the Munich Agreement further worsened the refugee situation in Europe. More than 150,000 people fled the occupied territories and sought refuge in the Czech interior.[1] Among the refugees were many Sudeten Germans, who had opposed the policies of Konrad Henlein and his Sudeten German Party, and also many Jews. The "new" Czecho-Slovak state could not accept and productively settle these people on account of economic realities. Initial assistance was provided by Czech volunteer organizations such as the Czecho-Slovak Red Cross, České srdce, Charita, and Sokol. Czecho-Slovak Government assistance to refugees was organized through the Committee for Refugee Assistance and through the Institute for Refugee Welfare.[2] Essential to their activities was help from charitable organizations abroad. Among them, the most important was the Lord Mayor of London Fund for Czech Refugees founded by London Mayor, Sir Harry Twyford.[3] It was obvious that the only permanent solution was to arrange for the emigration of endangered persons to other countries. The history of

[1] Radvanovský, Z., K otázce uprchlíků z pohraničí českých zemí po Mnichově, in Historie okupovaného pohraničí, Ústí nad Labem 1998, pp. 5–32; Raška, F. D., Uprchlické tábory v Čechách a na Moravě po mnichovském diktátu, Soudobé dějiny 4/2001, pp. 732–745.
[2] Ibid., pp. 737–738.
[3] Public Record Office (PRO) F.O. 371, 24087, W11591/977/48 Final report of the Lord Mayor's Czech Refugee Fund, July 1939.

emigration from Czecho-Slovakia has been studied in greatest detail by Peter Heumos.[4] Recently, a meticulous account of British help for Czecho-Slovak refugees was published by Hana Velecká.[5]

Sudeten German Social Democrats formed a special group of refugees from Czecho-Slovakia. Their emigration was organized by the Committee for German Social Democratic Refugees, which was led by parliament members, Wenzel Jaksch and Siegfried Taub.[6] In order to illustrate the complexity of issues facing the Sudeten German refugees, we focus here on the emigration of a group of Sudeten German Social Democrats to Canada in the spring and summer months of 1939. This study is based on original documents from the British Public Record Office (London), the National Archives of Canada (Ottawa), the Central State Archive (Státní ústřední archiv, Prague), and the Imperial War Museum (London).

Jaksch correctly evaluated that possibilities for members of his Party in what remained of Czecho-Slovakia were bleak. He utilized his connections with the British Labour Party to organize help in Britain. He met with the various representatives of the British Government already in October 1938 and inquired about possibilities for Sudeten Germans to emigrate to the British Dominions.[7] Jaksch visited Malcolm Macdonald, a high official of the Dominions Office, and described the sad plight of his fellow Sudeten German Social Democrats in Czecho-Slovakia. Jaksch's memorandum, "The Problem of the Non-Nazi Germans in Czecho-Slovakia", pointed out the dependence of the new Czecho-Slovak state on the future "good will" of Nazi Germany and also the strong anti-German sentiment among the Czech population. In Jaksch's eyes, there was no economic future for the Sudeten Germans in Czecho-Slovakia. The Dominions Office immediately requested assistance from the High Commissioner of the Dominions.[8] The

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[4] Heumos, P., Die Emigration aus der Tschechoslowakei nach Westeuropa und dem Nahen Osten, Munich, 1989.

[5] Velecká, H., Britská pomoc uprchlíkům z Československa od okupace do vypuknutí války v roce 1939, Soudobé dějiny 4/2001, issue 4, pp. 659–681.

[6] Černý, B., Německá sociálně demokratická dělnická strana v ČSR a emigrace 1938/39. Český časopis historický 9/1997, issue 3–4, pp. 655–678.

[7] PRO, D.O. 35/718M 582/3. The Problem of the Non-Nazi Germans in Czechoslovakia (Memorandum by Herr Jaksch), October 1938.

[8] Ibid., D.O. 35/718 M 582/3. Informal discussion at D.O. between MacDonald, Duke of Devonshire and the High Commissioners, 5 October 1938;
Ibid., DO. 718/6 M 582/5 Note of Herr Jaksch's interview with the Duke of Devonshire, 6 October 1938.

initial response was not encouraging because refugees, predominantly Jews, from Germany and Austria, had exhausted the immigration quotas. In order to assure the safety of those refugees in greatest danger, the British made 350 visas available to Jaksch and Taub.[9] The visas were originally only for the political activists themselves, and not for their families. The French promised 700 visas, but authorizations were very slow in coming. Pressure had been building in Britain to help Sudeten German refugees by making Government funds available for their resettlement.[10] In order to resolve the refugee problem, Treasury official and member of the Runciman mission, Robert J. Stopford, was appointed liaison to the British Legation in Prague.[11] Stopford played a key role in organizing the resettlement of Sudeten Germans.

In the meantime, the Dominions Office received notice of some interest from Canada, raising the possibility of settlement of some "agriculturists and glass workers."[12]

The Canadian Government had empowered Canadian railroad companies to facilitate immigration to new settlement territories in the west of the country. The railroads sent representatives to Prague to explore the situation among Sudeten refugees.[13] Their mission, however, proved unsuccessful.

The situation in the Czecho-Slovakia got a new sense of urgency when a new "*Option Agreement for Non-Jewish German Refugees*" was adopted in November 1938. This agreement prevented most of the Sudeten Germans from taking refuge in Czecho-Slovakia because it based the right to Czecho-Slovak citizenship on domicile prior to 1910.[14] The Sudeten German Social Democrats opened the office of the London Representative of the Sudeten German Refugees led by Willi Wanka.[15] Figure 1 is a photocopy of the original power of attorney document given to Wanka by parliamentary

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[9] Ibid., D.O. 718/6 M 582/5 Note of Herr Jaksch's interview with the Duke of Devonshire, 6 October 1938.
[10] Ibid., M582/24, F.O. C 13136/11896/12 Layton's letter to Halifax, 28 October 1938.
[11] Ibid., M582/37, C 13088/2320/12 Treasury letter of offer to Stopford, 31 October 1938.
[12] Ibid., Price's report on the possibility of settlement in the Dominions, 1 November 1938.
[13] Ibid., M582/59, Stopford's letter to Waley, 8 November 1938.
[14] PRO, D.O. 35/719/2 Devonshire's letter to High Commissioners, 30 November 1938; Cable No.1, 056 from Stopford to Waley.
[15] National Archives of Canada, MG30, C232, File 26 (Papers of Willi Wanka), Power of Attorney for Willi Wanka, 27 November 1938; Certificate of the Ministry of Social Welfare, 23 November 1938.

deputies Jaksch and Taub. Figure 2 represents a photocopy of the original certificate from the Czecho-Slovak Ministry of Social Welfare in four languages confirming Wanka's legitimacy. Wanka was a functionary of the Sudeten German Social Democratic Party, initially at district offices in České Budějovice and Plzeň. Later, he worked at the Central Secretariat in Prague, where he closely collaborated with Jaksch. Wanka was fluent in English, worked extremely hard, and selflessly organized the emigration of his comrades to Canada. At the same time, another Party representative, Franz Rehwald, an economic expert and editor, was sent to Canada to negotiate Sudeten German emigration with Canadian officials. Jaksch and Wanka worked out the details of financial needs for resettlement to the British Dominions based on existing regulations.[16] They visited the Dominions Office again in December 1938 and presented the High Commissioner of the Dominions with lists of potential settlers. [17]

In order to further his agenda in London, Jaksch exaggerated the conditions among Sudeten German refugees in Czecho-Slovakia. Articles started to appear in British newspapers, which described the situation in refugee camps as one of semi-starvation caused by neglect on the part of local authorities.[18] The article also criticized the lack of heating facilities. A few days later, a similar article appeared in the Manchester Guardian, which criticized conditions in two specific camps without directly identifying them.[19] These reports provoked sharp discussions at the advisory committee of the Lord Mayor's Fund in Prague. The representatives of the Czechoslovak Red Cross inspected the main camp in question. The report submitted by the commander of the Czechoslovak Mobile Epidemic Unit, Captain Karel Raška, M.D., to the army command, dated 29 December 1938, indicates that Jaksch had somewhat exaggerated the problems in Světlá nad Sázavou and that those problems mentioned in the newspaper articles, including heat, had already been rectified.[20] Reports by Stopford to the British Home

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[16] Ibid., Wenzel Jaksch and Willi Wanka "Need for a Speedy Settlement of the Financial Problem of the Emigration of Sudeten Refugees".

[17] PRO, D.O. 35/719/2, M582/74 Devonshire to Massey, 12 December 1938; FO C 15119/11896/12. Makins to Stopford, 8 December 1938; Stopford to Waley, 5 December 1938; Waley to Makins, 10 December 1938.

[18] The Daily Telegraph and Morning Post, "Aiding Czechs to Emigrate", 14 December 1938.

[19] Raška, F. D., Uprchlické tábory, p. 741.

[20] Papers of Prof. MUDr. Karel Raška, DrSc. (1909–1987), File 158.201/zdrav. 1938, Report to army command, 29 December 1938.

Office stated that he had personally visited a number of camps where no complaints had been made regarding food and the former shortage of washing accommodations had either been made good or the necessary arrangements had been undertaken.[21] Inspections of camps throughout Bohemia and Moravia by Dr. Raška and Mr. Sams of the Lord Mayor's Fund revealed that conditions in camps with German inhabitants were far better than in those containing Czechs.[22]

In December, negotiations were initiated concerning a British loan to Czecho-Slovakia.[23] Four million pounds of the loan were to be made a free gift to be used directly for refugee resettlement. Dr. Pospíšil of the Ministry of Finance represented the Czecho-Slovak side at the negotiations. The British required guarantees regarding the German refugees, Dr. Pospíšil could not provide without consultations in Prague.[24] An agreement on the loan was finally reached and signed in January 1939 and the size of the loan was significantly increased. It was to be administered by the Anglo-Czech and Živnostenská Banks.[25]

Rehwald's activities in Canada, supported by efforts of the Dominions Office in London, brought results. On 15 December 1938, Rehwald was in a position to cable the following to Wanka:[26]

"LOOKS VERY ENCOURAGING HERE FOR SATISFACTORY SOLUTION FOR OUR GROUP PROVIDING FINANCIAL DIFFICULTIES CAN BE SOLVED. STOP. PLEASE URGE IN LONDON THAT FIVE HUNDRED THOUSAND POUNDS SHOULD BE MADE AVAILABLE – REHWALD."

A photocopy of the original cable received by Wanka at the Harewood Hotel in London is included in Figure 3. Wanka informed the relevant

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[21] PRO, D.O. 35/719/2, M582/79, "Refugee Situation in Czechoslovakia by R. J. Stopford, 7 December 1938.

[22] Raška, F. D., p. 741; Papers of Prof. MUDr. Karel Raška, DrSc., Report of the Mobile Epidemic Unit of the Ministry of Public Health and Physical Education, Prague, 12 December 1938.

[23] PRO, D.O. 35/719/2, M582/79, Czecho-Slovakia – Financial Assistance.

[24] Ibid., M582/78 Draft of the letter to be written by Czecho-Slovakia (Dr. Pospíšil; Financial Assistance) Schedules CCCXC-B/ (11.), 17 December 1938; Stopford's minute in meeting with Dr. Kalfus, 8 December 1938; ibid. M582/83, Leith-Ross's minute, 17 December 1938.

[25] PRO, D.O. 35/719/3 M582/107, Price's report on the meeting on Canada Scheme, 18 January 1939; ibid., Price's report, 28 January 1939.

[26] National Archives of Canada, 7G30, C232, File 26 (Papers of Willi Wanka) Rehwalds cablegram, 15 December 1938; Wanka's letters to Gilles, Culpin, Stopford, Layton, Greenfell and Miss Layton, 15 December 1938; Stopford to Wanka, 16 December 1938.

parties in London and the Duke of Devonshire convened a meeting including both representatives of Canada and Stopford, where it was established that Canada might consider the Sudeten German refugees as a group and admit them collectively.[27] The amount needed per family was set at £ 200 pounds. Just before Christmas, a new telegram came from Rehwald:[28]

YOUR CABLE TWENTY THIRD INSTANT RECEIVED STOP FROM ALL I CAN LEARN AM CONVINCED TWO HUNDRED POUND PER FAMILY IS NOT SUFFICIENT TO ESTABLISH GROUP HERE WITH REASONABLE CHANCE SUCCESS AND STRONGLY URGE YOU INSIST AMOUNT INCREASED TO THREE HUNDRED POUNDS PER FAMILY PLUS STEAMSHIP AND RAIL FARES STOP THE FACT OUR FAMILIES ARE MOSTLY INEXPERIENCED MAKES IT MORE EXPENSIVE TO ESTABLISH THEM ON FARMS THAN FULLY EXPERIENCED FARM FAMILIES AND THE LENGTH OF TIME DURING WHICH THEY WILL REQUIRE HELP BEFORE THEY BECOME SELF SUSTAINING WILL BE LONGER STOP DURING THE DISCUSSIONS AT OTTAWA GOVERNMENT OFFICIALS MADE IT VERY CLEAR THAT THREE HUNDRED POUNDS PER FAMILY PLUS FARES WAS THE ABSOLUTE MINIMUM WITH WHICH OUR FAMILIES COULD BE ESTABLISHED – REHWALD

A photocopy of this cable is shown in Figure 4.

The British officials felt that it might be too late to demand an increase in support from the Czecho-Slovak Government.

In January 1939, the last cable came from Rehwald:[29]

IMMIGRATION MINISTER HAS TODAY APPROVED ACCEPTANCE OUR PHYSICALLY FIT FAMILIES WHO ARE SUITABLE FOR LAND SETTLEMENT WHETHER THEY ARE EXPERIENCED OR NOT BUT THIS CONDITIONAL ON HAVING CAPITAL AVERAGING FIFTEEN HUNDRED DOLLARS PER FAMILY IN ADDITION TO TRANSPORTATION STOP ALL CANADIAN AUTHORITIES EXPERIENCED IN LAND SETTLEMENT ARE AGREED THAT CAPITAL STATED IS ESSENTIAL BECAUSE THOSE INEXPERIENCED WILL HAVE TO BE SETTLED

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[27] PRO, D.O. 35/719/2 M582/85, Minutes of the meeting with the High Commissioners, 19 December 1938.

[28] National Archives of Canada, MG30, C232, File 26 (Papers of Willi Wanka) Rehwald's cablegrams to Wanka, 22 and 24 December 1938.

[29] Ibid., Rehwald's cablegram, 16 January 1939.

UNDER SPECIAL CONDITIONS INVOLVING TRAINING SUPERVISION ERECTION OF FARM BUILDINGS AND INITIAL LAND CLEARING A PROGRAMME THAT WILL CALL FOR AT LEAST TWO YEARS OR MORE CAREFUL OVERSIGHT STOP SINGLE MEN AND WOMEN MAY BE ATTACHED TO AND INCLUDED WITH FAMILY UNITS STOP HAVE ALSO COMPLETED UNDERSTANDING ABOUT TRANSFER SPECIAL INDUSTRIES ON WHICH I WILL REPORT TO YOU ON ARRIVAL LONDON STOP ABSOLUTELY ESSENTIAL THAT ALL PUBLICITY BE AVOIDED STOP CANADIAN GOVERNMENT ADVISING MISTER MASSEY STOP SUGGEST YOU GIVE MESSRS MASSEY AND LITTLE COPIES THIS CABLE STOP EXPECT SAIL TWENTY FIRST – REHWALD.

Figure 5 represents a copy of this cable.

The request regarding publicity reflected some inquiries about German settlement in Canada by the opposition in the Canadian House of Commons. Meetings with the representative of the Czecho-Slovak Institute for Refugee Welfare, Dr. Lev Zavřel, were organized at the Treasury with the Canadian High Commissioner's Deputy, Pearson, and Canadian Immigration Commissioner, W. Little. Zavřel reported that £ 250 pounds were available per family when 2,000 families were expected to emigrate to Canada. Raising the landing fees to £ 300 pounds per family would exceed the dedicated sum of a half million pounds. The only option left was to increase the size of the families by "attaching single persons" to them.[30]

In the negotiations that ensued, new problems arose. It was revealed that the Sudeten German immigrants were to be settled in the Peace River district of British Columbia. Mr. Greenfell, M.P. of the British Committee for Refugees from Czecho-Slovakia, who knew Canada well, doubted the suitability of the region. Mr. Franz Rehwald was also lukewarm, and pointed out that, under these conditions, the number of settler families would likely be lower, perhaps 100 in Britain and 700 in Czecho-Slovakia. [31]

A handwritten note by C.R. Price of the Dominions Office, which accompanied the official report was also doubtful as to the location of the settlement, but he concluded that ".... beggars can't be choosers..."

The Canadians continued to increase their demands. The funds available were to be withdrawn from the individual settlers and deposited to a central

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[30] PRO, D.O. 55/719/3 M582/107 Price's report, 28 January 1939.
[31] Ibid., Price's minute, 10 February 1939.

fund. An immediate advance of funds was needed or a complete breakdown of the planned action was probable...[32]

The final plans called for starting the resettlement in Canada on 15 April 1939 and 1 May 1939, respectively, by bringing 50 families to Canada. Half of them were to settle in the Peace River district of British Columbia under the auspices of the Canadian Pacific Railroad Company. The other half was headed to St. Walburg in Saskatchewan under the direction of the Canadian National Railroad.[33] The details of the planned settlement are described in the document "German Czech Group."[34] The sum needed for initial arrangements was $ 150,000, the transfer of which was ordered on 2 March 1939.[35]

In collaboration with the Prague office led by Rehwald, Wanka frantically worked on the administrative prerequisites required by the Canadian authorities, including validation of travel documents.[36]

Their plans were interrupted by Hitler's march into Prague on 15 March 1939. The British, however, remained optimistic[37] and assured the Canadians that the planned funds would be forthcoming, so that the "Canadian scheme" could proceed.[38] Wanka then had to organize the transfer of refugees' personal funds to the British Committee for Refugees.[39]

The first transport of Sudeten German settlers left Southampton aboard the S.S. Montcalm on 8 April 1939. Eighty-seven people were headed to Peace River, and eighty-four for St. Walburg, Saskatchewan. The

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[32] Ibid., Price's minute, 13 February 1939; telegram No. 54 from External Ottawa to Dominion Canada, 10 February 1939.

[33] Ibid., cable to Immigration branch, 13 February 1939; copy (undated) of cable from Trend (Treasury) to Stopford (Prague); Imperial War Museum (London), Stopford collection 3/9 telegrams at Prague legation (38–39). Log of the telegrams received by Stopford dates this cable to 16 February 1939.

[34] National Archives of Canada, MG30, C232, File 27 (Papers of Willi Wanka) M582/107 German Czech Group, 17 February 1939.

[35] PRO, D.O. 35/720/1 M582/129 Emigration Finance, 6 March 1939; Státní ústřední archiv (Prague) Fond MPSP-R (repatriace), Box 158 #347, K. Šlapák – report on the activities of the so called Stopford Action, 21. 3. 1944.
PRO, T 160/1324/F135 77/05/6 Treasury to Stopford, 16 March 1939.

[36] National Archives of Canada, MG30, C232, File 27 (Papers of Willi Wanka) Little to Wanka, 3 March 1939.

[37] PRO, D.O. 35/720/11 M582/139 Price to Trend, 30 March 1939.

[38] Ibid., M582/157 Pearson to Home Office, 17 April 1939; Maxwell (HO) to Canada House, 20 April 1939.

[39] National Archives of Canada MG30, C232, File 27 (Papers of Willi Wanka); ibid., Playfair (Treasury), 30 March 1939, to Wanka, 31 March 1939.

transports, which followed were leaving at approximately biweekly intervals. Willi Wanka informed the Sudeten Germans about the progress of the Canadian emigration in his circular.[40] The last sailing took place on 28 July 1939 on the Duchess of York. Wanka was on board along with his family destined for Tupper Creek in the Peace River district.

At this time, support for refugees from Czechoslovakia received new sponsorship: The Czech Refugee Trust Fund was created,[41] which played an important role in maintaining Czechoslovak refugees in Great Britain.

The first phase of the settlement of the Sudeten Germans in Canada was complete. Three hundred and two families and seventy-two single persons were brought to Canada. Although the size of the group of settlers was much smaller than originally anticipated, it represents an important milestone in the history of Czechoslovak emigration. The resettlement to Canada was made possible by the tireless and dedicated efforts of the Sudeten German Social Democratic leader, Wenzel Jaksch, who used all his strengths and connections to assure safe conduct for his followers. His very diligent associates, Willi Wanka and Franz Rehwald, assisted him. Wanka's selfless work on behalf of the Sudeten German refugees won not only appreciation and thanks from the émigrés, but also the admiration and respect of many British politicians, officials, and philanthropists. Figure 6 shows the letter of appreciation written by those included in the first transport to Canada. Lastly, the activities of various British Government officials, specifically at the Foreign Office, the Dominions Office, and the Treasury have to be acknowledged. Whether they acted due to their feeling of British responsibility for Munich, or due to the pressure of public sympathies for Czechoslovak refugees, these officials did all they could to facilitate this process.

Moving people from one of the most developed parts of Central Europe to the Canadian wilderness requires no comment. What the settlers found upon their arrival must have shocked them. At Tupper Creek, there was a shack of a "railroad station" and eight unfurnished log cabins lacking floors and roofs... At St. Walburg, there were some abandoned, decrepit farms... The settlers were not treated by the Canadian railroads with kid gloves. It is a testament to the industry and will of these people that they

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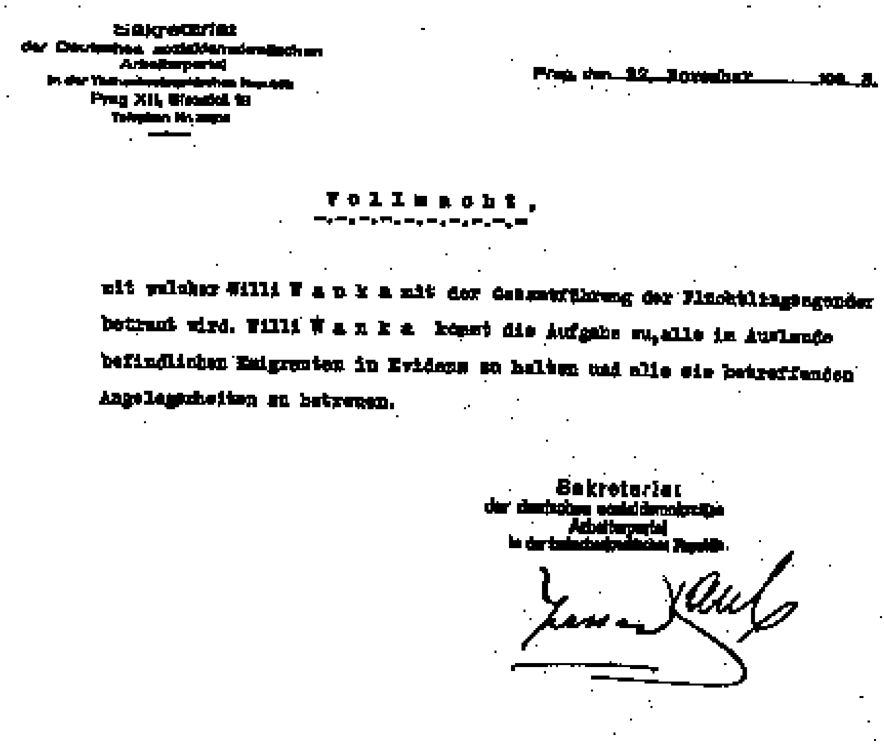
[40] Ibid., Vorlaüfiger Bericht über die Durchführung der Kanada-Aktion, 17 June 1939.
[41] PRO, D.O., 35/720/1 M582/164 Czech Refugee Trust Fund and Directions to the Trustees, July 1939.

overcame the initial difficulties and ultimately prospered. Wartime life in the settlements was very austere. The details are described vividly in *Tomslake*, a memoir by settler, Andrew Amstätter.[42] Forty-six of the men enlisted in the Canadian armed forces and fought in the war. After the war, the settlers became the nucleus of Sudeten ethnic activities in Canada. Although the Canadian group formed the largest of the Sudeten German Social Democratic exile groups (after Britain), it never played a major role in West German politics after the war and its influence in Sudeten German expellee organizations was marginal. A memorial plaque at the Tupper Creek settlement, unveiled during celebrations marking the Canadian centennial in 1967, reads:

...And while the world was bent upon wholesale destruction in the years following the Munich Agreement, the people from the Sudetenland, with steadfast determination and hard work, built farmsteads here where they could rear their children as free people in a free country...

[42] Amstätter, A., *Tomslake: History of the Sudeten Germans in Canada*, Seattle, 1978.



Sekretariat
der Deutschen sozialdemokratischen
Arbeiterpartei
in der Tschechoslowakischen Republik
Prag XII, Slezská 13
Telephon Nr. ...

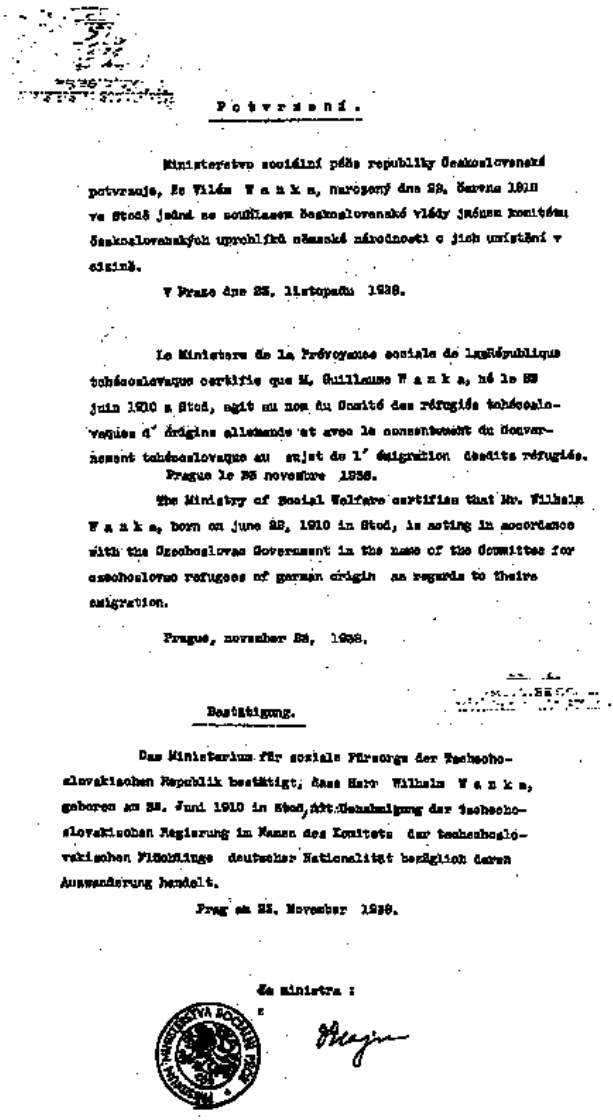
Prag, den 22. November 193 8.

V o l l m a c h t ,

mit welcher Willi W a n k a mit der Gesamtführung der Flüchtlingsagenden betraut wird. Willi W a n k a kommt die Aufgabe zu, alle im Auslande befindlichen Emigranten in Evidenz zu halten und alle sie betreffenden Angelegenheiten zu betreuen.

Sekretariat
der deutschen sozialdemokratischen
Arbeiterpartei
in der tschechoslowakischen Republik.

Figure 1: *Photocopy of W. Wanka's original "Power of Attorney" letter by W. Jaksch and S. Taub (National Archives of Canada).*



Potvrzení.

Ministerstvo sociální péče republiky Československé potvrzuje, že Vilém W a n k a, narozený dne 28. června 1910 ve Stodě jedná se souhlasem Československé vlády jménem komitétu československých uprchlíků německé národnosti o jich umístění v cizině.

V Praze dne 28. listopadu 1938.

Le Ministere de la Prévoyance sociale de la République tchécoslovaque certifie que M. Guillaume W a n k a, né le 28 juin 1910 a Stod, agit au nom du Comité des réfugiés tchécoslovaques d' érigine allemande et avec le consentement du Gouvernement tchécoslovaque au sujet de l' émigration dedits réfugiés.

Prague le 28 novembre 1938.

The Ministry of Social Welfare certifies that Mr. Wilhelm W a n k a, born on june 28, 1910 in Stod, is acting in accordance with the Czechoslovak Government in the name of the Committee for czechoslovak refugees of german origin as regards to theire emigration.

Prague, november 28, 1938.

Bestätigung.

Das Ministerium für soziale Fürsorge der Tschechoslovakischen Republik bestätigt, dass Herr Wilhelm W a n k a, geboren am 28. Juni 1910 in Stod, mit Genehmigung der tschechoslovakischen Regierung im Namen des Komitets der tschechoslovakischen Flüchtlinge deutscher Nationalität bezüglich deren Auswanderung handelt.

Prag am 28. November 1938.

Za ministra :

Figure 2: *Photocopy of original certificate issued by the Ministry of Social Welfare (National Archives of Canada).*

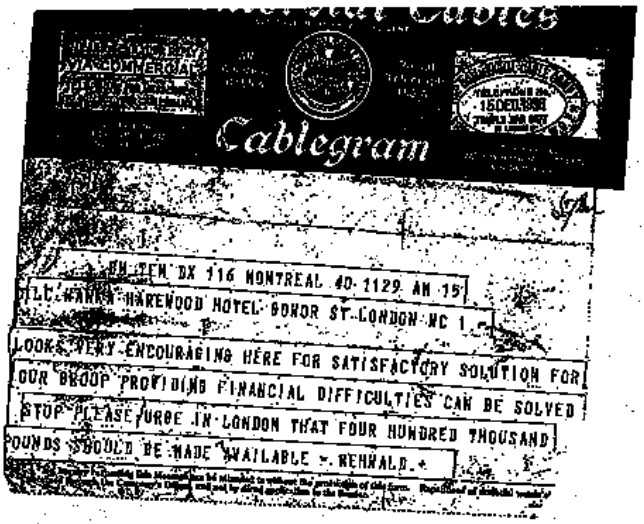
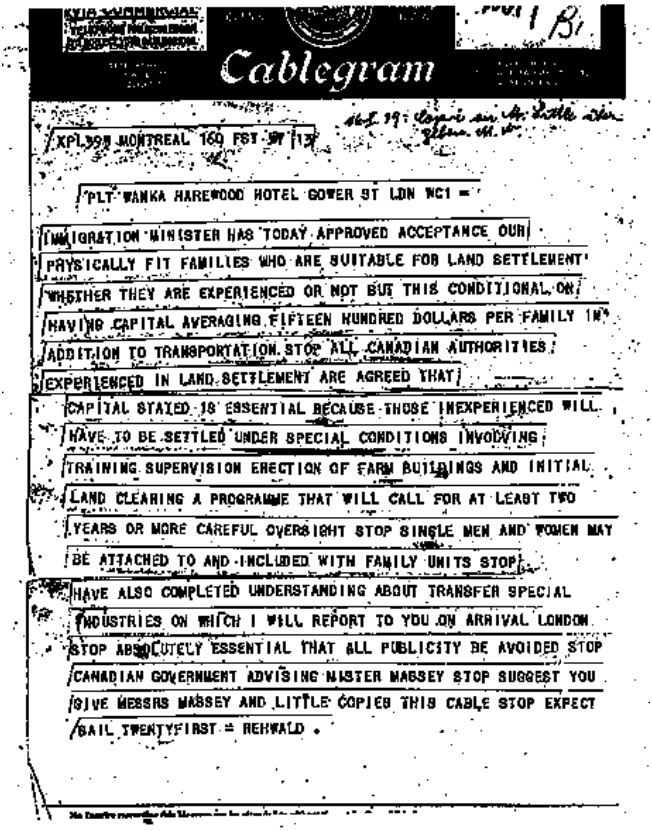


Figure 3: *Photocopy of original telegram of F. Rehwald to W. Wanka dated 15 December 1938 (National Archives of Canada).*



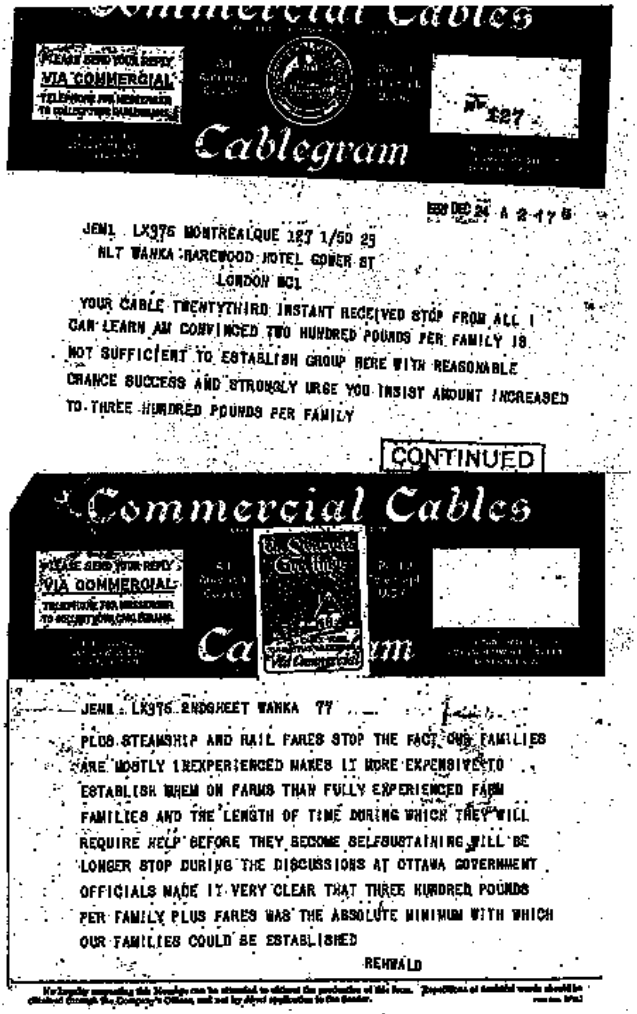
Cablegram

XPL39M MONTREAL 160 PST DEC 19

PLT WANKA HAREWOOD HOTEL GOWER ST LDN WC1 =

IMMIGRATION MINISTER HAS TODAY APPROVED ACCEPTANCE OUR PHYSICALLY FIT FAMILIES WHO ARE SUITABLE FOR LAND SETTLEMENT WHETHER THEY ARE EXPERIENCED OR NOT BUT THIS CONDITIONAL ON HAVING CAPITAL AVERAGING FIFTEEN HUNDRED DOLLARS PER FAMILY IN ADDITION TO TRANSPORTATION STOP ALL CANADIAN AUTHORITIES EXPERIENCED IN LAND SETTLEMENT ARE AGREED THAT CAPITAL STATED IS ESSENTIAL BECAUSE THOSE INEXPERIENCED WILL HAVE TO BE SETTLED UNDER SPECIAL CONDITIONS INVOLVING TRAINING SUPERVISION ERECTION OF FARM BUILDINGS AND INITIAL LAND CLEARING A PROGRAMME THAT WILL CALL FOR AT LEAST TWO YEARS OR MORE CAREFUL OVERSIGHT STOP SINGLE MEN AND WOMEN MAY BE ATTACHED TO AND INCLUDED WITH FAMILY UNITS STOP HAVE ALSO COMPLETED UNDERSTANDING ABOUT TRANSFER SPECIAL INDUSTRIES ON WHICH I WILL REPORT TO YOU ON ARRIVAL LONDON STOP ABSOLUTELY ESSENTIAL THAT ALL PUBLICITY BE AVOIDED STOP CANADIAN GOVERNMENT ADVISING MASTER MASSEY STOP SUGGEST YOU GIVE MESSRS MASSEY AND LITTLE COPIES THIS CABLE STOP EXPECT SAIL TWENTYFIRST = REHWALD

Figure 4: *Photocopy of original telegram of 24 December 1938 (National Archives of Canada).*



Commercial Cables

PLEASE SEND YOUR REPLY VIA COMMERCIAL

Cablegram

NF 127

1939 DEC 24 A 2 17 6

JEN1 LX976 MONTREALQUE 127 1/50 25
NLT WANKA RAREWOOD HOTEL GOWER ST
LONDON WC1

YOUR CABLE TWENTYTHIRD INSTANT RECEIVED STOP FROM ALL I CAN LEARN AM CONVINCED TWO HUNDRED POUNDS PER FAMILY IS NOT SUFFICIENT TO ESTABLISH GROUP HERE WITH REASONABLE CHANCE SUCCESS AND STRONGLY URGE YOU INSIST AMOUNT INCREASED TO THREE HUNDRED POUNDS PER FAMILY

CONTINUED

Commercial Cables

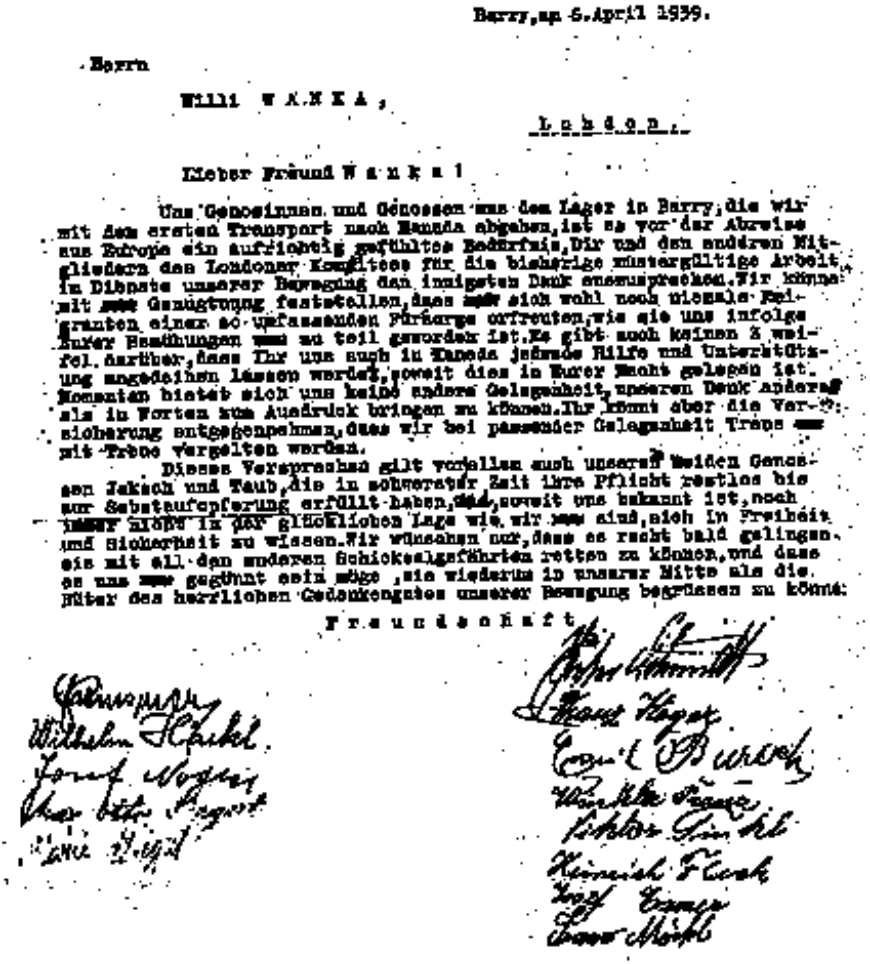
PLEASE SEND YOUR REPLY VIA COMMERCIAL

JEN8 LX976 2NDSHEET WANKA 77

PLUS STEAMSHIP AND RAIL FARES STOP THE FACT OUR FAMILIES ARE MOSTLY INEXPERIENCED MAKES IT MORE EXPENSIVE TO ESTABLISH WHEM ON FARMS THAN FULLY EXPERIENCED FARM FAMILIES AND THE LENGTH OF TIME DURING WHICH THEY WILL REQUIRE HELP BEFORE THEY BECOME SELFSUSTAINING WILL BE LONGER STOP DURING THE DISCUSSIONS AT OTTAWA GOVERNMENT OFFICIALS MADE IT VERY CLEAR THAT THREE HUNDRED POUNDS PER FAMILY PLUS FARES WAS THE ABSOLUTE MINIMUM WITH WHICH OUR FAMILIES COULD BE ESTABLISHED

REWALD

Figure 5: *Photocopy of original telegram of 16 January 1939.*



Barry, ap 6. April 1939.

Herrn

Willi W A N K A ,

L o n d o n .

Lieber Freund W a n k a !

Uns Genossinnen und Genossen aus dem Lager in Barry, die wir mit dem ersten Transport nach Kanada abgehen, ist es vor der Abreise aus Europa ein aufrichtig gefühltes Bedürfnis, Dir und den anderen Mitgliedern des Londoner Komitees für die bisherige mustergültige Arbeit im Dienste unserer Bewegung den innigsten Dank auszusprechen. Wir können mit Genugtuung feststellen, dass wir sich wohl noch niemals Emigranten einer so umfassenden Fürsorge erfreuten, wie sie uns infolge Eurer Bemühungen zu teil geworden ist. Es gibt auch keinen Zweifel darüber, dass Ihr uns auch in Kanada jederzeit Hilfe und Unterstützung angedeihen lassen werdet, soweit dies in Eurer Macht gelegen ist. Momentan bietet sich uns keine andere Gelegenheit, unseren Dank anderes als in Worten zum Ausdruck bringen zu können. Ihr könnt aber die Versicherung entgegennehmen, dass wir bei passender Gelegenheit Treue mit Treue vergelten werden.

Dieses Versprechen gilt vorallem auch unseren beiden Genossen Jakoch und Taub, die in schwerster Zeit ihre Pflicht restlos bis zur Selbstaufopferung erfüllt haben, und, soweit uns bekannt ist, noch immer nicht in der glücklichen Lage wie wir sind, sich in Freiheit und Sicherheit zu wissen. Wir wünschen nur, dass es recht bald gelingen, sie mit all den anderen Schicksalsgefährten retten zu können, und dass es uns vergönnt sein möge, sie wiederum in unserer Mitte als die Hüter des herrlichen Gedankengutes unserer Bewegung begrüssen zu können.

F r e u n d s c h a f t

Figure 6: *Photocopy of appreciation letter by the members of the first transport sailing to Canada on the SS. Montcalm dated 6 April 1939 (National Archives of Canada).*

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REAGAN'S CHINA POLICY 1980–1982: REAGAN V. HAIG AND THE CONTROVERSY OVER ARMS SALES TO TAIWAN[1]

JANA SEHNÁLKOVÁ

The primary focus of the article "*Reagan's China Policy 1980–1982: Reagan v. Haig and the Controversy over Arms Sales to Taiwan*" is to follow the development of the Sino-American controversy over the U.S. arms sales to Taiwan in 1980–1982 which produced the worst crisis in Sino-American relations since 1972. Attention shall be drawn to major U.S. domestic factors contributing to the development of the controversy, namely to the differences between President Ronald Reagan and Secretary of State Alexander Haig over the perception of China's importance to the U.S. policy and consequently over the U.S. China policy as such. The article is an excerpt from M.A. thesis "*Reagan's Policy towards China and Its Determinants,*" which attempts to indicate the determinants of Reagan's policy towards China during the first term of Reagan's presidency.

1 Introduction

Reagan's conservatism and anti-Communism led to his determination to resurrect the American power vis-à-vis the Soviet Union. In one sense,

[1] The article is an excerpt from M.A. thesis "Reagan's Policy towards China and Its Determinants" (Sehnálková, J.: *Reagan's Policy towards China and Its Determinants*, FSV UK, Praha, 2003).

this led the U.S. administration to strengthen the strategic bonds with China on anti-Soviet grounds. In another sense, Reagan's pro-Taiwan inclination inspired the determination of the new administration to stand by the people of Taiwan against Communist China's attempts to take over the island. In order to protect Taiwan, Reagan strongly expressed his support for the Taiwan Relations Act.[2] The conflict of these two goals of Reagan's Administration produced the worst crisis in the Sino-American relations since rapprochement in 1972. Let us now follow two factors that contributed to the Sino-American crisis: Reagan's perception of China and the U.S. China policy in campaign rhetoric on one hand and the instrumental role of the Secretary of State Alexander Haig in making the Sino-American relations on the other.

2 Candidate Reagan's Position on China and Taiwan in the 1980 Campaign

In the 1980 presidential campaign, Ronald Reagan voiced his critical perception of the U.S.-China normalization of 1978–1979 and his criticism of China as a part of the Soviet Communist empire. At the same time, he

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[2] **Taiwan Relations Act** (TRA) was approved by the U.S. Congress on March 29, 1979 as a reaction to the failure of President Carter to obtain a clear non-use of force committment from the PRC during Sino-American Normalization talks in 1978. The TRA was a modification of originally Carter's bill on the future conduct of relations between the U.S. and Taiwan; it provided for stronger continuity of U.S.-Taiwanese relations as well as for Taiwan's security. The Taiwan Relations Act underscored that the decision of the U.S. to establish diplomatic relations with the PRC "*rests upon the expectation that the future of Taiwan will be determined by peaceful means*." Consequently, the TRA asserted that any attempt to "*determine the future of Taiwan by other than peaceful means...* [would be considered] *of grave concern to the United States*." United States would "*maintain the capacity to resist any resort to force or other means of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan*."
The Taiwan Relations Act provided for the security of Taiwan as it confirmed the United States' policy to continue providing Taiwan with arms "*of a defensive character... in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.... The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan*."
The People's Republic of China obviously protested against the approval of the Taiwan Relations Act. The Chinese Communists marked the Act as an infringement of December 15, 1978 Communiqué and criticized it for interfering into internal affairs of China as it was a domestic act of the U.S. which could have no legal force on the U.S.-PRC relations.

emphasized his support of Taiwan. Obviously, Reagan's rhetoric raised question marks about his concept of U.S. China policy. Would Reagan as president reverse the Sino-American relations? Would he establish official relations with Taiwan and risk PRC's retaliation? These questions attracted attention of many. In consequence of that, Reagan had to explain the controversy over his position towards Taiwan and the PRC.

During the 1980 presidential campaign, Ronald Reagan presented a strong ideological orientation. According to him, the world was divided into two parts – "immoral" communism and "moral" capitalism. Reagan perceived the United States as an exceptional country that stood for democracy, being the 'island of freedom' or the 'city upon the hill' while the USSR represented "*the focus of evil in the modern world... an evil empire*"[3] that had to be challenged. Reagan then claimed that Communism was dangerous and had to be resisted.

In his campaign, Ronald Reagan applied such a black-and-white perception of the world on the PRC even though it did not pose an immediate threat to the U.S., unlike the USSR. Beijing thus bore the side effect of Reagan's strong anti-Soviet posture just because it was Communist.[4] Reagan portrayed the PRC as a member of the "*evil Soviet empire*" as "*it subscribes to an ideology based on a belief in destroying government like ours*"[5] while Taiwan was perceived as an American ally and as a part of the anti-Communist front for which it had deserved to have official relations with the U.S.

2.1 Reagan's Criticism of Sino-American Normalization

Ronald Reagan was one of the most vocal critics of the Carter Administration's normalization of Sino-American relations, as he perceived the outcomes of the establishment of official relations with the PRC as too costly for the U.S. foreign policy. First, he refused that the U.S. should have established diplomatic relations with a communist country. Second, he perceived the normalization as a "*betrayal of an old friend and ally*"[6] referring

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[3] **Speech to the National Association of Evangelists**, Orlando (FL), March 8, 1983: www.reagan.utexas.edu/resource/speeches/1983/30883.htm
[4] Chen, J.: *Ideology in U.S. Foreign Policy*, p. 96.
[5] *Ibid.*, p. 96.
[6] Mann, J.: *About Face*, p. 116.

to de-recognition of Taiwan as the Republic of China, which he found morally unacceptable for the United States.

Reagan's negative view of the PRC and his discontent with the outcomes of the Sino-American normalization inspired Reagan's idea to attempt to reestablish official relations with Taiwan if he was elected president. Voicing such a position on U.S. policy towards Taiwan in the campaign had, however, an explosive potential, as it was completely contrary to the position of the U.S. administration after the normalization.

At the same time, however, Reagan purposely hoped to continue to develop post-normalization relations with Beijing despite his suspicions. He understood the normalized Sino-American relation as a means of counterweighing the Soviet Union, which he perceived as the most dangerous threat to the U.S. In these circumstances, Reagan was considering the possibility of China becoming a member of the anti-Soviet coalition. However, he voiced his unwillingness to give up Taiwan just for the cause of strategic partnership with PRC against the USSR.

Presidential candidate Reagan therefore believed that he could successfully improve relations with Taiwan and at the same time continue developing relations with the PRC. Thus he separated Sino-American relations from Taiwanese-American relations as if he did not understand that whatever he would say in direction of Taiwanese-American relations would immediately have impact on Sino-American relations. This was a fundamental flaw of Reagan's campaign that bore serious consequences for the future.

2.2 Bush's Appeasing Trip to Beijing

The People's Republic of China was obviously alarmed by Reagan's campaign rhetoric. The Chinese perceived Reagan's statements as interference into the Sino-American relations and as a threat to the terms of the Sino-American normalization. Beijing feared that Reagan, if elected president, would attempt to reverse the Sino-American normalization.

Reagan's advisors were aware of the fact that if Reagan was elected president, his unconciliatory position towards China could harm Reagan's campaign in both domestic and foreign policy. Therefore, Richard V. Allen, Reagan's foreign policy advisor decided to defuse the issue.

Allen proposed to send the vice-presidential candidate George Bush on a "conciliatory trip" to Beijing. Bush had experience from China where he used to work as the Head of the U.S. liaison office in Beijing in 1974–1975.

Bush's goal was to persuade the PRC's officials that Reagan, if elected president, would not change the trend in Sino-American relations, would not challenge the terms of the Sino-American normalization, and on the contrary, would support cooperation with China.

Bush's August 1980 trip to China was a failure. While Bush was negotiating with Deng Xiaoping, Reagan continued his campaign by another speech, in which he expressed his support of some "official relation" with Taiwan.[7] When Bush heard about Reagan's statement, he "*reportedly grimaced, put a hand to his forehead, but declined to comment.*"[8]

Bush's visit in China thus failed to calm the Chinese down. Deng Xiaoping's question on what Reagan meant by "official relation with Taiwan" remained unanswered. The Chinese warned that any attempts to reestablish some form of official relations would cause retrogression in Sino-American relations and would be regarded as an attempt of the U.S. to create two Chinas.

2.3 Reagan's August 25th Speech

After Bush had returned from China, Reagan's advisors decided that Reagan himself should have defused the controversy over his perceptions of U.S. policy towards China. They persuaded Reagan to present a more conciliatory speech on Sino-American relations that would end the debate over Taiwan and China in the presidential campaign.

Reagan finally addressed the Sino-American relations on August 25, 1980 during his campaign speech in Los Angeles. The speech was drafted by Richard V. Allen and James Lilley who had a hard time to persuade Reagan to deliver it as it was not exactly what Reagan would want to say by himself.[9]

In the speech, Reagan highlighted the importance of stability of the Pacific region and declared the U.S. intention to promote this stability through cooperation with major partners of the U.S. – Japan, the People's Republic of China, the Republic of Korea, and Taiwan.[10]

As far as normalization was concerned, Reagan criticized Carter's Administration for being too amendable to Chinese requirements and for

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[7] Harding, H.: *A Fragile Relationship*, p. 110.
[8] *Ibid*., p. 110.
[9] Mann, J.: *About Face*, pp. 117–118.
[10] **Statement by Presidential Candidate Ronald Reagan**, August 25, 1980. In: Hung-mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, p. 230.

accepting the Chinese conditions for normalization without getting a clear commitment of non-use of force by PRC against Taiwan: "*Jimmy Carter made concessions that Presidents Nixon and Ford had steadfastly refused to make. I was and I am critical of his decision because I believe he made concessions that were not necessary and not in our national interest.*"[11]

Reagan however acknowledged that the outcomes of the normalization could not be averted. Consequently, he expressed his support for Taiwan Relations Act and indicated that as president, he would carry out his policies in accordance and with respect to the TRA. Reagan thus regarded the TRA as a frame for the future president's conduct.[12]

Reagan also expressed more moderate position towards the idea of official relations with Taiwan. He dropped the call for the reestablishment of official relations with Taiwan, instead he perceived the relations with Taiwan through the Taiwan Relations Act: "*You might ask what I would do differently. I would not pretend, as Carter does, that the relationship we now have with Taiwan, enacted by our Congress, is not official... This Act* (TRA)... *provides the official basis for our relations with our long-time friend.*"[13] Here, Reagan simply acquiesced to the concept that the TRA provided sufficient frame for U.S. relations with Taiwan so that the relations could have been called official, even though they were not. In reality, there was not much difference from Carter, except for the verbal expression. The only variation was that TRA enabled Carter to have unofficial relations with Taiwan while to Reagan, TRA provided for "*official and adequate basis for safeguarding our relationship with Taiwan.*"[14]

Reagan expressed his intention not to change unofficial relations with Taiwan to official ones. He declared that the official policy of the United States was the policy of "*maintaining peace and promoting extensive, close, and friendly relations between the United States and the 17 million people on Taiwan*."[15] Here, Reagan was not talking about official government-to-government relations, but only about relations between the Taiwanese people and the American people. This again was within the frame of the TRA and it thus represented no departure from the policy of Carter's Administration.

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[11] Ibid., p. 230.
[12] *Ibid.*, pp. 230–231.
[13] *Ibid.*, p. 231.
[14] *Ibid.*, p. 231.
[15] *Ibid.*, p. 231.

The August 25, 1980 speech removed the Taiwan issue from the election campaign. Reagan tempered his decisiveness vis-à-vis the reestablishment of official relations with Taiwan and confirmed his commitment to continuity in Sino-American relations. After all, Reagan consented to the outcomes of the normalization. If elected president, his goal would be to respect the Sino-American relations and fully employ the Taiwan Relations Act. However, despite Reagan's more conciliatory approach towards China at the end of his campaign, the Chinese remained suspicious towards Reagan. Beijing warned against retrogression in Sino-American relations and protested against Reagan upholding the Taiwan Relations Act as it was only a domestic act of the United States that could "*in no way serve as a legal basis for handling U.S.-Chinese relations*."[16] The Chinese rather wished for Carter's victory in the 1980 election to assure and confirm the improvement of Sino-American relations. It could have been expected that Reagan would not be Chinese first choice for the future U.S. president. Thus, by his campaign rhetoric, Reagan opened the Pandora's box.

3 President Reagan's China Policy and the FX Sale Controversy

3.1 Reagan's Appointments and China Policy

Ronald Reagan arrived into the White House as a novice in the federal level of politics, therefore without knowledge of sufficient number of persons to be appointed into administration's offices. Therefore, in several cases, Reagan had to resort to the previous Republican administrations' human resources. By choosing personnel from Nixon's and Ford's Administrations, Reagan on one hand gained experienced, professional senior staff, but on the other hand, he created a conflict-prone environment as these senior staff's minds were often stuck in the Nixon-Ford era of policy making.

As far as American relations towards China were concerned, most of the new appointees shared Reagan's views on American relations towards the PRC and Taiwan. However, there were exceptions, the Secretary of State being the most striking one.

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[16] Lasater, M. L.: *Policy in Evolution. The U.S. Role in China's Reunification*, p. 42.

Reagan was originally considering two candidates for the post of the Secretary of State – Alexander Haig and George Shultz.[17] Haig was one of those who gained their experience during the Nixon-Ford era, being Kissinger's deputy and Nixon's White House chief of staff. However, the connection to Nixon disqualified Haig in the eyes of many Congressmen who believed that Haig must have been involved in the Watergate scandal. Therefore, many of the Congressmen declared that for this reason, they would oppose Haig's nomination and push for Shultz to become the Secretary of State. Paradoxically, this initiative facilitated Reagan's final decision. He did not want the Congress to influence president's choice and thus show that the new president was unsure of himself. Deliberately, Reagan thus appointed Haig the Secretary of State.[18]

Soon after Haig's appointment, it became evident that Reagan's decision was not well thought over. Reagan's and Haig's perceptions of U.S. foreign policy were substantially different. First, Haig believed that his role of the Secretary of State would be "*similar to Dean Acheson's or J. F. Dulles'... when Harry Truman and Dwight Eisenhower gave carte blanche to their secretaries of state*"[19] as he knew that Reagan had no foreign policy experience. Reagan however intended the contrary – he wanted to be in charge of the foreign policy himself. Second, Reagan soon learned that he and Haig could hardly reach agreement on various foreign policy issues.[20] Mutual antagonism between Haig and Reagan would later complicate the decision-making processes in the U.S. foreign policy making.

The character of U.S. relations towards China and Taiwan became one of the most conflicting issues between Reagan and Haig. While Reagan believed that the United States could develop relations with both China and Taiwan, Haig put an accent on the necessity of creating a strategic partnership between the United States and the People's Republic of China,

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[17] Mann, J.: *About Face*, p. 119.

[18] Evans, R.; Novak, R.: *The Reagan Revolution*, pp. 161–162. This initiative was led by the Democratic leader of the Senate, Robert Byrd of Virginia. Reagan himself, in his memoirs does not mention the above mentioned reasons for choosing Haig. Reagan justifies his choice by claiming that "*Haig was highly respected as the Supreme Commander of the NATO forces, and that was why I chose him as my first Secretary of State*." (Reagan, R.: Život jednoho Američana, p. 322, translation by Jana Sehnálková).

[19] Evans, R.; Novak, R.: *The Reagan Revolution*, p. 179.

[20] Reagan, R.: *Život jednoho Američana*, p. 322.

the strategic importance of Taiwan to the U.S. being considerably lower. Haig viewed China as a major component of the U.S.-lead anti-Soviet coalition as he explains in his memoirs: *"In the terms of the strategic interests of the United States and the West in last quarter of the twentieth century, China may be the most important country in the world. If the main threat to human progress and world peace is Soviet expansionism, as the Chinese along with others believe, then it follows that this threat must be contained and drained of its energy... The Chinese do not believe that the United States and its allies can bring about the neutralization of Soviet adventurism without the participation of China, or that China can do so without the participation of the United States and the West."*[21]

Unfortunately, the competition for the primacy in foreign policy-making between Reagan and Haig led to skirmishes between the White House and the Department of State, which consequently caused pulverization of the policy-making role resulting in the inability to present clear foreign policy objectives. At the beginning of the 1980s, the new administration was thus missing a clear formulation of some of its key policies, the U.S. policy towards the PRC and Taiwan being the very case.

3.2 American Arms Sales to Taiwan Controversy

The ground for the U.S. arms sales to Taiwan after the Sino-American normalization had been laid within the Taiwan Relations Act[22] responding to the absence of clear Chinese obligation of non-use of force against Taiwan. China had been continuously opposing to any arms sales to Taiwan, as it had been perceived as major infringement of Chinese sovereignty, Taiwan being claimed to be a part of China. However, in 1978, under increasing Soviet pressure, the Chinese decided to set the issue of U.S. arms sales to Taiwan aside for the purpose of normalizing relations with the U.S. Beijing believed that in the future, the PRC would improve its security position and thus gain more leverage over the U.S. so that it would be able to act decisively to obtain clear commitment of the U.S. to terminate the arms sales to Taiwan. The time to open the issue of U.S. arms sales to Taiwan would come soon, with the outset of Reagan administration.

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[21] Haig, A.: *Caveat. Realism, Reagan and Foreign Policy*, p. 194.

[22] **Taiwan Relations Act**. Section 3 (a): "*The United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self defense capability*." Public Law 96–8, 22 U.S.C. § 3301–3316.

There were several reasons for the Chinese to raise the issue of U.S. arms sales to Taiwan again and to demand solution with the coming of Reagan into the White House. First, the level of U.S. arms sales to Taiwan was continuously increasing which was contrary to the Chinese demands of terminating them. In 1978, the actual delivery of American arms to Taiwan was worth $ 208 million; in 1980, it was worth $ 268 million.[23] Furthermore, Reagan Administration was considering sale of advanced fighter planes that were more sophisticated than the current Taiwan's air force composed of F5-Es.

Second, Reagan's presidential victory stimulated Taiwan to become more self-confident as Reagan was perceived as one of the most vocal pro-Taiwanese U.S. politicians. Thus, Taiwan hoped for more support from Washington to improve its security. Taiwan's increasing self-confidence and security was obviously contradictory to the Chinese interests as Beijing hoped for reunification of Taiwan with the mainland China. Secure and confident Taiwan was less likely to accept Chinese reunification proposals.

Most important, Beijing detected the split over U.S. China policy within the U.S. administration and decided to take advantage of it, particularly of Haig's tilt towards China. Together with Beijing's assessment of the China's crucial importance to the U.S. resistance to the USSR, China gained confidence to pursue its goals vis-à-vis the U.S., the stopping of U.S. arms sales to Taiwan being the most important one.

The escalation of the Chinese pressure on the U.S. due to arms sales to Taiwan coincided with the U.S. intention to sell FX fighter planes to Taiwan.

The FX fighter plane was developed by a leading U.S. defense producer Northrop. "FX" was the short for any of the several different versions of the planes Taiwan would have been interested in buying. Each plane had new, improved, but still experimental (hence the X designation) electronics, engine or weapons systems.[24]

Originally, Northrop had envisioned selling the FX plane to Third World countries instead of F-16 fighter plane, which the Carter Administration would not have allowed for export. However, the Reagan Administration changed Carter's decision and allowed the F-16s to be sold to other

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[23] Harding, H.: *A Fragile Relationship*, p. 112.
[24] McNulty, T.: "*Taiwan, China Put U.S. in Arms Vice*." In: Chicago Tribune, December 27, 1981.

countries. Such a decision left Northrop with little chance to get back the expenses they had invested into the development of the FX. Still, there was a chance to sell the FX to Taiwan that wanted to modernize its air force. Reagan Administration would not have allowed Taiwan to purchase such an advanced fighter as the F-16 for it would have irritated China. The pressure of Northrop on the administration to assent to the sale of FX to Taiwan was thus very high.[25]

As could have been expected, the PRC strongly protested against the intended FX sale.[26] However, the central issue of the protest was not just the sale of FX fighter plane, it was rather more general question of American arms sales to Taiwan as China simply decided to use the FX issue to make the United States to stop all its arms sales to Taiwan. At that time, this was something the American administration had not realized as it was immersed in an internal conflict over the American policy towards China.

3.3 Department of State Initiative to Solve Arms Sales Dispute

The Secretary of State Alexander Haig came with a possible solution to the Chinese protests over the intended FX sales to Taiwan. He believed that the U.S. should have offered American weapons to both China and Taiwan. By selling weapons to the PRC, the U.S. could have demonstrated the value it had attributed to the Sino-American relations. Moreover, he also believed that providing China with American weapons could have only been beneficial as it would have strengthened China's position vis-à-vis the Soviet Union. At the same time, Haig was persuaded that arms sales to the PRC could have balanced out the American arms sales to Taiwan.

The issue of selling U.S. weapons to China had been mentioned among the U.S. policy-makers in connection with the threat of Soviet Union's use of force against the Solidarity movement in Poland. Particularly the Secretary of Defense Caspar Weinberger had supported the idea of supplying American weapons to the PRC as a way of warding off the Soviets from a possible invasion to Poland.[27]

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[25] Mann, J.: *About Face*, p. 120.

[26] In February 1981, the PRC downgraded diplomatic relations with the Netherlands to a chargé d'affaires level due to an agreement for sale of two submarines to Taiwan. The PRC thus signaled that continuing U.S. arms sales to Taiwan could have brought about similar outcome in the Sino-American relations.

[27] Harding, H.: "*China Arms Sales Could Brew New Troubles for U.S.*" In: Los Angeles Times, July 3, 1981. Also see Ross, R. S.: *Negotiating Cooperation*, p. 178.

President Reagan finally agreed to suspend prohibition of arms sales to China as a means of strengthening anti-Soviet strategic alliance[28] and instructed Alexander Haig to discuss the issue with the Chinese officials during his visit of the PRC planned for June 1981.

The Secretary of State Alexander Haig arrived in Beijing on June 14, 1981. He expected the visit to be a demonstration of Sino-American friendship and strategic partnership. Haig believed that this visit would settle down the Chinese anxiety about Reagan Administration's intentions vis-à-vis Taiwan. After that, the U.S. and China could after all progress a step further with their partnership.

Haig's visit brought about high expectations both in the PRC and in Taiwan. The new administration had not made any major statement on its policy towards China and Taiwan yet, so it was expected that Haig, as the first official of the Reagan Administration traveling to China, would make a clear statement on U.S. policy towards the PRC, and thus to Taiwan as well.[29]

Haig had carefully prepared to debate the issue of arms sales to Taiwan with the Chinese. He believed that Beijing would become more tolerant to the arms sales to Taiwan if the U.S. would keep the arms sales level low and at the same time supply arms to the PRC. On the basis of this concept, Haig informed the Chinese that the U.S. would allow China to buy American weapons. On June 16, 1981, he announced that President Reagan had decided to "*suspend the American prohibition on arms sales to China... [T]he United States would be ready, on a case-by-case basis, to consider selling lethal weapons systems to China*."[30] At the same time, Haig assured Beijing that the American arms sales to Taiwan would be of strictly defensive character and that the U.S. would be adhering to the commitments of the 1978 Joint Communiqué: "[B]*ilateral relations with China would be carried out in accordance with the Joint Communiqué while relations with Taiwan would be unofficial; President Reagan intended to treat China as a 'friend,'... with common interests.*"[31]

By announcing the intention to sell weapons to China, Haig seized the initiative of the top foreign policy maker from Reagan. Originally, the

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[28] Ross, R. S.: *Negotiating Cooperation*, p. 181.
[29] Kamm, H.: "*Taipei, Peking, and Haig Trip*." In: The New York Times, June 13, 1981, p. 3.
[30] Mann, J.: *About Face*, p. 121.
[31] "*Haig's Press Conference.*" In: Time, June 29, 1981, pp. 14–15.

President had instructed Haig to discuss the prospect of arms sales to China in secret. However, Haig announced what would be an important shift of the American foreign policy at a public press conference in Beijing.[32] Obviously, Haig believed that such a public announcement would be regarded as a clear demonstration of friendly American intentions vis-à-vis the PRC and would finally persuade Chinese officials of the pro-PRC trend within the Reagan Administration.

Reagan could not have tolerated Haig's ignorance of president's instructions to make the issue of weapons sales secret. He had good reasons not to make it public. The decision to make China eligible for some American weapons had only been made within the White House and had not had any definite form as it had not gone through the bureaucracy review yet. Most importantly, the issue was not cleared with American allies in Asia; Reagan particularly did not want to alarm Taiwan. Washington originally had not intended to reveal the intention in public for months, as it would take a long time before the U.S. would be able to sell some weapons to China. Haig's initiative thus went much further than Reagan had expected.

Reagan did not take long to correct Haig's statement and to get the foreign policy under his control. On June 17, 1981, few hours before Haig's departure from China, Reagan said at a press conference: *"I have not changed my feeling about Taiwan. We have an act, a law called the Taiwan Relations Act that provides for defense equipment being sold to Taiwan. I intend to live up to the Taiwan Relations Act."*[33]

Haig was infuriated by Reagan's statement. He felt that the president's words destroyed all the positive outcomes of his talks with Chinese leaders, degraded his position of Secretary of State, and brought doubts about his policy-making role.[34]

If Secretary Haig hoped that his visit to China would contribute to unfolding the Sino-American relations, from this perspective it could be marked as a failure. The PRC approached Haig's offer of U.S. arms sales with much reservation. Proudly enough, the Chinese reiterated that they refused buying American weapons if it meant agreeing to American arms

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[32] Mann, J.: *About Face*, p. 121.
[33] Hsiao, G. T.; Witunski, M. (eds.): *Sino-American Normalization and Its Policy Implications*, p. 94.
[34] Haig, A.: *Caveat. Realism, Reagan, and the Foreign Policy*, pp. 207–208.

sales to Taiwan: *"[A] policy seeking such a trade-off was 'doomed to failure,'... 'any arms sales to Taiwan' would 'certainly draw strong reaction from China'."*[35] The Chinese did not want a trade-off. What they wanted was a final and definite resolution of the U.S. arms sales to Taiwan. Therefore, Beijing maintained that it would not cooperate with the U.S. while there was ongoing U.S.-Taiwan military cooperation,[36] and thus held developing U.S.-PRC relations hostage to U.S. concessions on arms sales to Taiwan.[37]

China continued to make clear that it wanted a fundamental change of U.S. policy towards Taiwan. In August 1981, it increased its pressure on the United States – it suspended all the existing military cooperation[38] with the U.S. until concessions were made on the U.S. arms sales to Taiwan. In these circumstances, Haig finally gave up his concept of trading arms sales to China for arms sales to Taiwan, as he finally understood that it was not an acceptable solution to the Chinese demands.

Haig's visit to China had far-reaching political consequences. The circumstances of the announcement of the suspension of prohibition of weapons sales to China clearly showed the divisions between the Department of State and the White House. Due to Haig's premature announcement of the American arms sales to China, the debate over the pros and cons of such step did not take place behind closed door of bureaucracy, it was rather debated publicly. Thus, the formulation of U.S. policy towards China was further complicated.

3.4 The Cancun Conference and the Deadlock in Sino-American Relations over the Taiwan Issue

President Reagan and Chinese Premier Zhao Ziyang decided to meet and debate the contested issues during the North-South summit in Cancun in October 1981. In the course of the talks, Zhao Ziyang asserted that since there was the nine-point proposal on reunification,[39] there was no reason

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[35] Ross, R. S.: *Negotiating Cooperation*, p. 181.
[36] *Ibid.,* p. 181.
[37] *Ibid.,* p. 182.
[38] The U.S. developed informal military cooperation since 1980 with Defense Secretary Harold Brown's visit to China. The military cooperation was based mostly on exchanges of information (intelligence cooperation) and army representatives' visits. Since 1980, the U.S. permitted minor transfers on non-lethal military equipment.
[39] The nine-point proposal on reunification, also known as "Policy Concerning Return of Taiwan to Motherland and Peaceful Reunification" was worked out by Chairman Ye Jianying and made public on September 30, 1981. It provided conditions for reunification of Taiwan with

or necessity for any country to continue supplying arms to Taiwan as any continuing arms sales "*would constitute an obstacle to the peaceful reunification of Taiwan and the mainland China as well as interference in China's internal affairs*."[40]

When meeting the Chinese Foreign Minister Huang Hua in Cancun and later in Washington, Alexander Haig was presented with specific Chinese demands to resolve the tension in U.S.-PRC relations: 1. the United States should gradually reduce arms sales to Taiwan and ultimately terminate them within a specified period of time, 2. during the period leading to the definite termination of the arms sales, the U.S. arms sales to Taiwan must not exceed the quality and quantity of those of the Carter Administration,[41] as well as 3. the U.S. must give China a prior notice of all its arms sales to Taipei.[42] Additionally, Huang Hua warned that should Washington refuse to negotiate over these demands, the PRC might respond by downgrading mutual relations. Furthermore, he required that the U.S. would not carry out any arms sales to Taiwan while negotiating with the Chinese and before reaching a final arrangement on the Taiwan issue.

Washington's first reaction to the Chinese demands was negative. Even Alexander Haig, usually pro-Chinese, refused Huang Hua's demands as an ultimatum on the U.S. In his memoirs, he recollects that he reacted in raised voice and perhaps even thudded fist on the table: "*We have never insisted on an indefinite right to sell arms to Taiwan, but we have an obligation, and an imperative, to do so as long as reunification remains in the future. But to ask for a dare-certain cutoff when the ultimate outcome of reunification, which we favor, is neither realized nor accomplished by your side seems to be a profound departure. To have placed this new burden on this sensitive relationship will cause great problems. We, too, have our own imperatives! We, too, have a limit beyond which we won't be pushed!*" [43]

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the PRC: Taiwan's socioeconomic system would remain unchanged; Taiwan could retain its armed forces and would enjoy high degree of autonomy. Taiwan refused the plan as it would loose its sovereignty and as the plan did not rule out the use of force against Taiwan. Moreover, it was perceived as a means of persuading the U.S. that there was no need to upgrade Taiwanese defensive capabilities.

[40] Solomon, R. H.: "*East Asia and the Great Power Coalitions*." In: Foreign Affairs, vol. 60, 1982, no. 3, p. 697.

[41] Chiu, H. (ed.): *The Taiwan Relations Act and Sino-American Relations*, p. 25.

[42] Harding, H.: *A Fragile Relationship*, p. 113.

[43] Haig, A.: *Caveat. Realism, Reagan, and Foreign Policy*, p. 210.

Both sides, however, seemed to want to avoid total breach of mutual relations and therefore declared their willingness to negotiate the issue. Particularly Haig was inclined to offer concessions to the Chinese as he believed that Reagan Administration had already provided Taiwan with such a quantity of arms that "*it was unlikely that it would wish to exceed these levels.*"[44] He also argued that the Sino-American relations reached a point of "*critical juncture*... [so that] *it was important to avoid setback which could gravely damage our global strategic posture.*"[45] Therefore, Haig set up for talks that would be carried out by the U.S. Ambassador in China Arthur Hummel Jr. and the representatives of the Chinese Foreign Office.

In order to define a frame for the U.S. possibilities in the negotiations, Haig designed an internal memorandum, which listed all possible steps the U.S. should have or could have done in order to reach accommodation with Beijing.

In his memorandum, Haig expressed his conviction that the strategic cooperation with China was of extreme importance to the U.S. In respect to that, he suggested that the U.S. could have offered some concessions to the Chinese. Haig suggested that 1. it would not be necessary to sell the FX fighter planes to Taiwan, 2. the U.S. could have agreed to the arms sales to Taiwan not to exceed A/ the quality and B/ quantity of the arms sale under the Carter Administration, and 3. the U.S. could have promised to reduce the arms sales gradually. In return for the restriction of arms sales, the U.S. would require Beijing to renounce use of force against Taiwan (a must) and to confirm explicitly its opposition to Soviet expansionism. Still, Haig declared that the U.S. should have strongly objected to setting a fixed date to termination of the arms sales to Taiwan.[46]

At the negotiating table, Haig responded to Huang Hua's demands by conceding that the Reagan Administration would not exceed the levels of arms transfers of the Carter Administration (concession 2.B proposed in Haig's memorandum – that would however mean that Haig would have to persuade the administration to say "no" to the advanced fighter sale to Taiwan).[47] Haig also proposed that the U.S. could have acted prudently on

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[44] *Ibid.*, p. 211.
[45] Man, J.: *About Face*, p. 124.
[46] Harding, H.: *A Fragile Relationship*, p. 114.
[47] Haig, A.: *Caveat. Realism, Reagan and Foreign Policy*, p. 211.

arms sales during the Sino-American negotiations, thus implicitly responding to Huang Hua's demand on the U.S. not to sell any arms to Taiwan while the negotiations were under way.[48] However, he refused to determine a clear cut-off date for the U.S. arms sales to Taiwan and required the PRC to commit itself to non-use of force vis-à-vis Taiwan.

The Chinese were not satisfied. Beijing maintained that the U.S. would have to set a timetable that would determine gradual reduction of arms sales to Taiwan leading to a final solution. At the same time, Huang Hua refused Haig's requirement to commit China to a peaceful resolution of the Taiwan issue for it was an internal matter of the PRC.

The American refusal to terminate arms sales to Taiwan within a definite period of time and the Chinese refusal to commit themselves towards the non-use of force against Taiwan in return for a reduction of American arms sales to Taiwan created a deadlock in the Sino-American negotiations as neither side was willing to make more concessions at that moment.

3.5 Breaking the Deadlock – "No" to FX and Sino-American Negotiations

In the beginning of 1982, Beijing continued to refuse to make any concessions on its part as it expected the U.S. to make all the necessary adjustments in its policy to accommodate China's concerns over U.S. arms sales to Taiwan. According to the Chinese, the stalemate in Sino-American relations could have been broken only by such U.S. concessions that would lead to final termination of arms sales to Taiwan, any other U.S. attempts to proceed with the relations were ignored. The Chinese overlooked, for example, the renewed invitation of Ronald Reagan to Zhao Ziyang to visit Washington to celebrate the 10th anniversary of the Shanghai Communiqué in February 1982.[49]

Alexander Haig was however determined to bring the Sino-American relations back on track. At that time, his most important goal was to persuade the administration not to sell any advanced fighter planes to Taiwan (concession 1 proposed in Haig's memorandum) as he had promised to Huang Hua. This was a difficult task as far as the sale of the advanced planes to Taiwan was widely supported both within and outside the government. Haig however believed that if administration had not

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[48] Ross, R. S.: *Negotiating Cooperation*, p. 185.
[49] *Ibid.*, p. 188.

approved the sale of fighter planes to Taiwan, China would have agreed to selling defensive weapons at the existing level to Taiwan. At the same time, State Department officials tried to devise a jet plane for Taiwan, which would not be too sophisticated to upset Beijing.[50]

The defenders of the FX sales to Taiwan claimed that Taipei's need for a more advanced air force was well established. Many of its present fighter planes were becoming obsolete and as a consequence, Taiwan's ability to defend itself vis-à-vis possible, even though not probable,[51] Chinese attack was decreasing.

The supporters of the FX sale to Taiwan most often referred to the Taiwan Relations Act, according to which "[T]*he President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan.*"[52] In observance of the Taiwan Relations Act, the decision on the arms sales to Taiwan was to be carried out only by the President and the Congress and should not have been influenced or vetoed by any Chinese threats. Moreover, in a larger strategic frame, it would be dishonorable for Reagan's Administration to subdue to demands of a Communist country and make a decision unfavorable to a free, non-Communist nation friendly to the U.S.

The FX sales defenders also pointed out that the "*PRC needs help from the U.S. to protect it from the Soviet Union much more than the U.S. needs anything from Communist China.*"[53] Thus, Beijing's threats to react strongly against continuing arms sales were perceived as containing a "*strong element of bluff.*"[54] In other words, Beijing's reaction to the advanced fighter sale to Taiwan would not result, as they believed, in retrogression of relations despite Beijing's threats to do so.

However, Alexander Haig was of different opinion. He believed that the Sino-American strategic relation could have been saved only by the refusal of the advanced fighter planes sale to Taiwan. Haig was determined

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[50] *Ibid.*, p. 183.
[51] Since normalization, the U.S. assessment of PRC's threat to Taiwan was low. See Lasater, M.: *Policy in Evolution. The U.S. Role in China's Reunification*, pp. 55–56.
[52] **Taiwan Relations Act**, Section 3(a): Public Law 96–8, 22 U.S.C. § 3301–3316.
[53] Cline, R. S.: "*Ronald Reagan and the Taiwan Arms Sales.*" In: The Wall Street Journal, December 21, 1981.
[54] "*Taiwan Sale: Matter of U.S. Sovereignty.*" In: The News World, December 29, 1981.

to use all means to make the administration not to sell the advanced fighters to Taiwan.

The opponents of the FX sale most often claimed that as far as the assessment of the PRC's threat to Taiwan was low, Taipei did not have any need for the sophisticated fighters. Referring to the nine-point proposal for reunification, they professed that Beijing was pursuing the policy of peaceful reunification. The FX sale would then only impair the processes in the Taiwan Strait as well as it could jeopardize Sino-American relations.

Haig's way of making the administration decide against the sale of FX to Taiwan was regarded as a "*virtuoso bureaucratic performance*"[55] of the Secretary of State. Haig took advantage of the Congress being out of the session and of the departure of the National Security Advisor Richard V. Allen from the administration,[56] which enabled him to take full command of foreign policy.

First, Haig used all his influence to prepare arguments against the FX sale to Taiwan. He benefited from the fact that many officials from Carter's Administration were still in important positions in Reagan's Administration. Some of these colleagues of Haig shared his perception of the strategic importance of the Sino-American relations and thus opposed the sale of advanced fighters to Taiwan. With their help, Haig could shape Pentagon reports that he personally requested to decide whether the FX planes were necessary for Taiwan. These intelligence reports were negative to the sale of the advanced fighters to Taiwan.[57]

Second, Haig took advantage of favorable conditions within the White House. The departure of Richard V. Allen, the most vocal supporter of the FX sale with great influence over President Reagan, and his replacement by a foreign policy novice William Clark created conditions for Haig to act decisively.

On January 7, 1982, Haig called for a meeting of the National Security Council. Meanwhile, he managed to obtain agreement on the necessity of maintaining vital Sino-American relations from the Secretary of Defense Caspar Weinberger and the CIA Director William Casey. The National

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[55] Evans, R.; Novak R.: "*Taiwan Turnabout*." In: The Washington Post, January 18, 1981.
[56] Richard V. Allen resigned from the NSC because of a scandal over his acceptance of Japanese gifts.
[57] Evans, R.; Novak R.: "*Taiwan Turnabout*." In: The Washington Post, January 18, 1981.

Security Council then decided that the U.S. would not sell the FX advanced fighters to Taiwan.[58] Facing the united front of the Department of State, the Department of Defense, and the intelligence community, Reagan decided to give up the FX sale.

On January 11, 1981, the Department of State formally announced the decision that no FX advanced fighters would be sold to Taiwan, as there was no military need for such aircraft. Instead, the U.S. would continue in co-producing the F-5E, which had been sold to Taiwan since the Carter Administration.[59]

The Secretary of State believed that suspension of the FX sale to Taiwan would be viewed as a major concession on the part of the United States and thus open way to negotiations between the U.S. and the PRC. Therefore, in January 1982, Haig dispatched the Assistant Secretary of State John Holdridge to China to communicate the FX decision to the Chinese, to discuss future Sino-American cooperation, and to elicit support for Reagan's anti-Soviet policy (particularly due to the situation in Poland). Besides that, Holdridge was entrusted with the task of discussing a proposal of a U.S.-PRC statement on the U.S. arms sales to Taiwan that would have settled down the disputes so that both sides could have celebrated the upcoming tenth anniversary of the Shanghai Communiqué in more friendly atmosphere.

Haig's proposition for the U.S.-PRC statement provided that the U.S. would be committed to selling only defensive weapons to Taiwan, the sales would not exceed the level of the Carter Administration while the PRC would commit itself to the policy of peaceful reunification.[60]

However, Holdridge's mission was a failure. The Chinese refused Haig's proposition. Beijing was angry that Washington approved of selling F-5Es to Taipei instead of agreeing to set a cut-off date for the arms sales to Taiwan. To Beijing, selling F-5Es instead of the advanced FX fighter did not make any difference as far as the U.S. continued providing Taiwan with American arms. The Chinese also refused to criticize the Soviet policy in Poland.[61]

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[58] *Ibid*.

[59] **No Sale of Advanced Aircraft to Taiwan**: U.S. Department of State Statement, January 11, 1982. In: Hung-Mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, pp. 246–247.

[60] Ross, R. S.: *Negotiating Cooperation*, p. 189.

[61] Halloran, R.: "*China Refuses to Criticize Soviet Over Poland*." In: The New York Times, January 31, 1982.

The State Department answered the Chinese embitterment by trying to offer additional concessions. This time, Haig enlarged the scope of the limits to the U.S. arms sales - besides limiting the U.S. arms sales to Taiwan to the levels of the Carter Administration, Haig proposed that the U.S. would not sell weapons of higher quality than those of the Carter Administration (concession 2.A of Haig's memorandum). Moreover, Haig proposed that the quantity of the arms sales would gradually decrease (concession 3 of Haig's memorandum).[62]

However, the Chinese again refused the proposal and continued to demand a clear cut-off date for the American arms sales to Taiwan. The celebration of the 10th anniversary of the Shanghai Communiqué was thus condemned to nil importance as it was reduced to a mere exchange of letters between President Reagan and Chinese Premier Zhao Ziyang on February 28, 1982.[63]

In April 1982, Ronald Reagan sent a personal letter to Vice Chairman Deng Xiaoping and to Premier Zhao Ziyang. Reagan tried to be more specific about the American position towards the PRC and towards Taiwan in order to accommodate the Chinese irritation.

In his letter to Deng, Reagan emphasized the importance of the PRC's participation in a united front against the Soviet Union. The very threat of growing Soviet influence should have compelled the United States and the PRC to cooperate. Reagan reassured Deng of the U.S. commitments stated in the 1978 Normalization Communiqué, and particularly emphasized the U.S. respect for one-China policy. Reagan also presented a positive U.S. appreciation of the nine-point proposal on reunification. On the other hand, Reagan hinted that the U.S. would maintain unofficial relations to Taiwan and would continue to have "*an abiding interest in the peaceful resolution of the Taiwan question*". At the end of the letter, Reagan expressed his wish to continue negotiations with the PRC to resolve the mutual difference in order to develop "*enduring bilateral and strategic relationship*".[64]

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[62] Ross, R. S.: *Negotiating Cooperation*, p. 192.

[63] See **Letter from President Reagan to Premier Zhao Ziyang on the Tenth Anniversary of Nixon's China Trip**, February 28, 1982. In: Hung-Mao Tien (ed.): *Mainland China, Taiwan, and U.S .Policy*, pp. 248–249. **Letter to President Reagan from Premier Zhao Ziyang on the Tenth Anniversary of Nixon's China Trip**, February 28, 1982. In: Hung--Mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, pp. 250–251.

[64] **Letter from President Reagan to Vice Chairman Deng Xiaoping**, April 5, 1982. In: Hung-Mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, pp. 252–253.

Reagan's letter to Zhao Ziyang repeated the formulations of the letter to Deng. This time, however, Reagan explicitly expressed his position on reducing arms sales to Taiwan – he linked it to the peaceful resolution of the Taiwan issue. He declared that the U.S. "*expects that in the context of progress toward a peaceful solution, there would naturally be a decrease in the need for arms by Taiwan.*" In addition to that, Reagan also hinted that from that time on, the Chinese should not expect more U.S. initiatives to solve the mutual differences, rather, the U.S. was "*prepared for, and indeed welcome*" China's suggestions.[65]

Both April 1982 letters also mentioned that Vice President Bush would be traveling in Asia at the beginning of May. Reagan thus suggested that Bush could be invited to Beijing as the "personal emissary" of the U.S. president to negotiate over the contested issues.

The importance of Reagan's two letters consisted in Reagan's formulations on the U.S. policy of arms sales to Taiwan and on the peaceful reunification proposal. The formulations were suggesting shift in the U.S. policy towards Taiwan and the PRC. For the first time, Reagan welcomed the nine-point reunification proposal which he had ceased to comment earlier. For the first time, Reagan specified the conditions under which arms sales to Taiwan would end by linking them to peaceful resolution of the Taiwan problem. This shift was commented in Far Eastern Economic Review:

"This is the first time the White House has deviated from the studied neutrality which in the past the U.S was careful to maintain in the issue of negotiations between Taipei and Beijing. It is also the first time that a U.S. official has specified the conditions under which arms to Taiwan would end... [however] Reagan's tilt in favor of Peking's nine-point proposal therefore is viewed here as a direct response to the roots of China's concerns while avoiding the politically explosive commitment to a definite cut-off for arms sales to Taiwan."[66]

Moreover, the letters also hinted an important shift in Reagan's position on Taiwan. Unlike his campaign statement that the Taiwan Relations Act "*provides an official and adequate basis for safeguarding our relationship with Taiwan*",[67] in his letter to Deng, he declared that "*our policy will continue to*

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[65] *Ibid*., pp. 254–255.

[66] Nations, R.: "*Bush and His Master's Voice*." In: Far Eastern Economic Review, May 14, 1982, p. 12.

[67] **Statement by Presidential Candidate Ronald Reagan**, August 25, 1980. In: Hung-Mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, p. 230.

be based on the principle that there is but one China. We will not permit the unofficial relations between the American people and the Chinese people on Taiwan to weaken our commitment to this principle."[68]

Vice President Bush visited Beijing upon the invitation of Chinese officials in the beginning of May 1982. Bush did not bring any new U.S. concessions or other initiatives on the arms sales to Taiwan, as was suggested in the Reagan's letter to Zhao Ziyang. To the contrary, Bush simply confirmed the position of the U.S. administration that the United States would not agree to a cut-off date to arms sales. Though, he modified the strict American position by admitting that "*the refusal of the United States to agree to a cutting-off date did not imply that it foresaw U.S. arms sales to Taiwan continuing indefinitely.*"[69] At the same time, the Vice President underscored Reagan Administration's commitment to all the principles upon which the official relations between the U.S. and the PRC were established.

The Chinese probably expected more from such a high-level visit. However, all the statements by Bush gave evidence that the U.S. did not want to move any further and that what Bush declared in Beijing was the final offer.

Despite the signals that the U.S. administration was open to negotiations, the Chinese maintained their insistence on cutting-off date for the American arms sales to Taiwan. The Chinese still remained confident of their negotiating leverage over Washington as they continued to perceive the U.S. as vulnerable power and therefore in need of China's cooperation vis-à-vis the USSR. Beijing hoped that Washington would finally compromise and terminate the arms sales to Taiwan. However, the situation in Washington slowly started to change. The Chinese started to lose their negotiating leverage as hostility was increasing in Washington towards the administration's, and particularly toward Haig's conciliatory tone towards Communist China.

In Washington, conservative politicians expressed their disappointment over Reagan Administration's moderate approach towards the PRC and

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[68] Letter from President Reagan to Vice Chairman Deng Xiaoping, April 5, 1982. In: Hung--Mao Tien (ed.): *Mainland China, Taiwan, and U.S. Policy*, pp. 252–253.
[69] Ross, R. S.: *Negotiating Cooperation*, p. 194.

demanded more hard-line attitude towards Communist China. Some conservative senators criticized Reagan over the decision not to sell the FX planes to Taiwan, e.g. Barry Goldwater declared that Reagan "*was bending to Beijing's demands*."[70] Many Congressmen also exerted pressure on Reagan to remind him of his commitment to support Taiwan and the Taiwan Relations Act. It seemed that Haig's pro-Chinese era was coming to an end.

3.6 The Road to Sino-American Communiqué and Haig's Resignation

On June 2, 1982, the Washington Times reported that the Department of State was secretly negotiating a draft of a communiqué with the Chinese. It was leaked that the draft would have represented a major shift in U.S. policy on arms sales to Taiwan for it agreed that the U.S. would terminate the arms sales to Taiwan: "[I]*t is not the long-term policy of the U.S. to sell arms to Taiwan.* [The United States intend to] *gradually diminish and ultimately cease arms sales to Taiwan.*"[71]

The Department of State, namely Haig, denied existence of any of such drafts when queried by the White House and by Senator Barry Goldwater, a leading supporter of Taiwan.[72] However, the existence of such drafts was soon confirmed and that sealed the fate of Alexander Haig as the Secretary of State.

On June 25, 1982, Alexander Haig announced his resignation. It was a result of long-term disagreements with the President, the withholding of information about the communiqué draft playing its role as well. Even after his resignation, he still did not want to give up the issue of China. Haig believed that "*Deng was waiting for a response, and the future of Sino-American relations depended upon the answer he received.*"[73]

On June 29, 1982, Haig sent Reagan a memorandum where he proposed further steps the administration should have taken in order to settle down the Taiwan issue. The memorandum basically offered two options for the U.S. policy towards China: either reconciling to the Chinese demands by promising to end the arms sales to Taiwan, or maintaining the U.S. current position by refusing the cut-off date for arms sales to Taiwan and thus risk

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[70] Hsiao, G. T.; Witunski, M. (eds.): *Sino-American Normalization and Its Policy Implications*, p. 105.
[71] Nations, R.: "*The President's Seal.*" In: Far Eastern Economic Review, vol. 116, June 4, 1982, no. 23, p. 16.
[72] Lasater, M.: *Policy in Evolution. The U.S. Role in China's Reunification*, p. 86.
[73] Haig, A.: *Caveat. Realism, Reagan and Foreign Policy*, p. 214.

a break down of the Sino-American relations with far-reaching consequences to the U.S. strategic position.[74]

While Haig and other officials in the Department of State would have definitely given priority to the first option and thus give China what it wanted for the sake of the strategic importance of China, Reagan was not willing to go so far and was rather inclined to opt for the second option outlined in the Haig's memorandum.

With Haig's departure, Reagan could at last get full grip of the U.S. foreign policy. In June 1982, he appointed George Shultz to become the new U.S. Secretary of State. It was clear that Reagan would draw lessons from his unpleasant experience with Haig and would choose such a Secretary of State who would share Reagan's views. President wanted the White House and the Department of State to be unanimous in foreign policy making, instead of isolated actions that gave rise to ambiguity and contradiction.

George Shultz shared Reagan's perception of U.S. China policy. Compared to Haig, Shultz assessed China's importance to the U.S. at much lower level. His approach signalized that he would accommodate the U.S. China policy more to Reagan's liking. Thus, the Chinese could have expected a change in the U.S. policy towards China that would bring about reduction of Beijing's negotiating leverage.

As far as the current negotiations with the Chinese were concerned, Reagan administration could have hardly backed away from what had been arranged by Haig. Still, Reagan took a personal initiative and made some changes to the State Department's secret draft of the communiqué. Particularly, he refused to recognize that the U.S. arms sales to Taiwan should have "ultimately ceased".

On August 17, 1982, the U.S. and the PRC finally reached agreement and issued a new Joint Communiqué.[75] The document was ambiguous and created space for various interpretations. The Communiqué itself did not provide any clear solution to the core problem of the Sino-American relations (even though it aimed to do so) – the differences over Taiwan were by no means completely resolved – it still enabled both sides to avoid potential crisis threatening to lose valuable connection between the U.S. and the PRC and created enough space to reexamine their respective positions.

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[74] Ross, R. S.: *Negotiating Cooperation,* p. 195.

[75] **Joint Communiqué of the United States and the People's Republic of China**, August 17, 1982: http://usinfo.state.gov/cap/eastasiapacific/china/chinacommuniques.html (1. 3. 2005).

4 Conclusion

At the outset of Reagan's Administration, Washington and Peking became enmeshed in a bitter dispute over the U.S. arms sales to Taiwan. The Chinese protested against Reagan's treatment of Taiwan and argued that during normalization, the United States had recognized the fact that there was only one China and Taiwan was the province of China, therefore the U.S. arms sales to Taiwan under the Taiwan Relations Act represented interference in China's internal affairs and were therefore unacceptable.

There were many factors that contributed to the controversy. First, Reagan came to the office apparently committed to upgrading U.S. relations with Taiwan, either by restoring official contacts between Washington and Taipei or by increasing American arms sales to the island. Reagan's campaign statements suggested that he planned to reverse the terms of the normalization. Despite the fact that Reagan finally stepped back from his demand of reestablishing official relations with Taiwan, Beijing perceived Reagan with great mistrust and wanted to test his commitment to the terms of the Sino-American normalization.

Second, divisions within the administration over the importance of China and Taiwan to the U.S. also contributed to the deepening of the crisis over the U.S. arms sales to Taiwan crisis. Reagan Administration was divided over the importance of cooperation with China in order to resist the Soviet Union. Ronald Reagan and the conservative community were strongly pro-Taiwan and pushed hard for continued arms sales to Taiwan and upgraded ties with Taipei. They refused to give up Taiwan in order to cooperate with China as they believed that cooperation with both Beijing and Taiwan was possible. Nevertheless, there were State Department officials under the leadership of Alexander Haig, who were responsive to Chinese pressure as they believed that U.S. cooperation with China was the crucial factor in resisting the Soviet threat. Consequently, they were inclined to give up the U.S.-Taiwanese ties and to yield to Chinese demands. Because of these divisions, the administration was unable to agree over a comprehensive policy towards China and Taiwan. Such a situation enabled Beijing to exert pressure on the pro-Chinese circles of the administration in order to try to extract maximum concessions from Washington.

Reagan's determination to resist the Soviet power, combined with an appreciation that China would not cooperate with the United States in the case of continuing arms sales to Taiwan, led the president to involve himself

directly in efforts to resolve the Taiwan issue in 1982. After several months of fruitless negotiations, Reagan sent Vice President Bush to Beijing in May 1982, who convinced Chinese leaders that there were strict limits on Reagan's ability to compromise.

Ten weeks later, on August 17, 1982, after intense negotiations on final wording, the United States and China issued a joint communiqué on American arms sales to Taiwan. The carefully worded document used ambiguous language that enabled both sides to maintain their differing views on the arms sales issue. Even though the communiqué did not provide a clear solution to the problem of the U.S. arms sales to Taiwan, it defused the current crisis.

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Addendum:

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