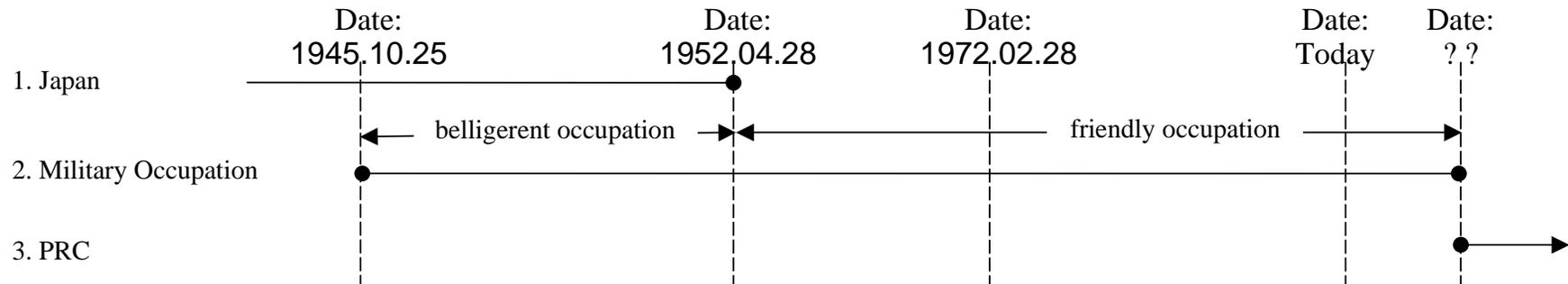


Analysis of the Location of Taiwan's Sovereignty



Explanatory Notes:

1. In 1895, Taiwan was ceded to Japan in the Treaty of Shimonoseki. After the treaty came into effect, Taiwan's sovereignty was held by Japan, and this was "ownership."
2. After WWII, the United States was the principal occupying power of the Pacific area and nearby environs. In General Order No. 1 of September 2, 1945, the other troops receiving orders and following the directions of General MacArthur were acting as agents for the principal occupying power, and cannot claim any special rights of their own. According to the law of occupation, "Territory is considered occupied when it is actually placed under the authority of the hostile army." Hence, the acceptance of the surrender of Japanese troops by the representatives of CKS on October 25, 1945, marks the beginning of the belligerent occupation of Taiwan, and military occupation is an interim status condition. Military occupation does not transfer sovereignty, and there was no transfer of sovereignty on this date. Taiwan's status became that of an independent customs territory under USMG.
3. Upon the coming into effect of the peace treaty on April 28, 1952, Japan ceded Taiwan, but no receiving country was specified. Taiwan's status became that of unincorporated territory under USMG. The period of time from the coming into effect of the peace treaty until the end of military government of the principal occupying power is called "friendly occupation" or more properly "the civil affairs administration of a military government." Hence, Taiwan currently remains under the administrative authority of USMG, until such time as the Taiwan territory can be relinquished to the "lawful government of the area." USMG is acting as trustee to hold Taiwan's sovereignty.
4. In the Shanghai Communiqué of February 28, 1972, the USA and the PRC agreed on the "One China Policy," stating that the PRC is the sole legitimate government of China. No firm timetable for the annexation (or "unification") of Taiwan by the PRC was established however, and the details were left to be negotiated by the officials of Taiwan and the PRC. Currently, Taiwan is in a period of interim status, and the USA does not support "Taiwan independence" nor Taiwan's participation in any international organizations for which statehood is a requirement. When the Taiwan governing authorities and the PRC officials finally come to the negotiating table, it is expected that they will reach an agreement for Taiwan to be integrated into the PRC under the "one country, two systems" model. After this agreement takes effect, USMG in Taiwan will be legally supplanted.