THE UNITED STATES AND CHINA AT THE PRECIPICE OF WAR?

Taiwan’s President Lee Teng-hui drove from the airport after a flight that brought him across the Pacific Ocean on 7 June 1995 to be greeted by hundreds of supporters waving Taiwan flags outside his Los Angeles hotel. It was the first leg of an “unofficial” visit to the United States to attend a gathering at his alma mater at Cornell University in New York State. From California he flew to Syracuse, New York, a close car ride away from Cornell. The airport welcoming party included three American senators, including Senate Foreign Relations Committee Chairman Jesse Helms, who said that he hoped that Lee would be allowed to visit Washington “very soon.” At first glance the trip seemed innocent, but below the surface lurked political and military dynamics that would cause a tremor in relations between the United States and China.

Lee had almost been prevented from making the visit by the Clinton administration. Administration officials upon hearing of Lee’s interest in traveling to Cornell had told him that he could not come. Secretary of State Warren Christopher had assured China’s Foreign Minister Qian Qichen—whose country was most anxious about the potential for Lee visiting the United States—at a United Nations meeting on 7 April that it was the administration’s “fundamental policy” to refuse a visa for Lee. Christopher cautioned Qian, however, that the administration had been unable to persuade Congress of the wisdom of its policy.

That failure gave Taiwan an opportunity that it aggressively seized. Taiwan financed a $5 million lobbying campaign to sway members on Capitol Hill to pressure the Clinton administration to allow Lee’s planned visit. The campaign apparently paid off handsomely. The House of Representatives on 3 May voted on a nonbinding resolution 396 to 0 to demand a visa for Lee. The Senate followed suit six days later on a similar resolution with a ninety-seven to one vote. Secretary Christopher and the president’s National Security Adviser Anthony Lake feared that Congress would pass legislation and amend the Taiwan Relations Act of 1979 to force the administration to comply.

The consensus in the State Department was that Lee’s visit would unduly risk angering China. A minority view at State argued that the Clinton administration could approve Lee’s trip to the United States while dampening Chinese anger by offering Beijing quiet compensations such as an invitation to Chinese President Jiang Zemin, who was interested in an official visit to Washington. President Clinton, however, reviewed Lee’s request more favorably than most of the Asia watchers at the State Department. When he was governor of
Arkansas, Clinton had visited Taiwan frequently. Although he was a largely unknown politician at the time, Clinton had been treated as an honored dignitary while in Taipei to promote business contracts for Arkansas companies. Taiwan promoted such visits to cultivate ties to politicians at the national, state, and local levels of the American government.

Clinton was reluctant to cave in to Chinese interests. By the spring of 1995, he had backed away from his earlier insistence that U.S. trade with China would be linked to Beijing’s provision of basic human rights to its citizens. Clinton had run a presidential campaign that criticized then-President Bush—a former ambassador to China—as being too lenient with the Chinese, particularly as Bush tried to patch up badly damaged relations with Beijing after the Tiananmen Square massacre in 1989. Clinton treated China largely as a domestic issue in his first year of office, according to several senior policymakers at the time. He had vowed in his campaign to stop “coddling” China and to refuse normal trade relations as “long as they’re locking people up.” In the spring 1993, he dispatched Assistant Secretary of State Winston Lord and Deputy National Security Adviser Samuel Berger to negotiate a deal on most-favored-nation trade status for China with two leading congressional critics of Chinese repression: Rep. Nancy Pelosi (D-Calif.) and Sen. George Mitchell (D-Maine). The result was an executive order requiring that China show “overall, significant progress” on human rights or face being cut off from trade with the United States by the spring of 1994. President Clinton now complained at one meeting to discuss whether to grant Lee a visa that “just as we’re supposed to be sensitive to their traditions and history and their way, they need to be sensitive to ours” and then decided to grant Lee’s request on 22 May. Secretary Christopher’s credibility with the Chinese at that point was over, opined a former senior policymaker on Asia.

To add insult to injury, Taiwan’s representative in Washington, Benjamin Lu, assured the U.S. pointman for Asia at the State Department, Assistant Secretary of State Lord, that Lee’s visit would be kept private and low-key. But Lee’s visit to his alma mater turned out to be the opposite. Lee made a public and assertive political speech, referring to the “Republic of China on Taiwan”—a controversial phrase that caused an uproar in Beijing—seventeen times Lord felt betrayed by Lu’s deception and never again agreed to see him. A storm ensued at the State Department. Policy Planning Chief James Steinberg warned his boss Secretary Christopher to brace for the worst because he believed that Chinese officials were going to react strongly to the visit. “Jim was apoplectic,” a colleague recalled. “I remember him sitting in Christopher’s office saying [the visa episode] was a huge mistake.”

Steinberg proved to be prophetic in his analysis of the episode. China was furious at the Americans for allowing Lee’s visit and the militant tone of hisCornell speech. In protest, Beijing withdrew its ambassador to the United States, refused to accept the credentials of the new U.S. ambassador in Beijing, arrested an American photojournalist in China, suspended a dialogue with Taiwan, and canceled a variety of government-to-government discussions with the United States. Their outrage would not allow the Chinese to stop with retaliatory measures. They began a military display on 21 July and fired from China’s eastern coast two ballistic missiles per day for three days that landed in an impact zone only one hundred miles north of the island of Taiwan. These military exercises were just the initial links in a chain of events that would lead—during the runup to Taiwan’s first direct presidential elections in March 1996—to the greatest buildup of U.S. forces in Asia since the Vietnam War and to the greatest risk of a direct clash between American and Chinese military forces since the Korean War.

TAIWAN’S DRIVE FOR INDEPENDENCE

What was at work behind the scenes to cause this ostensibly innocent “private” visit to the United States to blow into a major crisis in U.S.-Chinese relations? Despite professions to the contrary, Lee’s desire to travel to the United States was part of a strategic diplomatic campaign to garner international recognition for Taiwan. The government on Taiwan, by and large, does not enjoy formal and widespread recognition in the international community due to the circumstances of its formation.

The government on Taiwan was formed in 1949 after the Chinese Nationalists led by Chiang Kai-shek fled a losing battle with the Communists for control over the Chinese mainland. Chiang fled to the island and claimed to represent the real government of China with aspirations—that have long since evaporated—of eventually recapturing the mainland. China, for its part, does not view Taiwan as an independent state. Instead, Beijing—with its 1.2 billion people—views Taipei—with its population of about 21.5 million people—as a rebellious province of China. China has adamantly opposed any activities that would lend international legitimacy to Taiwan’s status as an independent state. Indeed,
most nation-states in the international community have shied away from officially recognizing Taiwan for fear of jeopardizing ties with the geographically larger, more populous, and more powerful government in Beijing.

Taiwan has officially supported the reunification of the island with the Chinese mainland under a “one China” policy, but Taipei’s support for that policy appears to be eroding. President Lee’s Kuomintang Party (KMT) or the Nationalists—that has ruled Taiwan since Chiang’s escape from China—publicly espouses the view that it favors eventual reunification with the mainland, as long as reunification would be under acceptable terms. The KMT and the Chinese Communists during most of the period of the government on Taiwan have shared a consensus that the island should be part of China, although they have disagreed about who would be in charge of a reunified country. Since the death of Chiang in 1975, however, the KMT has gradually been toning down its unification rhetoric, while support for Taiwan’s publicly declaring itself an independent nation-state has been growing. The growth of support for independence reflects a rising sense of national identity in Taiwan and a lessening of identification with the mainland. Most of Taiwan’s citizens are not interested in unification; most of the older people were on the island before the KMT brought its reunification hopes ashore; and the post-war generation has no memory of China and sees no advantage in becoming part of it.

President Lee’s own views of Taiwan’s future with the mainland is difficult for observers to pin down. But whatever his personal views, Taiwan’s first direct presidential elections in March 1996 were creating political pressures for him to move away from the reunification position toward a view espousing independence. Lee was running in an environment that was supportive of pro-independence political parties. By some estimates, the independence movement was supported by about a third of the electorate. Lee needed to seize the initiative from the opposition Democratic Progressive Party (DPP), which favors Taiwan’s independence, and his visits abroad demonstrated to the Taiwan electorate that he was trying to gain new international recognition for the island. Lee recognized also that should his campaign for recognition anger China, that would help his political stature at home.

Even without formal international recognition, Taiwan is a de facto nation-state in the international system of states. Taiwan’s political transformation from an authoritarian government to a vibrant democracy is seen as an Asian success story. Chiang Ching-kuo, Chiang Kai-shek’s son and successor, ended martial law, legalized opposition parties, eased press restrictions, and set the stage to hold democratic parliamentary elections in 1992, the first in forty years contested by a legal opposition party. President Lee is Taiwanese, not a mainlander; and the first man ever born on Taiwan to rule the island. The mayor of the capital, Taipei, belongs to the opposition DPP, which represents about a third of the legislature.

The political atmosphere has nurtured the growth of a robust economy that is heavily engaged in world trade. Taiwan has the world’s third-largest foreign reserves, with about $84 billion as of 1998, and one of the world’s lowest foreign debts. Its banks have the lowest bad-loan ratios in Asia, and its companies have the lowest debt-to-equity ratios. In 1997, trade between Taiwan and the United States reached about $53 billion a year, and Taiwan ranked as the United State’s seventh-largest trading partner. Taiwan’s market for U.S. goods is more than one and a half times the size of China’s.

The Taiwanese have major economic interests with China, despite their hostile political and military standoff with Beijing. Taiwanese investment in China has reached an estimated $38 billion. More than two hundred thousand Taiwanese live in China, and Taiwanese businesses have invested more than $30 billion in forty-five thousand enterprises there, making China Taiwan’s largest export market after the United States. About twelve million cross-strait trips have taken place since 1987 between Taiwan and the mainland, the vast majority of them by Taiwanese residents visiting relatives, taking holidays, or doing business. Although the Taiwanese welcome the profits of cross-strait business and value the ability to visit family, many have concluded from these trips that China is too backward, repressive, and mired in bureaucratic regulations to make Taiwan-China unification appealing in the foreseeable future.

The Taiwanese have used their successful economy to modernize their armed forces with U.S. help, giving them the means to blunt a Chinese military assault on Taiwan should Beijing ever decide on this option. Taiwan has an annual defense budget of $10 billion. Its armed forces have about 376,000 soldiers with 1,657,500 reserves, about 800 tanks, 950 armored personnel carriers, 4 submarines, 36 surface combatants, and 529 combat aircraft. Taiwan received a substantial boost in military assistance from the United States under the Bush administration. In September 1992, President Bush decided to sell 150 F-16s to Taiwan. Some observers believe
that F-16 deal violated the August 1982 joint U.S.-
China communiqué that regulated the quality and
total of U.S. arms sales to Taiwan. As a result of
the F-16s, Taiwan’s air force enjoys air superiority
over the Chinese air force, which is largely equipped
with less capable aircraft.

**CHINA’S GOAL OF REUNIFICATION**

Beijing needed to take drastic action. Lee’s visit
to the United States and his speech were the straws
that broke the camel’s back. Beijing worried that in
the runup to Taiwan’s presidential election, Lee
would become increasingly aggressive in his inter-
national campaign to gain diplomatic recognition,
particularly in the Third World, and in his efforts to
gain Taiwan’s entry into the United Nations. Lee’s
confrontational approach to China and his campaign
to nurture an independent Taiwanese image on the
world stage were steps along the path to declare
Taiwan’s independence and undermine the “one
China” principle. The Chinese were especially
incensed because Taiwan had rebuffed their efforts
to make progress toward reunification. In January
1996, President Jiang Zemin proposed an eight-
point plan with a “one China, two systems” formula
to reconcile with the island, an approach that was
unsuccessful used to make progress on reunifying
China with Hong Kong and Macau, which had been
separated from China since 1841 and 1557, respec-
tively. Unless Beijing took firm action to under-
mine him, Chinese leaders feared that Lee would be
emboldened to declare Taiwan’s independence
should he win the presidential election. No leader in
Beijing was willing to suffer such a humiliation at
the hands of a “renegade province.”

Chinese leaders pulled the arrow of military
power out of their quiver. They wanted to compel
Taiwan to heed Chinese warnings not to declare
independence and to stay the course with the “one
China” policy. China announced on 5 March 1996
that it was going to conduct a week of ballistic mis-
sile tests near Taiwan’s major ports of Keelung and
Kaohsiung, on the northern and southern ends of
the island, respectively. The move threatened to
scare off international commercial shipping to the
ports and internationally isolate Taiwan. Indeed, in
response to the announcement, Taiwan’s stock mar-
ket plunged 2.3 percent. A senior Chinese official
said that China had decided to test-fire ballistic mis-
siles to curb the continuing efforts by Taiwan’s Presi-
dent Lee toward independence for the island. The
decision reflected China’s belief that the previous
nine months of military maneuvers had failed to
intimidate Taiwan. China warned commercial ship-
ning and aircraft to avoid areas around Taiwan’s har-
bors.

The prospect of Chinese missile activity was par-
icularly alarming because it included a thinly veiled
threat to use nuclear weapons against Taiwan. The
Chinese released few details of the missile firings,
but western diplomats suspected that the Chinese
intended to fire their M-class missiles. These mis-
siles—capable of carrying nuclear warheads from
military bases in the Nanjing-Shanghai area—were
under the command of the army’s II Artillery Corps,
which operates China’s strategic nuclear arsenal.

Taiwan’s Ministry of National Defense on 8 March
confirmed that two Chinese M-9 missiles had landed
inside of the previously announced target areas, one
thirty-two miles west of Kaohsiung and the other
twenty-two miles east of Keelung. The ministry
said it believed the missiles were unarmed but that
the Taiwanese military “would continue to monitor
the situation.” Officials in Washington and Taipei
subsequently reported that a third missile also had
been fired into the area near Kaohsiung. China’s
Foreign Minister Qian Qichen said that the people of
Taiwan should not panic over the missile firings but
warned of a “real disaster” should they support Tai-
wan’s independence. In Washington, the State
Department called the missile tests “unnecessarily
provocative and reckless.”

China further stepped up pressure on Taiwan with
a 9 March announcement of additional military
maneuvers. The official New China News Agenc
announced that from 12 to 20 March the Chinese
military would conduct naval and air force exercises
and requested that other governments warn their
national and commercial ships and aircraft not to
enter restricted sea and airspace in the Taiwan Strait
during this period. China had never before
attempted to close such a large area—six thousand
square miles—of international waters between
China and Taiwan, raising questions of whether
China also was challenging the right of free passage
by international ships, including the U.S. navy. An
American naval battle group led by the aircraft car-
rrier Nimitz had navigated the area as recently as
December 1995, and Clinton administration officials
hinted that they might send other naval vessels into
the Taiwan Strait to ensure that it remained open t
international navigation.

The deputy director of Beijing’s Taiwan Affairs
Office said in an interview that China was using the
missile tests to show Taiwan that it “is still part of
China and we have the determination and the
capability to safeguard our sovereignty and territorial integrity.” He also repeated Beijing’s threat to apply direct military force, if necessary, “to safeguard the reunification of the motherland.” His remarks clarified China’s position that it considered all actions by Taiwan’s president to win a United Nations seat, travel under Taiwan’s flag to foreign capitals, establish diplomatic relations with other states willing to break relations with Beijing, and to purchase weapons from the United States as actions that could lead to war. The Chinese official claimed that China still wanted to see a peaceful settlement of the Taiwan issue but added that “we would not hesitate to use all means, including military means, to achieve reunification of the motherland.”

The crisis represented a major test for President Jiang Zemin, who is working to consolidate his hold on power in China. Critical to the success of Jiang’s efforts is the support of the People’s Liberation Arm (PLA). Since becoming the Communist Party’s leader in 1989, Jiang has engineered a purge of the military while maneuvering to place allies in key government positions. As a result, no one else in the party’s leadership enjoys as much support among PLA generals as Jiang. Today, all regional commanders in China owe Jiang their positions, promotions, or both.

Jiang’s standing with the military, however, was tarnished by Lee’s visit to Cornell. Many generals suspect that Jiang’s conciliatory, eight-point speech on Taiwan in early 1996 encouraged Lee to embark on a round of vacation diplomacy. In that speech, Jiang did not repeat the standard refrain that Beijing has sovereignty over Taiwan and is willing to back up its position with the use of military force should Taipei declare independence. Instead, Jiang tried to convince the Taiwanese of the wisdom of reunification. Jiang, moreover, offered to protect the rights of the Taiwanese and acknowledged their “legitimate aspirations.” Despite Jiang’s words of reconciliation with Taiwan, he has had to take a harder line on Taiwan in the 1996 crisis to make amends with the military, whose support he needs to hold on to the reins of power in Beijing.

The domestic struggle for power takes place against a backdrop of Chinese insecurity about its place in Asia and the world. From the outside looking in, China is an imposing nation-state, with its large land mass and population. These features, however, obscure China’s history, which is littered with repeated violations of the country’s sovereignty—a history that is very much on the minds of Chinese leaders. China’s land mass is roughly the size of the United States but is vulnerable to invasion by foreign forces. The Chinese have suffered from foreign onslaughts from the east during the Japanese invasion of Manchuria in the opening stages of World War II and in the mid-1800s when western powers forced China to open its ports to foreign commerce. To the west, China’s open terrain has allowed five invasions of nomads to conquer part or all of China, most recently until 1911. And China’s worldview is one of conflict. This century China has had military conflicts with seven countries: Russia, India, Japan, Vietnam, South Korea, Taiwan, and the United States. As one observer summed up China’s strategic position, the PLA “may be the world’s largest, yet it is outnumbered by two to one when the armies of its seven biggest neighbors are added together, to say nothing of America’s huge Pacific presence. And China’s military technology is put in the shade by most of its neighbors.”

China today keeps a sharp lookout for signs that America and Japan are combining to contain or divide it. As one observer noted from the Chinese perspective, “Both countries have parliamentarians who loudly deny the Chinese government’s legitimacy. In this light the strengthened security agreement signed in 1996 between Japan and the United States looks disturbing to the Chinese.” China is especially suspicious that American policy in the post-Cold War world will be one of containment of China, a policy that would block China’s efforts to make inroads in the international community to increase foreign investment, which is a driving force behind China’s economic growth and modernization. China’s suspicions of the United States were illustrated during a visit by President Clinton there in the summer of 1998. While Clinton was taking questions from an audience at Beijing University, one student asked, “Do you have any other hidden sayings behind this smile? Do you have any other designs to contain China?”

The PLA is massive but it is plagued by shortcomings that limit its combat capabilities. It has about 2,820,000 active duty soldiers with another 1,200,000 reserves, some 8,800 main battle tanks, 63 submarines, 53 surface combatants, 73 amphibious craft, and some 2,556 fighter aircraft. Most of the PLA’s arms and equipment, however, is obsolescent and technologically inferior to that in the inventories of western countries. These shortcomings have led many analysts to doubt that the Chinese military is capable of mounting a large-scale amphibious assault on Taiwan. Although Chinese forces outnumber those of Taiwan ten to one, western analysts assess that “Beijing does not have the
ability to project that power far from the mainland. China has only enough landing craft to put about 6,000 troops on Taiwan at a single throw. And its ships would be poorly protected from aerial bombardment.\textsuperscript{53} The American chairman of the joint chiefs of staff, General John Shalikashvili, concluded in February 1996 that “we do not believe they [the Chinese] have the capability to conduct amphibious operations of the nature that would be necessary to invade Taiwan.”\textsuperscript{54} Nevertheless, even if the Chinese military’s ability to launch an amphibious assault on the island would be problematic, Chinese military posturing with maneuvers and missile firings could shut down Taiwan’s access to international commerce and raise havoc with Taiwan’s economy.

\textbf{THE UNITED STATES BETWEEN A ROCK AND A HARD PLACE}

Analysis of Chinese amphibious capabilities against Taiwan aside, the Clinton administration was worried about the ballistic missile threat to Taiwan—against which the island had no defenses. Behind the scenes, administration officials were giving strong warnings to the Chinese about their military activity. On 7 March Defense Secretary William Perry warned senior Chinese national security official Liu Hauqiu—Anthony Lake’s counterpart in Beijing—at a dinner at the State Department that there would be “grave consequences” should Chinese weapons strike Taiwan. Secretary of State Warren Christopher and Anthony Lake also were present and reiterated Perry’s warning.\textsuperscript{55} Clinton administration officials also were quietly working to prevent Taiwanese actions that could provoke a Chinese military escalation. Deputy National Security Adviser Berger and Undersecretary of State Peter Tanoff on 11 March summoned Taiwan’s national security adviser to a New York hotel, where they told him to “cool Taiwan’s independence drive because U.S. military support was not going to be a blank check.”\textsuperscript{56}

The Clinton administration was under fire from domestic political fronts for its ambiguous public commitment to Taiwan. A State Department spokesman said that “we believe that the plans for these missile tests are irresponsible, and we have informed the Chinese Government that there will be consequences should these tests go wrong,” although the consequences were not specified in public.\textsuperscript{57} On Capitol Hill, House Republican lawmakers issued a statement rejecting the Clinton administration’s ambiguous statements and called for the United States to commit itself to the defense of the island and work to deter China from “invading, attacking or blockading Taiwan.”\textsuperscript{58} Presidential hopeful Senator Robert Dole in the midst of a campaign bid to unseat President Clinton criticized him for being weak on Chinese violations of basic human rights in China and of arms control agreements designed to restrict the international transfer of technologies that could be used to develop and deploy weapons of mass destruction and ballistic missiles. Dole called for Clinton to send more U.S. forces to the region to support Taiwan. He argued that the United States needed to make it clear to Beijing that Washington has strong ties to Taipei and “if necessary, we would protect them” from Chinese military action.\textsuperscript{59}

The crisis was eroding a U.S-Chinese relationship that had been nurtured by both Republican and Democratic presidents for more than thirty years. The United States in the aftermath of the communist revolution in China favored relations with Taiwan, but since the 1970s has placed greater emphasis on its ties with China. Under the Nixon administration, the United States undertook a number of steps that gave international legitimacy to China’s position in its dispute with Taiwan. The United States’ drift toward recognition of China was prompted by the clear importance of China’s strategic location, its opposition to the Soviet Union, and its potential as a trade partner.\textsuperscript{60} In moves designed to shore up ties with China, the United States’s defense treaty with Taiwan was abrogated after President Nixon’s visit to China in 1972. The 1972 Shanghai Communiqué articulated U.S. policy that there is only one China and that Taiwan is part of China. In return for these gestures, China promised the United States that reunification with Taiwan would occur peacefully at some unspecified date in the future. President Jimmy Carter further bolstered U.S. ties with China by establishing formal diplomatic relations with Beijing in 1979 while downgrading the ties with Taiwan to “unofficial” relations.

The United States also adopted some measures to help ease Taiwan’s anxiety about increasing American-Chinese ties by enacting the Taiwan Relations Act of 1979. The law asserts Washington’s right to help Taiwan defend itself and declares that the island is within the American sphere of interests. It characterizes “any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of gave concern to the United States.”\textsuperscript{61} Although the law commits the United States to help Taiwan procure items needed for its defense, it does not obligate the
United States directly to come to the defense of the island in the event of an attack from China. The 1996 crisis erupted despite Clinton administration efforts to repair the damage to its relations with China because of President Lee's visit to the United States. In August 1995, Clinton sent a secret letter to President Jiang inviting him for the first time to visit Washington. More importantly, the letter promised China that the United States would not support Taiwan's admission to the United Nations and that the United States would resist efforts by Taiwan to become independent. Although the assurance on independence was similar to the private pledges that Richard Nixon and Secretary of State Henry Kissinger had given China during their visits in 1971 and 1972, Clinton's pledge was significant because it came when the possibility of Taiwan's declaring independence was increasing.

American officials were not confident that their démarches and denouncements of Chinese military moves were having the desired effects on leaders in Beijing. They therefore decided to use the American military to get China's attention. The United States has formidable military forces deployed in the Pacific: 15,400 soldiers, 4,530 air force personnel, 19,500 sailors, and 19,500 marines are assigned to the U.S. Pacific Command in Hawaii, while 1,800 soldiers, 14,000 airmen, 6,750 sailors, and 16,600 marines are based in Japan and could be tapped for contingencies with China. The U.S. air force alone has ninety combat aircraft in Japan. These forces are more modern and more capable than Chinese forces. Chinese leaders, moreover, are well aware of the inferiority of their weapons vis-à-vis U.S. forces because they witnessed the U.S. victory over Iraqi forces in the 1991 Gulf War. Iraqi forces primarily equipped with Soviet-built arms and equipment that are technologically comparable to those in Chinese inventories.

Secretary of State Christopher in a television interview announced that an American naval battle group led by the aircraft carrier Independence had been ordered to international waters near Taiwan. Other administration officials said that the United States also planned to move the aircraft carrier Nimitz and its battle group from the Persian Gulf to the Taiwan Strait. An administration official claimed that the decision to bolster the U.S. military presence in the area was intended to be “a symbol of our continuing interest in stability there.” The U.S. naval force to be assembled in the area—with its sixteen ships armed with more than two hundred cruise missiles and at least one hundred carrier-based combat aircraft—was to be one of the largest displays of U.S. naval power in the Pacific since the Vietnam War.

Clinton administration officials say that the decision to move the Nimitz and the Independence battle groups closer to Taiwan was made on 9 March by President Clinton after Secretary of Defense Perry sold the idea to National Security Adviser Lake and Secretary of State Christopher during a Pentagon briefing. Perry told the group that he was concerned about the size and scope of the Chinese military exercises and that the missile test shots north and south of Taiwan were a way to demonstrate that China could effectively target the island. He also was concerned that the exercise posed a threat to commerce in the region. Senior policymakers agreed that a show of U.S. military power was needed to calm anxieties elsewhere in the region and to demonstrate that the United States would not be bullied.

Assistant Secretary of State Lord reiterated this point when he remarked that the naval buildup was meant to “reassure our friends in the area that we have a big stake in the stability and peace of that region.” This was not the first time that the United States had used military power in the Taiwan Strait to counter Chinese threats against Taiwan. President Dwight Eisenhower had dispatched U.S. forces to the Taiwan Strait to prevent Beijing from seizing the islands of Quemoy and Matsu, both claimed by the government on Taiwan. Many observers at the time feared that China would use the islands as staging areas for a subsequent assault on Taiwan. As Professor Nancy Tucker recalls the earlier crises, “In 1954 and 1958, the U.S. deployed significant naval power in the Strait to prevent Taiwan’s fall. In each instance, although more in the first than in the second, then-President Dwight Eisenhower’s administration won public and Congressional support and emerged triumphant, if slightly shaken by the enormity of the risk it had run.” In these situations, Eisenhower had to contemplate facing an embarrassing defeat to mainland China if it militarily occupied the islands or resort to the use of American nuclear weapons that would have been needed to stop Chinese assaults.

The Chinese remember Eisenhower’s thinly disguised threats to use nuclear weapons to defend Taiwan and are determined not to allow the United States to use nuclear blackmail on Beijing again. In marked contrast to the strategic equation in the 1950s, China today has a nuclear weapons inventory capable of holding targets in the continental United States at risk. China’s strategic nuclear forces include seventeen intercontinental ballistic missiles as well as one submarine capable of delivering
nuclear warheads on targets in the United States. During an October 1995 visit to China by a former high-ranking Defense Department official, the Chinese deputy chief of staff for the People’s Liberation Army, Xiong Guangkai, told him that China was prepared to sacrifice millions of people in a nuclear exchange to defend its interests in preventing Taiwan’s independence. He implied that Chinese nuclear capabilities would hold in check the United States’s nuclear power: “You will not sacrifice Los Angeles to protect Taiwan.”

China reacted hostiliter to U.S. military moves, while Taiwan greeted them. China’s Foreign Minister Qian Qichen said it was “preposterous for some people in the United States to call openly for interference on the Taiwan issue by the Seventh Fleet or even for protecting Taiwan. They must not forget that Taiwan is a part of China’s territory and is not a protectorate of the United States.” The alarm with which the Chinese reacted to U.S. military moves reflected surprise in Beijing that Washington would react so boldly. Paul Godwin, a scholar at the National Defense University, for example, was told in 1995 by his Chinese military academic counterparts that “the experience of Somalia, Bosnia and Haiti showed that the U.S. would not intervene in Taiwan,” and he speculates that the Chinese may have been hoping that the missile firings would discourage Washington from considering a military response. A Taiwanese government spokesman, on the other hand, welcomed the American naval deployments, which he characterized as “helpful, stabilizing and, hopefully, also persuasive” in moderating Beijing’s behavior. President Lee, meanwhile was campaigning for the presidential election and seeking to reassure voters that his Nationalist Party government could protect them in the event of a military conflict. The American military buildup in the region did little to stop Chinese military posturing. On 12 March China commenced live fire and naval exercises in the Taiwan Strait. Thirty groups of Chinese aircraft and ten Chinese warships were detected on 13 March in the one hundred fifty-mile wide strait, according to Taiwan’s Defense Ministry, while China mobilized one hundred fifty thousand troops in the coastal Fujian Province for the drills, along with four submarines, according to a Japanese news agency. The Chinese on 13 March also test-fired another ballistic missile into the zone south of the Taiwanese port at Kaohsiung. Nevertheless, the U.S. embassy in Beijing relayed to Washington private assurances from senior Chinese officials that Beijing was not planning to invade Taiwan.

The United States continued to monitor Chinese activities. A White House spokesman said that the United States considered China’s launching of another missile as a “provocative act.” Meanwhile, the naval task force led by the Independence was on station east of Taiwan. Admiral James Ellis, the task force commander, said that his forces were conducting routine operations while monitoring Chinese exercises but added that he had no plans to enter the Taiwan Strait where Chinese bombing exercises were underway.

Despite the bolstered U.S. military presence in the region, China announced it planned to conduct even more military exercises. The New China News Agency reported that from 18 to 25 March the Chinese military would conduct joint ground, naval, and air exercises in and over most of the northwest part of the Taiwan Strait. The exercise would run through the Taiwanese election still planned for 23 March. The Chinese announced these measures even though in recent days senior Taiwanese officials had been calling on China to halt military exercises in order to create a more favorable climate for discussing Beijing’s charge that President Lee was leading the island toward independence. The Chinese exercises, moreover, were to take place near the historically symbolic island of Matsu, where fifteen thousand Taiwanese troops were stationed.

China’s new military moves were backed by heated rhetoric coming from Beijing. China’s Prime Minister Li Peng, speaking on 17 March in Beijing at the end of the annual session of the National People’s Congress, said that “if someone makes a show of force in the Taiwan Strait, that will not only be a futile act, but it also will make the situation all the more complicated.” The United States brushed aside the warning. An American official, speaking on condition of anonymity, said that the United States retained its right to move through international waters near the strait just as it does around the world. Meanwhile, the prospect of new exercises prompted about three hundred Taiwanese to leave small islands around Matsu located about ten nautical miles away from the area of the planned exercises.

Washington responded to Beijing’s bellicose political statements and military behavior by calling off an official Chinese visit to the United States and by informally extending a freeze on new financing for American business deals in China. Defense Secretary Perry abruptly decided to cancel the planned April visit of his Chinese counterpart. He announced that “a large-scale official visit is not appropriate in the current climate.” A White House spokesman
also announced that the administration intended to allow the U.S. Export-Import Bank to defer financing American companies who wanted to export to China, pending the outcome of U.S.-China talks over the Chinese sale of nuclear-related technology to Pakistan.62

Also in Washington, the Clinton administration approved Taiwan’s request to buy Stinger air defense missiles and other weapons, a move officials said reflected a long-standing U.S. commitment to help Taiwan defend itself. The sale was in keeping with past American practice; the United States had sold a variety of military equipment to Taiwan, including Hawk air defense batteries, Sidewinder air-to-air missiles, Hefi fire anti-armor missiles, and Harpoon anti-ship missiles.63 A Chinese Foreign Ministry spokesman criticized the Clinton administration for approving the sale of Stinger missiles to Taiwan and the U.S. Congress for rallying to Taiwan’s side; the U.S. Senate had unanimously approved a non-binding resolution denouncing China’s military exercises, following a similar resolution passed by the House. A Beijing-controlled newspaper in Hong Kong printed a military warning on 21 March: “With a concentrated fire of guided missiles and artillery, the People’s Liberation Army can bury an enemy intruder in a sea of fire.”64

THE CRISIS DIFFUSES

Despite the rhetoric, the crisis quickly dissipated after Taiwan’s presidential elections. On 25 March China announced the ending of its war games off the coast of Taiwan. The New China News Agency reported that “the success of the exercises demonstrates the military and political qualities as well as the determination of the ground, naval and air forces, and indicates that the Chinese armed forces are resolved and able to safeguard the unity of the motherland.”65 China also made gestures to reestablish a diplomatic relationship with Taiwan. On 24 March Beijing called for a meeting between Mr. Lee and Chinese President Jiang Zemin as well as for opening direct air, shipping, and mail links across the Taiwan Strait. Taiwanese officials responded by saying that Taiwan wanted to explore both a “peace agreement” and a long-term policy of “détente” with China.66

In response to these developments, President Clinton said he was pleased by the easing of tensions between China and Taiwan. A navy official reported that the Independence planned to return to its base in Japan in a few days and that the Nimitz, which had arrived off Taiwan’s southern coast 23 to 24 March, was expected to depart in about a week for its home port in Washington State.67

Ironically, the political and military crisis with China contributed to the reelection of Lee as president of Taiwan on 23 March. It apparently caused significant numbers of voters to defect from Taiwan’s largest opposition group, the pro-independence Democratic Progressive Party, to Mr. Lee’s party. Lee won the election with 54 percent of the vote. The DPP estimated that “China’s military exercises boosted Lee’s performance by five percentage points.”68 A White House spokesperson said that the U.S. congratulated the Taiwanese people on their first election, although anonymous official sources said that no formal congratulations would be offered because the United States does not have diplomatic relations with Taiwan. The New China News Agency interpreted the election results as a sign that the voters of Taiwan opposed the idea of separation from the mainland.69

As part of the campaign to repair relations, the American and Chinese presidents exchanged visits. President and Party Chief Jiang Zemin made a visit to Washington in October 1997, and President Clinton made a state visit to China in the summer of 1998. China had asked Clinton to publicly affirm during his visit that the U.S. supported China’s “three no’s” policy on Taiwan. Clinton did so during a 30 June panel discussion in Shanghai: “We don’t support independence for Taiwan, or two Chinas, or one Taiwan-one China, and we don’t believe that Taiwan should be a member in any organization for which statehood is a requirement.”70 One Asia scholar has importantly pointed out that “when the U.S. and China reached their first compromise over Taiwan in 1972, Washington specifically acknowledged the Chinese ‘one-China’ position, but did not accept it. This nuance has since eroded, and today many officials and members of the China-policy community carelessly blur the distinction.”71 Clinton’s statement was a blow to Taiwan. “To the distress and disappointment of Taipei and its friends in the U.S., Clinton did not speak simply of acknowledging Chinese views on reunification—the views long since modified or jettisoned in Taiwan—but instead explicitly denied U.S. support for any alternatives chosen by Taiwan’s electorate.”72

Some scholars and observers argue that the Taiwan Strait crisis in 1996 shattered the tenuous consensus that existed on both sides of the strait of a concept of “one China.” Charles Freeman, for example, believes now that “President Lee and Hsu Hsin-liang, chairman of the opposition Democratic
Progressive Party, define their objective as international acceptance of the ‘Republic of China’ now reduced in territory to Taiwan and a few offshore islands, as a sovereign state distinct from the PRC [People’s Republic of China]. Lee’s Kuomintang (KMT) still pays lip service to reunification, saying that it might be considered when and if the Chinese mainland democratizes; Hsu’s DPP flatly opposes reunification under any circumstances. Other DPP leaders, including Chen Shui-bian, the popular mayor of Taipei, whom many see as Taiwan’s next president, favor a plebiscite to approve a ‘Republic of Taiwan.’

NOTES

1. The author would like to thank the Institute for the Study of Diplomacy’s Pew case study editor Peter Parascos for his helpful suggestions and comments in the development of this case.


5. Ibid.

6. Mann, “Between China and the U.S.”

7. Ibid.


10. Mann, “Between China and the U.S.”


13. Ibid.


19. Ibid.

20. Mann, “Between China and the U.S.”


22. Ibid.


30. See, for example, Robert S. Ross, “China,” chapter 1, in Economic Sanctions and American Diplomacy, ed. Richard N. Haass (New York: Council on Foreign Relations, 1998), p. 23. Ross also argues that the sale of F-16s undercut U.S. nonproliferation policy by reducing the benefit to Beijing of diminishing its own transfers because the F-16s improved Taiwan’s political and military capability to withstand Chinese pressure to acknowledge Chinese sovereignty over Taiwan. Ross asserts that China retaliated by transferring nuclear-capable M-11 missiles to Pakistan.


37. Ibid.

38. Ibid.

39. Ibid.


43. Forney, “Man in the Middle,” p. 15.


48. Ibid.

50. Ibid., p. 9.
54. Ibid.
55. Gellman, “U.S. and China Nearly Came to Blows.”
57. Tyler, “Beijing Steps Up Military Pressure.”
58. Ibid.
61. Quoted in Erlanger, “Ambiguity on Taiwan.”
62. Between China and the U.S.”
69. For an account of the crises over Quemoy and Matsu, see McGeorge Bundy, Danger and Survival: Choices About the Bomb in the First Fifty Years (New York: Vintage Books, 1990), pp. 273–86.
71. Mann, “Between China and the U.S.”
74. Tyler, “China Warns U.S. to Stay Out.”
77. Ibid.
82. Ibid.
92. Ibid., p. 155.
This teaching case study is designed to focus student attention on the persistence of rivalries and conflicts of interest between major powers in international anarchy that continues to characterize the post-Cold War world. Much scholarly and public discussion of international relations since the 1989 collapse of the Soviet Union has concentrated on emerging challenges to international stability such as ethnic conflict, peacekeeping, and humanitarian and environmental crises while dismissing, either implicitly or explicitly, rivalries and clashes of interests between nation-states. The case of the 1996 crisis in the Taiwan Strait between the United States and China vividly demonstrates that the potential for military clashes or war between major powers lurks in the shadows of post-Cold War international relations.

I have taught this case as an integral part of a course entitled “Evolution and Institutions of American National Security Policy” for an upper division course for the Washington Center of the University of California, Berkeley. The program brings students to Washington from the West Coast for a curriculum offered by the Washington Center complemented by internships in the Washington government, think tanks, and public and private sector organizations.

The first half of the course examines—from both historical and theoretical perspectives—the rise of the United States as a global power in the twentieth century and its national security policy and objectives during the Cold War struggle with the Soviet Union. Armed with a theoretical and historical framework, students in the second half of the course examine the major security challenges facing American policymakers in the post-Cold War period, including grand strategy, preventative diplomacy, military intervention, economic sanctions, and regional security in Europe, the Middle East, and Asia, as well as the proliferation of weapons of mass destruction and terrorism.

The course places a strong emphasis on linking theory to practice in American security policy. It aims at using international relations theory to make sense of the formulation and implementation of security policy as it takes place in Washington, DC. Students are trained to examine policy recommendations and identify the political philosophic traditions that underpin them. The seminar is designed to meet the needs of students who are concentrating their studies in the fields of political science and international relations as well as students from other disciplines who desire formal training in American security policy to become well-informed citizens.

The case of the 1996 Taiwan Strait crisis serves several teaching purposes or learning issues to advance the overall purpose of the course. First, the case shows students the process by which policy is made in practice. In an early part of my course
explain the bureaucratic structure for national security decision-making as laid out in the National Security Act of 1947. I then discuss the tension in foreign policy between the executive and legislative branches of government, which in large measure, is a function of the structure and intent of the Founding Fathers of the Constitution. I also discuss the influences of the media and special interests in the fight over the direction of American foreign policy. These classroom lectures give students a foundation for understanding how the national security process works—or fails to work, as the case may be. The Taiwan crisis case provides a concrete example of all the forces at play, pushing and pulling the formulation and implementation of policy.

Second, the case illuminates a timeless theme in international politics that has not been eclipsed by the end of the Cold War: the clash in international politics between “satisfied” powers and “rising or unsatisfied” powers. Competitions throughout history between satisfied and unsatisfied powers have led to the transformations of the structure of the international system. The case of the conflict between China and the United States over Taiwan is suggestive of a developing rivalry that could pose enormous challenges to the stability of the Asian system, with perhaps broader implications for the stability of international politics.

Third, the case is a point of discussion about the roots of international conflict. Liberal philosophy tends to view foreign policy as an extension of psychiatry and judges that international conflict is somehow rooted in failures to communicate and to understand differences. In contrast, conservatives see foreign policy as an extension of human nature and realize that conflict can never be completely avoided. The Taiwan crisis is a focal point for examining and testing these competing visions of international reality.

Fourth, this case illuminates the role of ballistic missiles and weapons of mass destruction in contemporary statecraft. Much literature and discussion in international relations are devoted to the proliferation of weapons of mass destruction and their delivery systems such as ballistic missiles, but little discussion is focused on the circumstances in which they are used. This case study gives students a concrete situation to contemplate in which ballistic missiles are used and the threat of nuclear weapons lurks in the backdrop of the crisis.

Finally, the case is designed to bring students into the discussion and debate over the purposes of force in international relations and its relationship to diplomacy. It shows that diplomatic efficacy is heavily dependent on the potential ability to employ violence and wage war. At the same time, the threat of force or the use of force must be guided by political objectives. This relationship was of course best illuminated by Carl von Clausewitz in his masterpiece On War that argues that war is best viewed as an extension of politics. The material in this case draws students closer to an appreciation of Clausewitz’s wisdom. It challenges those observers who dismiss the continuing relevance of force in statecraft after the Cold War.

This teaching case study could be incorporated into a variety of undergraduate and graduate courses. It would be particularly valuable in courses that examine key issues facing American foreign and defense policy in the post-Cold War world. The case study also would be useful in security studies classes that examine the relationship between force and statecraft as well as in courses dealing with preventative diplomacy, conflict management and resolution, Asian security, and Chinese foreign policy.

A GAME PLAN FOR TEACHING THE CASE

Classroom discussion of this case is best structured around questions designed to encourage students to view the crisis from a variety of perspectives. Indeed, the case is written with a state-centered perspective in mind. A critical component of analysis and scholarship as well as in statesmanship is the ability to view a situation through the eyes of all actors in a crisis.

In this case, students are asked to assess the interests of Taiwan, China, and the United States and analyze the interaction of their policies formulated to achieve those interests. Students also are asked to probe both the effective steps as well as the potentially dangerous ones that could have been taken to destabilize the crisis. This line of questioning gives students a feel for the stresses and pressures under which American and Chinese foreign policy decisionmakers labored during the crisis. The questions to probe the perceptions, intentions, and policies of the United States, China, and Taiwan are best grouped chronologically to walk the students through the crisis.

Pre-Crisis Questions

1. Was President Lee Teng-hui’s visit to the United States “unofficial” or “official”? Why was China so upset at Lee’s visit? Why had the United States initially denied a visa only to subsequently reverse its decision?
2. What is the central disputed issue in the conflict between China and Taiwan? What is Taiwan’s policy toward China and reunification? What is China’s policy toward Taiwan and reunification? Why is Taiwan so important to China?

3. Was the United States justified in tilting its relations toward China at the expense of Taiwan? Or should the United States treat China and Taiwan as equals?

4. What are the American national interests at play in its relations with China and Taiwan? How do China and Taiwan view their national interests in the triangular relationship?

Crisis Questions

1. Did Taiwanese politicians act prudently, or were their actions overly provocative to China? How did domestic and international political factors influence Lee’s behavior?

2. Were the Chinese missile tests overly hostile acts toward Taiwan? Or did Beijing’s national interests regarding Taiwanese independence justify China’s military behavior? How effective were the Chinese missiles as an instrument of policy?

3. What was the American political reaction to the crisis? Was the political response appropriate, too little, or too much? Was the American dispatch of naval forces to the Taiwan Strait justified? What did the Clinton administration hope to achieve with this move? What alternative steps could American policymakers have taken instead of military measures?

4. What impact did domestic American politics have on the Clinton administration’s policy? What roles did domestic American institutions such as the State Department, the National Security Council, and Congress play in the policy formulation process? Who were the most influential American policymakers during the crisis? Do the Chinese and Taiwanese understand the dynamics of American policy-making?

5. What were the Chinese political and military responses to U.S. policy? Were China’s political and military reactions appropriate, or did they only threaten to escalate the crisis?

Post-Crisis Discussion Questions

1. In your judgment, did the Chinese at any point during the crisis intend to use their military exercises as a cover for an attack on or invasion of Taiwan? Did U.S. military activity influence Chinese intentions? How effective were military exercises in advancing Chinese national interests? Did the exercises cause the effects that Beijing had intended?

2. Did the United States advance its national interests with the use of its military in the crisis? How high were the risks of U.S. and Chinese forces clashing during the crisis? Were these risks acceptable or too high for U.S. interests in the region?

3. What were the most significant steps taken by Taiwan, China, and the United States that helped diffuse the crisis? Alternatively, what actions might each of the countries have taken that could have led to an escalation in the crisis and to war?

4. What are the implications of the lessons of the crisis for the future of U.S.-Taiwan-China relations? In the future, should the United States openly declare a commitment to defend Taiwan in the event of a Chinese attack, or would a policy of ambiguity be a better deterrent? Could Chinese nuclear weapons ever be used as an instrument of policy vis-à-vis Taiwan? Could Chinese nuclear weapons be used to deter the United States from intervening to protect Taiwan in a future crisis?

5. Are there broader implications to be drawn from this situation on the relationship between diplomacy and force in other parts of the world where the United States has national interests?