

**CPSR:** 政治學報  
*Chinese Political Science Review*

*Volume 33 June 2002*

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Preserving Peace in the Taiwan Strait

中國政治學會

**Chinese Association of Political Science**

## **Preserving Peace in the Taiwan Strait\***

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### **Abstract**

Why does the United States adopt the policy of “strategic ambiguity” in the Taiwan Strait? Will such an ambiguous policy be able to maintain peace and stability in the foreseeable future? In order to address these questions, I develop a theory of strategic ambiguity and apply it to First Taiwan Strait Crisis of 1954 as a plausibility probe. I also briefly touch upon the 1996 crisis to see if the theory still holds up. I argue that the U.S. choose an ambiguous policy for three reasons. First, it wishes to increase flexibility in policy response should deterrence fail. Second, it does not want to embolden Taiwan into taking an adventurist position in its relations with China, nor does it want to provoke China. Third, the defense of the islands in question (Jinmen and Mazu, and now Taiwan) does not constitute a vital interest for the U.S. Most importantly, I will demonstrate the inherent crisis instability associated with a policy of strategic ambiguity and argue that an ambiguous policy would likely lead to the breakdown of general deterrence if either China or Taiwan deviates from the trajectory of current events. The situation would then be transformed into one of immediate deterrence. The outcome of the crisis would largely depend on whether the U.S. pursues a strategy of controlled escalation or not. Such a strategy would signal U.S. resolve to protect Taiwan, thus ameliorating the uncertainty inherent in the framework of strategic ambiguity.

**Keywords:** strategic ambiguity, extended deterrence, Taiwan security, American foreign policy, Taiwan Strait Crisis.

\* I thank Charles Glaser and Stephen Walt for their thoughtful comments and suggestions, as well as participants at the North American Taiwan Studies Conference (2000) and the International Studies Association (ISA) Convention (2001). I also thank the Smith Richardson Foundation for its support of this research through the Program on International Security Policy (PISP) at the University of Chicago.

Why does the United States adopt the policy of “strategic ambiguity” in the Taiwan Strait? Will such an ambiguous policy be able to maintain peace and stability in the foreseeable future? These are the questions this article seeks to address.

Deterrence theorists have invariably argued that for deterrence to work a state must be as clear as possible in communicating its commitment to the Ally. A clear commitment will make miscalculation less likely and thus preserves peace. U.S. policy toward Taiwan contradicts this axiom. Given that Taiwan is a flash point that would most likely trigger a U.S.-China war, the questions of this article are of particular importance today. How do we preserve peace and stability in the Taiwan Strait under the existing framework of strategic ambiguity?

Some might consider obsolete the issue of strategic ambiguity after U.S. President George W. Bush took office in 2001. His remark that he would do “whatever it took” to help Taiwan defend itself seemed to distill any doubt about U.S. defense commitment to that island, a position strengthened by the actions of other members of the Bush administration.<sup>(1)</sup> There are two responses to this interpretation. First, policy swings have characterized U.S. policy toward Taiwan for decades. How long this apparent tilt will last is yet to be seen. Second, the wording of the Taiwan Relations Act (TRA), the most important document guiding US-Taiwan relations, remains ambiguous. Unlike a mutual defense treaty, the TRA purposely does not specify the course of action to be taken in the event of a PRC attack.

In this article I develop a theory of strategic ambiguity and apply it to First Taiwan Strait Crisis of 1954 as a plausibility probe. I also briefly touch upon the 1996 crisis to see if the theory still holds up. In the crisis of 1954, the U.S. adopted an ambiguous policy toward the defense of the offshore islands off China’s coast still held by KMT troops. I argue that the U.S. chose ambiguous policies for three reasons. First, it wished to increase flexibility in policy response should deterrence fail. Second, it did not want to embolden Taiwan into taking a more adventurist position in its relations with China, nor did it want to provoke China. Third, the defense of the offshore islands did not constitute a vital interest for the U.S. Furthermore, I will demonstrate the inherent crisis instability associated with strategic ambiguity and argue that an ambiguous policy would likely lead to the breakdown of general

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<sup>(1)</sup> See, for example, David Lague, “This Is What It Takes,” *Far Eastern Economic Review*, April 25, 2002.

deterrence if either China or Taiwan deviates from the trajectory of current events. The situation will be transformed into one of immediate deterrence. The outcome of the crisis will largely depend on whether the U.S. pursues a strategy of controlled escalation or not. Such a strategy would signal U.S. resolve to protect Taiwan, thus ameliorating the uncertainty inherent in the framework of strategic ambiguity.

### **Origins of Strategic Ambiguity**

Strategic ambiguity has often been attributed to the framework established by the Taiwan Relations Act of 1979 and the US-PRC Shanghai Communiqué of 1972. However, its origin can be traced back to President Eisenhower's policy during the First Taiwan Strait Crisis of 1954. That crisis was considered one of the most intense Cold War conflicts, with the nuclear option looming on the horizon. During the course of the crisis, the Eisenhower administration deliberately adopted an ambiguous policy with regards to the defense of Jinmen (Quemoy) and Mazu (Matsu). Designed to "keep the enemy guessing," that policy aimed to deter mainland attacks on the offshore islands by leaving open the possibility of American intervention. In a meeting with Congressional leaders on January 20, 1955, Secretary of State John Foster Dulles explained the administration's policy: "Up to the present time we have been covering this situation [in the offshore area] by hoping the communists would be deterred by uncertainty."<sup>(2)</sup>

This "deterrence through uncertainty" persisted well after the U.S. had established diplomatic relations with the PRC in 1978. Instead of the offshore islands, the focus shifted to the Taiwan island itself. The U.S. continued to adopt an ambiguous policy about whether it will defend Taiwan or not if China attacked the island, refusing to clarify its course of action. This policy is implied in the Taiwan Relations Act. Section 2(b)(4) states that it is the policy of the United States "to consider any attempt to resolve the Taiwan issue by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States." Section 3(c) stipulates how the U.S. would respond to such a threat:

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<sup>(2)</sup> Quoted in Gordon H. Chang and He Di, "The Absence of War in the U.S.-China Confrontation over Quemoy and Matsu in 1954-1955: Contingency, Luck, Deterrence?," *American Historical Review*, Vol. 98, No. 5 (December 1993), p. 1511, fn. 21.

The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional process, *appropriate action* by the United States in response to any such danger. [emphasis added]

It is not clear from this passage whether the U.S. would use force to defend Taiwan should China attack that island. Apparently, the U.S. hopes that strategic ambiguity will give it some policy leeway and preferably deter China from attacking Taiwan.<sup>(3)</sup>

Why do states adopt ambiguous policies? Will these policies help them achieve their goals? Previous studies have focused on the issue of signaling a state's intentions, but little has been specifically written on the subject of ambiguity and its effects on deterrence. As noted earlier, states would normally prefer to be as clear as possible in making threats to the adversaries. But for reasons discussed in this paper, such an option becomes too costly under certain circumstances. This paper will evaluate such a policy.

### **The Puzzle**

This article addresses two questions. First, why do states adopt *deliberately* ambiguous policies in international politics when clear ones are available? Second, does an ambiguous security commitment make deterrence more likely to succeed or not?

These two questions are inextricably linked. The first question addresses the motives and reasons of a defending state in selecting an ambiguous policy, while the second evaluates the effects of such a policy. The first question would not have been complete without evaluating its consequences. On the other hand, we need to understand the reasoning behind this ambiguous policy in order to evaluate its effects in deterring a potential challenger.

The idea of deliberate ambiguity should be distinguished from unintentional ambiguity. Strictly speaking, as Thomas Schelling points out, "Most commitments are ultimately

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<sup>(3)</sup> After much criticism from Congress, the wording of this ambiguous policy was later revised to be one of "strategic clarity, tactical ambiguity," meaning strategically the United States will not sit idly by and do nothing if China attacked Taiwan, but tactically it refuses to delineate what kind of responses it will adopt.

ambiguous in detail.”<sup>(4)</sup> Even the most explicit policy contains elements of ambiguity if examined in detail. Should a few drunken soldiers crossing the border from the other side be interpreted as an act of aggression? How about enemy espionage? Issues like these normally would not be mentioned in policy statement, leaving room for various interpretations. However, these are unintentional ambiguity. On the other hand, deliberate ambiguity is a policy that a state intentionally chooses to blur on their likely response to a foreseeable event when a clear set of policy is available. A state could choose not to specify whether it would defend an ally or not, or a nuclear capable state could refuse to admit or deny if it has nuclear weapons.<sup>(5)</sup>

This study has important theoretical and policy implications. Systematic studies on the issue of ambiguity in international politics are rare, even though such a phenomenon is common in the interaction between states.<sup>(6)</sup> Although states generally prefer certainty to uncertainty, sometimes they find uncertainty a more attractive option. States adopt ambiguous policies now and then in their dealings with other states. Why do states deliberately create uncertainty in an already uncertain, anarchic world? Why do they sometimes believe that more uncertainty is better? Will such deliberate uncertainty help states achieve their aims? This paper provides the theoretical answer to these questions.

On the policy side, by offering theoretical insight into the motives and effects of such policies, this paper not only contributes to our understanding of the policy of strategic ambiguity and its effects on deterrence, but also helps policy-makers better assess its consequences. My argument about controlled escalation provides guidance to state leaders facing the complexities of an ambiguous deterrence situation. In addition, it contributes insight into crisis management.

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<sup>(4)</sup> Thomas C. Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966), p.67. The following examples draw from Schelling.

<sup>(5)</sup> The United States also adopts a policy of “calculated ambiguity” regarding whether it would use nuclear weapons to retaliate against an adversary’s use of chemical or biological weapons. Scott Sagan argues that such a policy is “misguided.” Scott D. Sagan, “The Commitment Trap: Why the United States Should Not Use Nuclear Threats to Deter Biological and Chemical Weapons Attacks,” *International Security*, Vol. 24, No. 4 (Spring 2000), pp. 85-115.

<sup>(6)</sup> Other examples of ambiguity abound in international politics. To name a few, in the 1880s, German Chancellor Otto von Bismarck refused to clarify whether he would support the Hapsburg Empire if Russia invaded the Balkans or Constantinople. In the July Crisis of 1914, Britain refused to give a clear and strong support for Russia to deter Germany. In the Czech Crisis of 1938, Britain chose to be ambiguous on whether or not it would intervene should Germany invade Czechoslovakia.

### Deterrence Literature

The literature on deterrence is vast. Nevertheless, scholars generally agree on one point: in order to achieve the best deterrence results, states must strive to be as clear as possible in issuing deterrent threats to their opponents. Ambiguity invites miscalculation, which increases the probability of war.<sup>(7)</sup>

The issue of credibility plays a central role in deterrence. According to this logic, clear and formal alliance commitments demonstrate the maximum firmness of threats. The fact that the Defender would suffer a great reputation cost in non-fulfillment only enhances its credibility. An ambiguous security commitment is not likely to be credible to the Challenger, and thus signals a lack of resolve to fight. In the words of Glenn H. Snyder, “the credibility of threats is enhanced by clarity and reduced by ambiguity.”<sup>(8)</sup> Paul Huth also argues that “[i]n the context of extended deterrence, uncertainty is likely to undermine the credibility of a defender’s threat.”<sup>(9)</sup> Thus, an ambiguous security commitment about whether to defend an ally or not is likely to lead the Challenger to question the credibility of the Defender’s extended deterrent threat. The Challenger may underestimate the Defender’s motivation and miscalculate the risks and costs of an attack.

In a similar vein, James Fearon argues that ambiguous signals are “unlikely to work” because the potential challenger would reason that “if they were truly serious, they would have signaled that they would *surely* fight.”<sup>(10)</sup> Thus, in the eyes of the Challenger an ambiguous commitment signals a lack of resolve to fight. Even though ambiguous commitments are not likely to work, Fearon also finds that the Defender will tend to do better by sending tying-hands signals, i.e., by increasing the costs of backing down if the Challenger actually challenges. The Defender could try to generate large audience costs such as by putting its reputation at stake if it failed to comply with the alliance treaty, or by stationing

<sup>(7)</sup> For example, Kenneth Waltz argues that “uncertainty and miscalculation cause wars.” See *idem.*, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1978), p. 168

<sup>(8)</sup> Glenn H. Snyder, *Deterrence and Defense: Towards a Theory of National Security* (Princeton, NJ: Princeton University Press, 1961), p. 246.

<sup>(9)</sup> Paul K. Huth, *Extended Deterrence and the Prevention of War* (New Haven, CT.: Yale University Press, 1988), p. 3.

<sup>(10)</sup> James D. Fearon, “Signaling Foreign Policy Interests: Tying Hands Versus Sinking Costs,” *Journal of Conflict Resolution*, Vol. 41, No. 1 (February 1997), pp. 70-71. [Italics original]

“trip-wire” forces in the crisis area.<sup>(11)</sup> For instance, the United States dispatched two aircraft carrier groups to the Taiwan area during the crisis of 1996 when China launched missiles near Taiwan’s coast. Reporters were invited aboard the carriers and the marine’s war preparation efforts were aired on American televisions. These audience costs make it costly for the Defender’s leadership to back down from a crisis.

In contrast, instead of focusing on credibility, George and Smoke take a somewhat nuanced view and stress the importance of the Defender’s interests in extended deterrence. They argue that commitments are not simply a binary “either-or” situation—either the Defender is committed to defend an ally or not. Instead, commitments are context-dependent. They advocate a more differentiated view of commitments, one that takes interests into account. “The fact of the matter is that the task of achieving credibility is secondary to *and dependent upon* the more fundamental questions regarding the nature and valuation of interests.”<sup>(12)</sup> Manipulation of credibility and signaling will not necessarily lead to deterrence success if the Defender does not have sufficient interests to support the threats. They suggest that manipulating what is at stake for the Defender will be more effective than trying to send a credible signal.

George and Smoke points out the possibility of Defender engaging in calculated ambiguity when signaling a commitment. In this case, the Challenger would have to interpret the Defender’s intentions behind this calculated ambiguity. The Defender chooses ambiguity because it wishes to “keep the enemy guessing,” or because the defender does not yet have a response plan in case deterrence fails.<sup>(13)</sup> This ambiguity will likely prompt the Challenger to engage in a “limited probe” strategy, i.e., “[create] a controlled crisis in order to clarify the defender’s commitments.”<sup>(14)</sup> Thus, deterrence would fail.

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<sup>(11)</sup> On audience costs, see Fearon, “Domestic Political Audience and the Escalation of International Disputes,” *American Political Science Review*, Vol. 83, No. 3 (September 1994), pp. 577-92. In “Signaling Foreign Policy Interests,” p. 71, Fearon asks “why [do] we sometimes observe halfhearted signals when convincing ones are possible?” He offers several plausible speculations on why states choose ambiguous signals, such as fear of provoking the Challenger, signaling to multiple audiences, uncertainty of domestic support, and moral hazard problem.

<sup>(12)</sup> Alexander L. George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974), p. 559. [Italics original]

<sup>(13)</sup> *Ibid.*, p.565

<sup>(14)</sup> *Ibid.*, p. 540-543

Although this approach underlines the role of interests in deterrence, the fundamental concern is still credibility. Moreover, George and Smoke are silent on the crucial issue of how to avoid a major war when the Challenger decides to probe. In order to have a better understanding of strategic ambiguity, my argument below builds on existing literature, particularly the works of Fearon, and George and Smoke.

### **Why Ambiguity?**

In this section, I address the first question of this project: Why do states choose ambiguous commitments to an ally when clear ones are available? In international politics, states usually prefer to have clear policies in order to achieve maximum deterrent effects. But sometimes the situation arises in which a clear set of policy would be too costly and an ambiguous alternative appears attractive to states. Thus, my argument yields some predictions about *when* states are likely to choose ambiguous policies.

I argue that a country adopts an ambiguous policy for three reasons. First, it wants to increase flexibility in policy response, which explicit policies cannot allow. If the Defender were explicitly committed to the ally, the costs of backing down would be high. On the other hand, if the Defender were ambiguous on its commitment, it would have a wide range of policy alternatives in the event of a Challenger attack. The reputation cost of non-fulfillment would be very small. In other words, the Defender does not want to get its hands tied because it wishes to reserve for itself as many policy options as possible. The Defender can choose either to escalate or back down in case deterrence fails, depending on its evaluation of the crisis situation. The cost of backing down would be much less than the case with a clear commitment. This flexibility is needed because the Defender seeks to strike a balance between domestic and international considerations. Domestically, the Defender is not sure whether it can garner enough political support for a clear commitment. Internationally, the Defender may not yet have the support of other important allies, or does not want to provoke the potential Challenger.<sup>(15)</sup>

Second, the Defender does not want to embolden its ally into taking an intransigent position in the latter's bargaining with the Challenger. If given a full, certain security

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<sup>(15)</sup> See also Fearon, "Signaling Foreign Policy Interests," pp. 84-85.

guarantee, the Ally might be encouraged to take an uncompromising stance in its dealings with the Challenger since it now has the full and clear support of the Defender in the event of a Challenger attack. This intransigence will likely increase the probability of conflict. This might be called the moral hazard problem.<sup>(16)</sup>

Third, the defense of the Ally, or part of the Ally's territory, does not constitute a vital interest for the Defender. Vital interests are those that would bring large benefits of security and prosperity when protected, and would engender severe to catastrophic costs if not protected, such as homeland security, peace in key strategic regions, and access to oil supplies.<sup>(17)</sup> States would normally be clear in protecting vital interests, as clarity would bring about maximal deterrence. In contrast, nonvital or derivative interests are by definition desirable but not essential. Ambiguity is more likely in this situation.

### **Ambiguity and Extended Deterrence**

In this section, I present my argument for the conditions that link ambiguous security commitments to the effectiveness of extended deterrence. First, an ambiguous security commitment to an ally would likely result in the breakdown of general deterrence when the Challenger finds the trajectory of current events unacceptable. The Challenger would likely adopt a strategy of limited probe in order to clarify the Defender's commitment. Second, whether the ensuing crisis would erupt into a major war or not would be contingent on the response of the Defender. If the Defender pursues a strategy of controlled escalation and thus signals its resolve, the Challenger would likely be deterred from launching a major attack. If the Defender does little or nothing, the Challenger would likely conclude that the Defender would not go to its Ally's rescue, and the probability of a major war would be high.

Before we proceed, it is important to distinguish two types of deterrence: immediate and general deterrence.<sup>(18)</sup> Drawing on the work by Patrick Morgan, immediate deterrence refers to a situation in which leaders in at least one state are actively considering attacks on the other. The defending state is aware of this situation and is threatening retaliation in an

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<sup>(16)</sup> Ibid.

<sup>(17)</sup> Robert J. Art, "Geopolitics Updated: The Strategy of Selective Engagement," *International Security*, Vol. 23, No. 3 (Winter 1998/99), p. 83.

<sup>(18)</sup> Patrick M. Morgan, *Deterrence: A Conceptual Analysis*, 2nd Ed. (Beverly Hills, CA: Sage Publications, Inc., 1983), Ch. 2.

attempt to dissuade the opponent from launching the attack. General deterrence pertains to a situation in which an imminent attack is not yet a serious possibility, despite rivalry and hostility between the opponents. However, the potential Challenger might use force should the opportunity arise, so the Defender must always be prepared to deter. In order to deter the possibility of future attacks, the defending state maintains the capability to retaliate, even though sometimes no explicit threats are made. Note that the crucial distinction between immediate and general deterrence is that in the former the threat to use force is imminent while in the latter it is not.

I argue that an ambiguous commitment to an ally makes the breakdown of general deterrence more likely when Challenger finds the trajectory of current events unacceptable.<sup>(19)</sup> Since the Defender deliberately adopts an ambiguous policy, the Challenger is left wondering about the Defender's intention to defend its ally and will be tempted to take actions to clarify it. Therefore, the Challenger is likely to engage in a limited probe strategy by creating a controlled crisis in order to clarify the Defender's commitment to the ally.<sup>(20)</sup> The purpose of this limited probe is to fathom the degree of the Defender's commitment. Depending on how the Defender responds to the crisis, the Challenger could either step up its aims or retrench them. The Challenger would continue probing until it has become certain of the Defender's commitment.

After breakdown of general deterrence, the situation is transformed into one of immediate deterrence, or so-called crisis. As the purpose of the limited probe is to clarify the Defender's commitment, the outcome of the crisis would be contingent on the Defender's response. If the Defender chooses to escalate the crisis and thus signals its resolve to defend the Ally, the Challenger would likely conclude that the Defender is determined in its commitment to the Ally. It must seriously consider the prospect of fighting the Defender. It would therefore include the capability of the Defender in its calculation of the costs and benefits of attacking the Ally. The probability of a major war would be low. However, if the Defender does nothing or very little other than verbal protests, the Challenger would likely conclude that the Defender does not intend to defend its Ally. It would exclude the capability

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<sup>(19)</sup> This could result from a host of factors. For instance, this situation could arise if there is domestic political change in the parties involved, the Ally deviates from the status quo, or the Defender changes policy.

<sup>(20)</sup> On limited probe, see George and Smoke, *Deterrence in American Foreign Policy*, pp. 540-543.

of the Defender in its cost/benefit calculation, and the probability of a large-scale war would be high.

It should be noted that I am not arguing that a policy of strategic ambiguity is a cause of war. Rather, my argument is simply that it is a contributing factor to the use of force; ambiguity increases the likelihood that force will be used by the Challenger as a probing strategy. Had there been a clear commitment, the Challenger would be more likely deterred from using force in the first place.

**Limited Probe Hypothesis:** An ambiguous security commitment would likely lead to the breakdown of general deterrence when the Challenger finds the trajectory of current events unacceptable. The Challenger would likely engage in a limited probe strategy in order to clarify the Defender's commitment to its Ally. The situation precipitates into one of immediate deterrence, commonly known as crisis.

**Controlled Escalation Hypothesis:** The success or failure of ambiguous commitments depends upon the Defender's response after the Challenger's limited probe.

H.1: If the Defender adopts a strategy of controlled escalation, deterrence is likely to obtain.

H.2: If the Defender does nothing or very little other than verbal protests, deterrence is likely to fail.

The argument is summarized in Figure 1.

### Testing Strategic Ambiguity

I will conduct a plausibility probe by examining the First Taiwan Strait Crisis.<sup>(21)</sup> Such a probe is preliminary in nature but helps strengthen the prospects of the theory. It is not conclusive until more rigorous tests are conducted, which usually requires comparative case

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<sup>(21)</sup> On plausibility probe, see Harry Eckstein, "Case Study and Theory in Political Science," in Fred I. Greenstein and Nelson W. Polsby, eds., *Strategies of Inquiry* (Reading, Mass.: Addison-Wesley, 1975), pp. 108-113.

studies. I will use the method of process tracing to see if the decision-making processes during this crisis conform to the hypotheses.<sup>(22)</sup>

### The First Taiwan Strait Crisis

#### *U.S. Ambiguity on the Offshore Islands*

Prior to the Korean War, President Truman adhered to a policy of noninvolvement in the Chinese civil war. His Secretary of State Dean Acheson was even prepared for the fall of Taiwan to the Communists in order to make way for rapprochement with the PRC.<sup>(23)</sup> The outbreak of the Korean War forced the United States to reevaluate the strategic value of Taiwan. To prevent the war from spreading, Truman ordered the Seventh Fleet in June 1950 to patrol the Taiwan Strait in order to “neutralize” both sides from initiating conflicts. However, that order excluded the offshore islands. As the war on the Korean peninsula stumbled into a stalemate, Truman decided to “unleash” Chiang Kai-shek from mounting operations against the mainland in order to put military pressure on Beijing to accept an armistice in Korea.

The United States stepped up its efforts in building a global containment alliance after the Korean War. By 1954 it had constructed military alliances with Japan and South Korea. The collapse of the French in Indochina that year led the U.S. to put together the Southeast Asia Treaty Organization (SEATO). There were signs that the U.S. was preparing to form a military alliance with Taiwan. Fear of strategic encirclement prompted Beijing to prevent the signing of U.S.-Taiwan mutual defense treaty. Beijing believed that such a treaty would delay indefinitely its efforts in repossessing the island.<sup>(24)</sup> Moreover, there were signs of the U.S. increasing military assistance to Chiang Kai-shek, who would certainly turn the offshore islands into a staging area for attacking the mainland. In June 1954, the Seventh Fleet

<sup>(22)</sup> On process tracing, see Alexander L. George, and Timothy J. McKeown, “Case Studies and Theories of Organizational Decision-Making,” in R. F. Coulam and R. A. Smith, eds., *Advances in Information Processing in Organization*. Vol. 2 (Greenwich: JAI Press, 1985), pp. 34-41; Alexander L. George, “Case Studies and Theory Development: The Method of Structured, Focused Comparison,” in Paul Gordon Lauren, ed., *Diplomacy: New Approaches in History, Theory, and Policy* (New York: The Free Press, 1979), pp. 18-19.

<sup>(23)</sup> Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-1958* (Princeton, NJ: Princeton University Press, 1996), pp. 106-109.

<sup>(24)</sup> Shu Guang Zhang, *Deterrence and Strategic Culture: Chinese-American Confrontations, 1949-1958* (Ithaca, N.Y.: Cornell University Press, 1992), p. 192; Thomas E. Stolper, *China, Taiwan, and the Offshore Islands* (New York: M.E. Sharpe, 1985), p. 21-22.

conducted an anti-amphibious exercise off the Dachen Island. However, Beijing was still uncertain as to whether the U.S. would help Chiang defend the offshore islands because no explicit commitment had been made.

This ambiguity only applied to the offshore islands. Regarding Taiwan and Peng-hu (the Pescadores), although no treaty was signed at this moment, President Eisenhower reminded the PRC in August that “any invasion of Taiwan would have to run over the Seventh Fleet.”<sup>(25)</sup> Therefore, the U.S. was explicitly committed to defending Taiwan and Peng-hu, but was ambiguous on what action it would take if the offshore islands were attacked.

### *Beijing Decides to Probe U.S. Intentions*

The KMT has been using these offshore islands as staging areas for raiding the mainland. Beijing was anxious to seize these islands.<sup>(26)</sup> However, Beijing feared possible U.S. military actions. The military capability of the PRC was no match for that of the U.S. Since Beijing was not sure how the U.S. would react to an attack on the offshore islands, the best strategy for Beijing was to create a controlled crisis and see how the U.S. would respond. In order to probe American resolve,<sup>(27)</sup> on September 3, 1954 Mao Zedong ordered the People’s Liberation Army (PLA) to begin heavy bombardment of the offshore islands of Jinmen that lasted intermittently for the next nine months. This crisis was commonly known in the West as the Quemoy-Matsu Crisis. Taiwan estimated the number of shells fallen on that day at around 5,000, whereas the Communists contented themselves with the vague description that Jinmen was “violently bombed” and “enveloped in flames and smoke,” a description stronger than at any other time in 1954-55.<sup>(28)</sup> A large-scale war over the offshore islands followed by an invasion of Taiwan seemed imminent.

### *U.S. Continues an Ambiguous Policy on the Offshore Islands*

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<sup>(25)</sup> Quoted in George and Smoke, *Deterrence in American Foreign Policy*, p. 280.

<sup>(26)</sup> Zhang, *Deterrence and Strategic Culture*, p. 195.

<sup>(27)</sup> *Ibid.*, p. 199.

<sup>(28)</sup> Thomas E. Stolper, *China, Taiwan, and the Offshore Islands* (New York: M.E. Sharpe, 1985), p. 39; Li Yuanchao, “The Politics of Artillery Shelling: A Study of the Taiwan Strait Crises,” *Beijing Review* (September 7-13, 1992), p. 32.

The Eisenhower administration was alarmed because the shelling of Jinmen signified the failure of previous American attempts at deterrence. In the spring and summer of 1954, the U.S., in a show of force, had dispatched the Seventh Fleet to the Dachens (Tachens), offshore islands 200 miles northeast of Taiwan. Less than two weeks before the shelling, Secretary of State John Foster Dulles was certain that, because of his recent article on “massive retaliation” in *Foreign Affairs*, Beijing should be able to fully appreciate American resolve to oppose Communist aggression. In a press conference on August 24, Dulles warned the Communists that an attack on Nationalist-held offshore islands *might* provoke a U.S. military response.<sup>(29)</sup> Thus, the shelling seemed to demonstrate that U.S. efforts at deterring Communist attacks had failed. Even so, President Eisenhower recalled that the shelling of Jinmen “did not come as a complete surprise.”<sup>(30)</sup> Signs of tension had been brewing in the Taiwan Strait since 1949. The Nationalist and Communist troops had frequently clashed in the coastal area since 1953, and the “Liberate Taiwan” campaign had been going on for a while. However, he did acknowledge that the nine months following the crisis “threaten[ed] a split between the United States and nearly all its allies, and seemingly carry the country to the edge of war.”<sup>(31)</sup>

Opinions within the Eisenhower administration were divided on the defense of the offshore islands. Chairman of the Joint Chiefs of Staff, Admiral Arthur W. Radford, favored a clear U.S. military response. He conceded that these offshore islands did not have much strategic value to warrant an all-out defense, but worried that the loss of these islands would damage American reputation elsewhere. “If we fail to resist this aggression,” Radford told a September meeting of the National Security Council, “we commit the United States further to a negative policy which could result in a progressive loss of free world strength to local aggression until or unless all-out conflict is forced upon us.”<sup>(32)</sup>

Just coming out of the Korean War, Eisenhower and Dulles, on the other hand, were more concerned with triggering another war with China. They also did not want to see the

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<sup>(29)</sup> Zhang, *Deterrence and Strategic Culture*, p. 208.

<sup>(30)</sup> Dwight D. Eisenhower, *The White House Years: Mandate for Change, 1953-1956* (Garden City, N.Y.: Doubleday & Co., Inc., 1963), p. 462.

<sup>(31)</sup> *Ibid.*, p. 459.

<sup>(32)</sup> Quoted in Gordon H. Chang, “To the Nuclear Brink: Eisenhower, Dulles, and the Quemoy-Matsu Crisis,” *International Security*, Vol. 12, No. 4 (Spring 1988), p. 100.

offshore islands fall into Communist hands under duress. European and Asian allies viewed American involvement in the offshore islands as unnecessarily provocative and would drive Beijing further toward the Soviets. Dulles admitted that an explicit commitment to the defense of the offshore islands “would alienate world opinion and gravely strain our alliances.”<sup>(33)</sup>

U.S. public opinion was also divided on this issue. Although there was a near consensus in favor of defending Taiwan, yet the public had no stomach for a war with China over these offshore islands with little strategic value. It would be hard for Eisenhower to convince Congress and the American public that defending the offshore islands was critical to the security of the United States.<sup>(34)</sup>

Since these offshore islands posed little strategic value, American decision-makers were puzzled at the adamancy of Chiang Kai-shek in keeping them. Eisenhower once remarked to the NSC: “We are always wrong when we believe that the Orientals think logically as we do.”<sup>(35)</sup> Robert Bowie, director of the State Department’s Policy Planning Staff, had an explanation:

Chiang recognizes that his only hope of achieving his paramount ambition of returning to the Mainland lies in large-scale U.S. military involvement with the Chinese Communists. To Chiang the offshore islands are important not so much for defense of Taiwan or for demonstrating Nationalist military prowess but because they offer the most likely means for involving the U.S. in hostilities with the Chinese which could expand to create his opportunity for invasion.<sup>(36)</sup>

In other words, a clear commitment to the offshore islands could embolden Chiang to attack the mainland and thus implicating the U.S. in such a conflict. The U.S. had no desire of fighting a war with China over these offshore islands.

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<sup>(33)</sup> Quoted in H. W. Brands, Jr., “Testing Massive Retaliation: Credibility and Crisis Management in the Taiwan Strait,” *International Security*, Vol. 12, No. 4 (Spring 1988), p. 128.

<sup>(34)</sup> Brands, “Testing Massive Retaliation,” p. 128; Zhang, *Deterrence and Strategic Culture*, p. 210; Stolper, *China, Taiwan, and the Offshore Islands*, pp. 10-11.

<sup>(35)</sup> Quoted in Brands, “Testing Massive Retaliation,” p. 130.

<sup>(36)</sup> Quoted in *ibid.*

In the following weeks, the fighting continued sporadically between the Nationalists and the Communists. Eisenhower adopted a policy of "keeping the enemy guessing." The administration formally condemned the Communist shelling and reiterated its support of the Nationalists on Taiwan. But to keep Beijing guessing at U.S. intentions, Eisenhower and Dulles deliberately left vague whether the U.S. would defend the offshore islands. They also wanted to avoid estranging European and Asian allies, who strongly opposed U.S. involvement in the offshore area. Dulles later aptly described this policy as "deterrence through uncertainty." This ambiguous policy, though controversial, did confuse the Communists, who continued to probe the limit of American commitment to defend for the Nationalists.<sup>(37)</sup>

### Controlled Escalation

In the following two months, the Eisenhower administration searched for ways to boost deterrence. The U.S. secretly called on New Zealand to propose a resolution to the UN Security Council calling for a ceasefire. In the meantime, Dulles began considering the proposed mutual defense treaty with Taiwan. By this time, Taiwan remained the only territory in the Pacific island chain not covered by such a treaty. Japan, South Korea and the Philippines were already included in the U.S. security treaties. Signing the treaty would send a clear signal about American resolve to defend Taiwan.<sup>(38)</sup>

The preceding months of tension persuaded Washington to make a stronger, more formal commitment to the defense of Taiwan.<sup>(39)</sup> On December 2, 1954, Washington and Taipei signed the Mutual Defense Treaty. The provisions of the treaty covered expressly Taiwan, Peng-hu, and "such other territories as may be determined by mutual agreement," but omitted specific mention of the offshore islands in order to "keep the enemy guessing." Unfortunately for the U.S., Mao thus concluded that the United States would not join in active defense of the offshore islands. In order to probe U.S. commitment, he ordered the

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<sup>(37)</sup> See Chang, "To the Nuclear Brink," pp. 100-101; Chang and He, "The Absence of War in the U.S.-China Confrontation," pp. 1511-1512.

<sup>(38)</sup> Zhang, *Deterrence and Strategic Culture*, p. 211.

<sup>(39)</sup> J. H. Kalicki, *The Pattern of Sino-American Crises: Political-Military Interactions in the 1950s*, (London: Cambridge University Press, 1975), p. 138.

attack on Yijiangshan,<sup>(40)</sup> a small offshore island north of the Dachens. Plans to attack Yijiangshan had been circulated among the CCP leaders for months but were halted by Mao because of U.S. military presence in the Dachens. Mao was very cautious not to provoke American forces. He ordered the postponement of Yijiangshan campaign on December 11 because of U.S. naval maneuvers in the Dachens. Now, the exclusion of the offshore islands in the mutual defense treaty encouraged Mao to go ahead with that plan. On January 18, 1955, 10,000 PLA troops overwhelmed 1,086 Nationalist soldiers on Yijiangshan and seized the island within 24 hours.

Since the Dachens were too far from Taiwan and too difficult to defend, Washington began to pressure Chiang Kai-shek to evacuate from the Dachens. On January 28, at Eisenhower's request, the Senate, following the House, passed the so-called Formosa Resolution, authorizing the President to deploy armed forces to defend Taiwan, Peng-hu, and "related positions and territories of that area now in friendly hands." The President had broad discretion in using American forces to protect the offshore islands if he judged such measures necessary for the protection of Taiwan and Peng-hu.<sup>(41)</sup> Nevertheless, no offshore islands were expressly specified in that resolution. However, Eisenhower instructed U.S. ambassador in Taipei, Karl Rankin, to inform Chiang *privately* of his intention to defend Jinmen and Mazu, in exchange Chiang reluctantly agreed to the evacuation of the Dachens. A few days later, on February 12, with the assistance of the U.S. Seventh Fleet, 14,000 civilians and 10,000 Nationalist troops evacuated from the Dachens.<sup>(42)</sup> The PLA occupied the empty islands without firing a single shot.

### *Enter the Nuclear Option*

Following the fall of the Dachens, the Communists continued their military buildup on the mainland across Jinmen and Mazu. Washington concluded that, rather than ending their "Liberate Taiwan" campaign, the Communists were bent on escalating the crisis and seeking for an eventual assault on the offshore islands and even Taiwan.<sup>(43)</sup> The U.S. seemed to be

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<sup>(40)</sup> Zhang, *Deterrence and Strategic Culture*, p. 218.

<sup>(41)</sup> Stolper, *China, Taiwan, and the Offshore Islands*, p. 68.

<sup>(42)</sup> Chang, "To the Nuclear Brink", p. 103-104.

<sup>(43)</sup> Chang and Di, "The Absence of War in the U.S.-China Confrontation", p. 1514.

running out of options but to increase hostilities. The signing of the Mutual Defense Treaty and the passing of the Formosa Resolution did not seem to discourage the Communists. Eisenhower's personal reputation and U.S. prestige were at stake. The loss of Jinmen and Mazu would be a severe blow to U.S. credibility and prestige for allies. Dulles reported to the president that the fall of Jinmen and Mazu would be catastrophic to Taiwan and the rest of Asia. At this point, Eisenhower began to consider the use of tactical nuclear weapons.<sup>(44)</sup> On March 16, he stated in a news conference that he saw no reason why nuclear weapons could not be used "as you use a bullet or anything else," in the event of war in the Taiwan Strait. Eisenhower's remark drew strong reaction from European allies, especially the British, who felt that the U.S. was moving too close to war.<sup>(45)</sup> America's allies were split on this issue; they saw the American defense of the offshore islands unnecessary.

As pressures mounted, Eisenhower realized that events could not stay on their current course and that he must take decisive actions. This led to the formulation of a secret plan that included the Nationalists' withdrawal from Jinmen and Mazu, a U.S. blockade of the Chinese coastal areas along the Taiwan Strait, and even the deployment of nuclear weapons on Taiwan. When the American emissaries, Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff, and Walter Roberston, Assistant Secretary of State, presented Chiang Kai-shek with this plan, he was apparently shaken and refused to accept. He accused the U.S. of renegeing on the promise to defend Jinmen and Mazu at the time of the evacuation of the Dachens. The Nationalists had retreated far enough, and they were ready to fight for their survival, even without American help.<sup>(46)</sup> Had Chiang accepted this plan, as Gordon H. Chang and He Di argue, it "would have brought the situation precipitously close to inadvertent war."<sup>(47)</sup> The blockade might well have provoked the Communists to retaliate, causing possible clashes between U.S. and Communist forces.

### *End of Crisis*

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<sup>(44)</sup> Chang, "To the Nuclear Blink", pp. 105-106.

<sup>(45)</sup> Brands, "Testing Massive Retaliation," p. 142; and Chang and Di, "The Absence of War in the U.S.-China Confrontation", p. 1519.

<sup>(46)</sup> Brands, "Testing Massive Retaliation," pp. 144-46; and Stolper, *China, Taiwan, and the Offshore Islands*, pp. 103-105.

<sup>(47)</sup> Chang and Di, "The Absence of War in the U.S.-China Confrontation", p. 1519.

It was Communist initiative that ended the crisis. Before Eisenhower's remark on the use of nuclear weapons, Beijing authorities had for the first time begun to worry about such a possibility.<sup>(48)</sup> Eisenhower's nuclear threat confirmed their worries. They called for preparations against possible U.S. nuclear attacks. Moreover, they were not sure whether their Soviet ally would come to their rescue in the event of a nuclear attack. They began to look for diplomatic solution to the crisis.<sup>(49)</sup> On April 23, Premier Zhou Enlai announced at the Bandung Conference of China's intention for peace:

The Chinese people do not want to have a war with the United States of America. The Chinese Government is willing to sit down and enter into negotiations with the United States Government to discuss the question of relaxing tension in the Far East, and especially the question of relaxing tension in the Taiwan area.<sup>(50)</sup>

The Eisenhower administration responded favorably, indicating its willingness to talk with Beijing on a ceasefire. By May 22, Communist vessels and aircraft were reportedly abstaining from attacks on the Nationalist forces. On July 13, Washington sent a message to Beijing via the British suggesting ambassadorial talks in Geneva. The First Taiwan Strait Crisis soon tapered off.

### *Summary*

The First Taiwan Strait Crisis supports the theory laid out in this paper. The United States adopted the ambiguous policy for three reasons. First, it wanted to have flexibility in its response. Public opinion was divided on defending the offshore islands, and America's allies were opposed to such an involvement. Being ambiguous could help prevent possible backlash, both domestically and internationally. Second, a clear commitment to the offshore islands would embolden Chiang Kai-shek into taking offensive actions against the Communists, thus drawing the U.S. into a direct conflict with the PRC. Just coming out of the Korean War, the U.S. had no desire of fighting another war with the PRC. Third, the U.S.

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<sup>(48)</sup> Zhang, *Deterrence and Strategic Culture*, p. 220. This concern about U.S. nuclear threat prompted China to pursue its own atomic bomb program shortly after the crisis was over. See John W. Lewis and Xue Litai, *China Builds the Bomb* (Stanford: Stanford University Press, 1988), pp. 37-39.

<sup>(49)</sup> Zhang, *Deterrence and Strategic Culture*, pp. 220-222.

<sup>(50)</sup> Quoted from Stolper, *China, Taiwan, and the Offshore Islands*, p. 105.

did not consider the offshore islands a vital interest. The Eisenhower administration saw no strategic value for these islands, and during the course of the crisis had even tried to convince Chiang to withdraw from them.

The ambiguous posture of the United States confused Beijing and prompted Mao Zedong to probe U.S. intentions. Mao did not want to have any direct military conflict with the much more powerful U.S. Not sure of what the U.S. would react to an invasion of the offshore islands, he ordered the shelling of Jinmen in September 1954. The U.S. responded by signing the Mutual Defense Treaty with Taiwan. The treaty strengthened American commitment to Taiwan and Peng-hu, but left vague the important issue of the offshore islands. Mao continued probing U.S. intentions by invading Yijiangshan. The U.S. responded by passing the Formosa Resolution in Congress, empowering the President to decide whether to defend the offshore islands or not. However, there was still no sign of Beijing backing down. Eisenhower then decided to issue the nuclear threat. At this point, Beijing decided to seek diplomatic solution to the issue to avoid further conflict with the U.S. Thus, since the aim of the bombardment of Jinmen was to probe U.S. commitment, the controlled escalation adopted by Washington sent a strong signal to Beijing that the U.S. would most likely protect the offshore islands. Note that throughout the crisis, the U.S. remained ambiguous on the protection of Jinmen and Mazu. The strategy of controlled escalation averted the crisis from further deteriorating, but not without serious risks.

Here, we could ask a counterfactual question: Would the PRC have attacked the offshore islands if the U.S. had made a clear, unambiguous commitment to the offshore islands? Existing evidence suggests that if the U.S. had been clear on its commitment, Mao would not have attacked the offshore islands. Mao went to great lengths to avoid any direct military conflict with the U.S.: “We shall never be the first to open fire on U.S. troops, and [we] will only maintain a defensive position there so that we should avoid direct conflict [with the United States] to the best of our ability.”<sup>(51)</sup> Throughout the crisis, he continuously cautioned his commanders not to provoke American warships and airplanes. “Please note, only after verifying that there are no U.S. ships or planes present can we launch the attack on

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<sup>(51)</sup> Quoted in Zhang, *Deterrence and Strategic Culture*, p. 197.

the Dachens. Otherwise, do not initiate any military action.”<sup>(52)</sup> Gordon H. Chang and He Di put the point well: “If Washington, instead of avoiding explicit commitments to the offshore islands, had consistently demonstrated its determination to defend the islands, Mao would not have been likely to approve the assault on the Dachens.”<sup>(53)</sup> This confirms the adage in the deterrence literature that a clear commitment is best for deterrence.

#### Lessons for the 1996 Crisis<sup>(54)</sup>

Although primary documentation on the 1996 Taiwan Strait Crisis is not yet available, preliminary evidence suggests that in addition to warning Taiwanese voters, Beijing was probing American intentions during the crisis.<sup>(55)</sup> In response to President Lee Teng-hui’s visit to his alma mater Cornell University, China conducted missile and live-fire tests in the northeast of Taiwan between July 21 to 28, 1995. The United States countenanced such an action without issuing a warning. This “virtual nonreaction” provided evidence for some decision makers in Beijing that the U.S. would not intervene in the Taiwan Strait.<sup>(56)</sup>

China’s outrage over the visa decision led the U.S. to take actions to placate China. On August 1, 1995, in an ASEAN meeting in Brunei, Secretary of State Warren Christopher delivered a letter from President Clinton to China’s President Jiang Zemin, reiterating U.S. support of “one China.” The U.S. is against Taiwan independence and Taiwan’s accession to the United Nations. However, there was no mention of U.S. interest in peaceful resolution of the matter.<sup>(57)</sup> After this assurance, China launched the second wave of missile test from August 15 to 25.

Tensions continued to brew in the Taiwan Strait. In an attempt to influence Taiwan’s Legislative Yuan election, China conducted two military exercises in mid-October and mid-

<sup>(52)</sup> Quoted in Chang and He, “The Absence of War in the U.S.-China Confrontation,” p.1512.

<sup>(53)</sup> Ibid.

<sup>(54)</sup> My theory could arguably be applied to the Second Taiwan Strait Crisis of 1958, which resembles the first crisis in many respects. Many of the crisis mechanisms discussed in this article were present in the second conflict. Although Christensen argues that mobilization of domestic resources for the Great Leap Forward was Mao’s main reason for initiating the second crisis, he nevertheless acknowledges that Mao was probing US commitments to Taiwan in that crisis. Christensen, *Useful Adversaries*, p. 229.

<sup>(55)</sup> John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization* (Seattle: University of Washington Press, 1997). The title of chapter 7 is “Beijing’s Probing of U.S. Intentions.”

<sup>(56)</sup> Ibid., p. 76. James Mann, *About Face: A History of America’s Curious Relationship with China from Nixon to Clinton* (New York: Vintage Books, 2000), p. 330.

<sup>(57)</sup> Ibid., pp. 79-80.

November. The first round included an amphibious landing exercise in the Yellow Sea, observed by Jiang Zemin himself. The second round was conducted near the Dongshan Island along the Fujian coast. This exercise was “suggestive of an invasion of Taiwan” and was “the largest and most complex amphibious maneuvers yet attempted by the PLA.”<sup>(58)</sup> The result of the election pleased Beijing. The pro-unification New Party tripled its seats in the Legislative Yuan, while the KMT suffered significant setbacks.

On December 19 U.S. aircraft carrier *Nimitz* passed through the Taiwan Strait, the first time in seventeen years. China remained undaunted. Troops and air forces were redeployed from across China to the Nanjing War Zone. On March 5, 1996, China announced that it would conduct a series of missile exercises from March 8 to 15, moving the target zone conspicuously closer to Taiwan’s two main naval ports of Kaohsiung and Keelung. At this point, the U.S. decided that it was time to escalate. Aircraft carrier group USS *Independence* was dispatched to within a few hundred miles east of Taiwan. Beijing continued its second wave of live-fire exercises off the coast of Fujian. In order to send a stronger signal of American resolve, another aircraft carrier group *Nimitz* was recalled from the Middle East to join the *Independence*. As Secretary of Defense William Perry explains, “Beijing should know, and this US fleet will remind them, that while they are a great military power, the strongest, the premier military power in the Western Pacific is the United States.”<sup>(59)</sup> To make sure Beijing get the message, news media were flown in aboard the *Independence* to cover war preparation efforts.

The crisis ended after the presidential election. President Lee won a landslide victory. Beijing clearly misunderstood Taiwanese voters. The U.S., though initially adopting a virtual nonreaction stance, gradually escalated its response and thus signaled its resolve in peaceful resolution. Had the U.S. responded earlier, further missile tests might have been avoided.<sup>(60)</sup> However, it is still premature to say that such an escalation helped prevent the crisis from deteriorating because most archives are still classified.

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<sup>(58)</sup> *Ibid.*, p. 93.

<sup>(59)</sup> Quoted in Mann, *Face Off*, p. 337.

<sup>(60)</sup> John Garver also made this point. See *Face Off*, p. 97.

## Conclusion

The First Taiwan Strait Crisis demonstrated the inherent crisis instability associated with strategic ambiguity. That policy might work if the Challenger (China) is willing to bear with the trajectory of current events. Once the Challenger is unsatisfied with the existing state of affairs and finds it unacceptable, an ambiguous policy is likely to fail. In this case, the Challenger will be tempted to initiate some sort of military actions in order to probe the intentions of the Defender (U.S.). If the Defender does not take substantive actions to reciprocate, the Challenger is likely to continue its military operations until its objective is achieved. If the Defender responds by escalating the crisis, such as clarifying its commitment or signaling its determination to defend its Ally (Taiwan), at some point the Challenger will likely find continuing the conflict too risky and costly, and thus avoiding an all-out conflict.

One necessary condition in this deterrence situation is that the U.S. is powerful enough to influence the decision-making processes in both China and Taiwan. China would need to take U.S. superior military might into account. In the case of a weak third-party intervener, China would find it cost-effective to continue to coerce Taiwan with its military might. Yet, as China continues its fast economic growth and modernizes its military down the road, it might find U.S. power less daunting. The deterrent effect of the existing ambiguous framework would likely be weakened.

U.S. current policy of strategic ambiguity was generally hailed as a successful policy that helped keep the lid on potential conflicts in the Taiwan Strait. Recent development, however, has demonstrated the inherent instability of this policy. In 1996, China launched missile tests right off Taiwan's coast in response to President Lee Teng-hui's visit to his alma mater Cornell University. In June 1998, President Clinton announced the "Three No's" policy in Shanghai: the US will not support (1) Taiwan independence; (2) "two Chinas" or "one China, one Taiwan;" and (3) Taiwan's membership in any international organization that requires statehood.<sup>(61)</sup> In July 1999, President Lee announced that Taiwan would define its relations with the PRC as a "special state-to-state relationship." Then in early 2000, China

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<sup>(61)</sup> The original wording is "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." See White House, Office of the Press Secretary, "Remarks by the President and First Lady in Discussion on Shaping China for the 21<sup>st</sup> Century," Shanghai, People's Republic of China, June 30, 1998, p. 12.

published a white paper threatening use of force if Taiwan refuses to unify indefinitely, the bluntest warning to date. This series of events indicate that both sides are not content with the status quo.

However, based on the reasons given in this paper, it would be very difficult for the U.S. to change its existing policy. For the U.S., Taiwan at best serves as a desirable or derivative interest. For both domestic and international reason, remaining ambiguous would preclude possible backlash and give the U.S. the flexibility it needs. It would be hard to imagine the U.S. declaring a clear commitment to Taiwan without provoking China. On the other hand, the U.S. fears that a clear commitment would encourage Taiwan to actively pursue *de jure* independence, which might provoke a military attack from China, a consequence it tries to prevent.<sup>(62)</sup>

By being ambiguous, the U.S. sacrificed the benefits of a clear commitment that most theorists agree to be a prerequisite for successful deterrence. Since this first best option is difficult to achieve, there remains a second best alternative. As long as the U.S. is willing to escalate cautiously and thus signals its resolve to defend Taiwan, at some point China will find continuing the conflict too risky and likely back down. Nonetheless, crisis instability and spirals of tensions will be the side effects of such a policy. That is the price of strategic ambiguity.

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<sup>(62)</sup> Thomas J. Christensen, "Chinese Realpolitik," *Foreign Affairs*, Vol. 75, No. 5 (1996), p. 50.

Figure 1. The Argument

