

The 1995-96 Taiwan Strait Confrontation

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Coercion, Credibility, and the
Use of Force

On May 22, 1995, the White House approved a visa for Lee Teng-hui to visit the United States in early June to attend his graduate school reunion at Cornell University. The decision to allow Taiwan's most senior leader to enter the United States reversed more than twenty-five years of U.S. diplomatic precedent and challenged Clinton administration public policy statements and private reassurances to Chinese leaders that such a visit was contrary to U.S. policy. Equally important, the visa decision followed a three-year evolution of U.S. policy toward Taiwan. In 1992 the Bush administration, in violation of its pledge in a 1982 U.S.-China arms sales communiqué to reduce the quantity of U.S. arms sales to Taiwan, sold Taiwan 150 F-16 warplanes. In 1994 the Clinton administration re-

in the development of the new regional order. The confrontation continues to influence Chinese and American security policies and the bilateral relationships between the United States, China, and Taiwan.

Many scholars have argued that China's use of force in 1996 coerced the Clinton administration into reversing the trend toward improving U.S.-Taiwan relations and into opposing Taiwan independence. They have also argued that the United States needs to adopt a stronger posture against Chinese policy toward Taiwan.¹ This article challenges these views. It argues that both China and the United States achieved their strategic objectives as a result of the confrontation.

The Taiwan Strait confrontation reflected the interaction of Chinese coercive diplomacy and U.S. deterrence diplomacy. China used coercive diplomacy to threaten costs until the United States and Taiwan changed their policies.² The United States used deterrence diplomacy to communicate to both Chinese and regional leaders the credibility of U.S. strategic commitments. (Washington Post, 1996, p. 258)

Because China and the United States pursued two different types of strategic objectives, each was able to achieve its purpose. China influenced Taiwan's assessment of the costs of independence and succeeded in curtailing the evolution of U.S. policy toward Taiwan, thus reestablishing U.S. constraint on Taiwan's independence diplomacy. For its part, the United States secured its reputational objectives. Following U.S. deployment of two carrier battle groups, China, Taiwan, and U.S. regional allies concluded that the United States remained committed to the defense of Taiwan and to using its military power to preserve the East Asian strategic order. The United States thus succeeded in maintaining its prefrontation reputation, leaving the credibility of U.S. deterrence intact.⁷

The first section of this article addresses the origins of the U.S.--0112951597Tm1()]

would be no further erosion of U.S. policy toward Taiwan, as agreed in three U.S.-China communiqués.⁸ Washington resisted Chinese pressure. After offering China informal and ambiguous assurances, American officials insisted that U.S.-Taiwan relations were no longer at issue as they sought to shift the focus back to three issues of long-standing interest: Chinese arms proliferation, trade, and human rights policies. This period ended with China's failure to achieve its objectives through diplomatic persuasion.

china's response to Lee teng-hui's visit to cornell I

President Clinton's decision to issue a visa to Lee Teng-hui did not reflect considered analysis of U.S. interests, but rather White House acquiescence to congressional pressure. As late as April 1995 U.S. Secretary of State Warren Christopher had told Chinese Foreign Minister Qian Qichen that a visa for Lee would be "inconsistent with [the United States'] unofficial relationship" with Taiwan. Further, National Security Council (NSC) officials had argued against issuing a visa to Lee. However, when in May the Senate voted

Cornell, Lee had observed military exercises in which Taiwan forces practiced defense against a People's Liberation Army (PLA) attempt to land on Taiwan. Then Taiwan announced that it was prepared to spend \$1 billion to secure admission to the United Nations.¹¹

Chinese officials believed that the evolution of U.S. policy had encouraged Lee Teng-hui to seek sovereignty for Taiwan. The visa decision followed a succession of similarly important decisions made in Washington since the end of the Cold War. In 1992 President George Bush approved the sale of 150 F-16 warplanes to Taiwan. The sale not only violated the August 17, 1982, U.S.-China communiqué on U.S. arms sales to Taiwan, but also suggested increased U.S. support for Taiwan in its conflict with China.¹² Then in 1994 the Clinton administration revised its policy on U.S. government contacts with Taiwan, raising

a field to gain greater legitimacy for himself and Taiwan independence. As a Xinhua commentary explained, Lee was “chief behind-the-scenes backer” of Taiwan’s independence movement. He aimed to use his visit to the United States to “boost Taiwan’s status with the help of foreigners and to achieve a ‘domino effect’ leading to the international community’s recognition of Taiwan’s ‘political status.’”¹⁵

Leaders in Beijing understood that the catalyst for Washington’s changing policy was domestic political pressure on the White House. Regardless of the impetus, however, “China [could not] help but show great concern and vigilance” for this trend.¹⁶ As a Chinese foreign ministry statement noted, there were indeed “stubborn anti-China elements in the U.S. Congress.” Nevertheless, the U.S. government had to “exercise its power and influence to . . . honor the international commitments it has made.” The statement went on to observe that if policymakers “only attach importance to pressure from certain pro-Taiwan forces, Sino-U.S. relations will . . . regress.”¹⁷

To complicate matters, a couple of months after Christopher’s April statement to Qian that a visit by Lee would be inconsistent with the United States’ unofficial relationship with Taiwan, the administration reversed its position. On June 8 President Clinton told Chinese Ambassador Li Daoyu that the issuance of Lee’s visa had not signaled a major change in U.S. policy. The State Department held that the decision was “completely consistent with the . . . three communiqués that form the basis” of U.S.-China relations. Assistant Secretary of State Winston Lord seemed to dismiss the significance of the decision when he characterized it as a mere “tactical change.” And in early July, Christopher said that the visit was not “violative” of the U.S.-China “basic relationship,” but rather was “quite compatible” with u[(ta)8[(no)1001572837Tm[e25at122837Tm[(r

Beijing, however, sought more than mere U.S. reaffirmation of the three U.S.-China joint communiqués. The Chinese leadership was determined to compel the Clinton administration to formally commit the United States to the one-China policy and to reaffirm the status quo in its relationship with Taiwan. In a July meeting with former Secretary of State Henry Kissinger, Foreign Minister Qian insisted that “what is imperative is that the United States make concrete moves to eliminate the disastrous effects of its permitting Lee’s visit.” Prime Minister Li Peng demanded that Washington “take practical measures” to correct its mistaken decision.¹⁹

Beijing retaliated to the visa decision by canceling the imminent visits to Washington by Defense Minister Chi Haotian and State Counselor Li Guixian, and by cutting short a visit to the United States by the Chinese air force chief of staff. It also suspended bilateral

to-surface missiles approximately 100 miles from Taiwan.²² A Chinese foreign ministry spokesperson explained that “what we are

Christopher presented Qian with a confidential letter from President Clinton to President Jiang in which Clinton wrote that the United States opposed Taiwan independence; did not support a two-China policy, or a policy of one China and one Taiwan; and did not support Taiwan membership in the UN. Although Washington expected that such assurances would mollify the Chinese, these were basically the same confidential commitments that American presidents had made since President Richard Nixon visited China in 1972.²⁸ Christopher also tried to assure Qian that the U.S. decision to issue a visa to Lee did not indicate that future visits would be routine. Although he did not rule them out, Christopher said that Lee's visit had been a "special" situation and that future visits would be personal, unofficial, and rare, and would be decided on a case-by-case basis.²⁹ While trying to reassure China

cause Taiwan's leaders had purchased foreign weaponry, they could be "cocky" and resist reunification.³²

China's next opportunity to press the United States occurred during Undersecretary of State Peter Tarnoff's visit to Beijing in late August. On August 15 China began a second round of missile tests and naval exercises near Taiwan that were

President Jiang later told former President Bush that “oral undertakings are not enough; we demand . . . practical and effective measures” to address the consequences of Lee’s visit and to “avert the recurrence of big ups and

United States had

The administration had achieved its goals while retaining its negotiating leverage in summit diplomacy. Beijing had wanted a state visit, replete with a state banquet and military honors. But the White House had agreed only to hold an unofficial meeting in Washington. Thus it could use Beijing's continued interest in an official Washington summit to extract additional concessions. The State Department explained that an unofficial summit "most appropriately reflects the current standing of U.S.-China relations."⁴³

Administration officials were pleased with the summit and the direction of U.S.-China relations. They believed that they had persuaded Chinese leaders that the decision to allow Lee to visit the United States was a "tactical shift" in U.S. policy,

had it lowered the priority of the Taiwan issue on the U.S.-China agenda.⁴⁶ Rather China had decided to shelve the issue until its leverage improved. To underscore China's position, after announcing Beijing's willingness to attend the New York summit, Qian Qichen said that "we do not think that this is enough because a complete agreement . . . has not been reached." Immediately following the summit, Qian said that Clinton and Jiang had held a "positive and useful meeting," but "this does not mean that the Taiwan issue will not again be the main issue affecting U.S.-China relations." And whereas in Osaka Christopher had been upbeat about U.S.-China relations, Qian said that the "differences and contradictions" between Washington and Beijing still "need to be addressed."⁴⁷

China agreed to the New York summit because it had turned its focus toward Taiwan's upcoming elections to the legislative assembly scheduled for December 2, 1995, and it needed stable U.S.-China relations if it was to coerce Lee Teng-hui into stopping his pro-independence activities. Despite China's repeated military exercises and missile tests, Lee had continued to defy Chinese warnings. In September Taiwan carried out its own missile tests, and in early October it held ground, air, and naval exercises simulating a response to an enemy attempt to land on Taiwan. In addition, Taiwan insisted that Tokyo invite Lee to attend an upcoming Asia Pacific Economic Cooperation (APEC) summit in Japan. After visiting the United States, Lee was now aiming for Japan.⁴⁸ Moreover, Taiwan leaders had been closely watching U.S.-China diplomacy. They stressed U.S. refusal to consider a fourth communiqué, emphasized U.S. criticism of China's military activities, and minimized the importance of the U.S.-China summit. China observed this pattern and suggested that Lee was creating a domestic environment supportive of his independence efforts.⁴⁹

46. Gong, *Zhong Mei Guanxi Redian Toushi*, p. 160; and <http://www.csis.org/analysis>.

47. <http://www.fbi.gov>, October 2, 1995, p. 11; Xinhua, October 26, 1995, in www.fbi.gov, October 27, 1995, pp. 2–3; and November 16, 1995, press available at www.fbi.gov.

48. <http://www.fbi.gov>, October 27, 1995, pp. 2–3; and November 16, 1995, press available at www.fbi.gov.

49. <http://www.fbi.gov>, October 27, 1995, pp. 2–3; and November 16, 1995, press available at www.fbi.gov.

From Summitry to Confrontation

China responded to the failure of its U.S. policy by escalating its use of force. In October, following the announcement of the New York summit, Jiang Zemin, accompanied by China's senior military leadership, observed PLA Air Force and Navy exercises and boarded a command ship to observe a "high-tech war game" of submarines and destroyers, and missile launchings. Also on display were China's bombers and nuclear and conventional submarines. The focus was Chinese military modernization, but the foreign ministry stressed that the maneuvers also demonstrated China's resolve

defend national sovereignty and . . . safeguard the motherland's unity."⁵¹ They were also the "most serious warning" to that point of China'

On December 19 the U.S. aircraft carrier

concerned China not only because it would add domestic and international legitimacy to Taiwan's quest for sovereignty, but Taiwan's campaign politics might encourage Lee to use the independence issue to raise support for his candidacy. Also, China had to worry about the possibility of a victory for Peng Ming-min, the outspoken pro-independence DPP candidate for president.

In the lead-up to the presidential election, the candidates insisted that Taiwan could challenge mainland threats. Lee declared that of all the presidential candidates, only he had the "capability, wisdom, and guts to handle cross-strait relations." Two weeks later he said that the effect of the PLA exercises was "diminishing" and that the mainland was "not pleased with our foreign trips, but we must also say that we are not pleased with their military exercises. Shall we say that we have broken even?"⁵⁸ DPP candidate Peng promised to adopt a more

with U.S. official relations with Taiwan. China expressed its "strong displeasure" at the decision.⁶¹ Then on January 31, the White House again ignored Chinese warnings by approving two additional transit visas for Li to travel round-trip between Taiwan and Haiti. En route to Haiti, Li planned to spend two nights in the United States, visiting San Francisco and Miami. On his return to Taiwan, he planned to stay one night in Los Angeles. Although the administration needed more than a week to make the decision, it insisted that the visa was a "routine matter" that should not affect U.S.-China relations.⁶²

Dismayed by Washington's actions, China warned Taiwan to go no further toward independence. In late December 1995, the director of the Institute of Taiwan Studies wrote that the people of Taiwan should "warn [Taiwan's] separatists in all seriousness . . . to rein themselves in at the brink of the precipice."⁶³ In

U.S. officials told him that China should not try to intimidate Taiwan and should instead work to reduce tension in the strait. The administration also used military signals to weigh in against Chinese policy. On February 6 Secretary of Defense William Perry said that he did not yet consider China's use of its military a threat to Taiwan, but he did express concern. The same day, the Pentagon reported that a U.S. naval vessel was passing through the Taiwan Strait. The next day, Assistant Secretary of State Lord told the Senate Foreign Relations Committee that the administration had stressed to Beijing its "deep concern" over the PLA's activities. He warned that the administration was closely watching developments and that if hostilities broke out, the "impact . . . would be extremely serious." In mid-February the State Department announced that since January 26, the administration's senior national security advisers had been holding a series of meetings to assess Beijing's activities and that these meetings would continue.⁶⁶

Nonetheless, China pushed ahead with its plans for military maneuvers. Leaders in Beijing believed that China had to raise the stakes to make the United States understand the risks of its Taiwan policy.⁶⁷ It also wanted to lay to rest suspicions that Washington had become so accustomed to Chinese military exercises that U.S. silence amounted to acceptance of Chinese actions.⁶⁸ Moreover, Taiwan seemed unfazed by China's threats. During the first months of 1996, Taiwan held its own military maneuvers, reinforcing its resistance to the mainland's "anti-splittist, anti-Taiwan struggle."⁶⁹

On March 4 China announced that the PLA would conduct surface-to-surface missile tests from March 8 to March 18. The target areas were waters just off the coast of Taiwan's two largest port cities, one of which was barely twenty miles from the northern port of Keelung. After careful study, Chinese leaders had concluded that if the target zones were not close to Taiwan, the tests would be ineffective in opposing Taiwan "splittism" and U.S. policy toward Taiwan.⁷⁰ When asked whether the likelihood of a mainland attack on Taiwan had increased, a foreign ministry spokesperson responded that "if Tai-

66. Associated Press, February 6, 1996; testimony by Assistant Secretary of State Winston Lord before the Subcommittee on East Asia and the Pacific, Senate Foreign Relations Committee, February 7, 1996; and Department of State daily press briefings, February 13 and 14, 1996.

67. Author interviews with Chinese policy analysts.

68. Ibid.

69. See the discussion in Tang, *Zhong Mei Qiju zhong de Taiwan Wenti*, pp. 421–422.

70. Xinhua, March 4, 1995, Xs8516 March

Nonetheless, Washington had to react. China had ignored U.S. warnings, and its missile tests challenged U.S. credibility. Administration officials believed that if the United States did not respond forcefully, Beijing would doubt Washington's commitment to a peaceful resolution of the Taiwan conflict and would be encouraged to escalate its military activities in a future confrontation—thereby increasing the likelihood of hostilities and a far more serious U.S.-China crisis. The Defense Department explained that Washington needed to communicate its determination that China resolve its differences with Taiwan peacefully. It could not allow Chinese leaders to conclude that “the U.S. had lost interest in that area of the world.” As Secretary of Defense Perry later recalled, the United States had to demonstrate the military resolve behind its Taiwan policy.⁷⁵

Equally significant, American leaders believed that failure to respond to China's actions would call into doubt the U.S. commitment to remain an active player in East Asia and to fulfill its bilateral security commitments to its regional allies. Secretary of State Christopher, for example, explained that “because Asian and Pacific nations looked to the United States to preserve stability in the region, we had to take action to calm the

Ignoring Washington's warnings, China announced on March 9 that from March 12 to March 20 it would conduct air and naval exercises with live ammunition in waters near Taiwan.⁷⁸ China and the United States had become engaged in a test of wills, but their respective

curred, explaining that the carriers indicated U.S. interest in a peaceful outcome to mainland-Taiwan differences.⁸⁰

The United States was determined to protect its credibility in defending its interests, but China was determined to protect its territorial integrity. Indeed, Beijing feared that the U.S. carrier deployments and Washington's commitment to defend Taiwan might encourage Lee to take another step toward independence. The Chinese foreign ministry warned the United States that the deployment was unwise: "If this . . . is regarded by the Taiwan authorities as . . . supporting and conniving" with Taiwan's "splitting the motherland, that would be very dangerous." Foreign Minister Qian said that the United States, not China, was being "reckless."⁸¹

On March 13, China launched a fourth M-9 missile test. Then on March 15, it announced that from March 18 to March 25 the PLA would conduct joint air, ground, and naval exercises near Pingtan Island, within ten nautical miles of Taiwan-controlled islands. On the same day, a joint editorial warned that if Lee Teng-hui "insists on going his way and clings obstinately to promoting 'Taiwan independence' . . . or if foreign forces interfere in China's unification," then China would "make every effort to safeguard the motherland's reunification."⁸²

80. American Forces Press

control Taiwan's independence activities.⁸⁴ Its silence on subsequent visas for Taiwan officials suggested satisfaction with U.S. sensitivity to Chinese interests. Washington signaled its caution in other ways as well. When Taiwan's leaders traveled to Washington in late March 1996 to purchase arms, the Clinton administration would not agree to the sales. Later, in mid-1997, during his Senate confirmation hearings, Stanley Roth, the Clinton administration's nominee for assistant secretary of state for East Asian and Pacific affairs, acknowledged that the 1995 decision to grant Lee Teng-hui a visa was a "serious mistake."⁸⁵

Most important, China made gains in influencing U.S. policy toward Taiwan's status in world affairs and in bilateral U.S.-China relations.⁸⁶ As discussed, prior to March 1996, the Clinton administration had followed the practice of U.S. presidents since Richard Nixon by making only confidential assurances regarding U.S. opposition to Taiwan independence. It refused to change its declaratory policy on Taiwan's role in international politics, and insisted that negotiations over Taiwan be removed from the agenda of U.S.-China summits. The administration had also been reluctant to exTm[(T)73UTm[(t)-24

Although pleased with the U.S. initiatives, China remained concerned about the Taiwan issue. From November 1996 until the Washington summit in October 1997, China publicly pressed the United States to strengthen its opposition to Taiwan independence. In a June 1997 meeting with Secretary of State Madeleine Albright to plan for the summit, Foreign Minister Qian insisted that Taiwan was the most important and sensitive issue in the U.S.-China relationship. In August he repeated this position to National Security Adviser Samuel

unedited speech on Chinese television and agreeing to a nuclear nontargeting pact. In return, the president attended an open forum in Shanghai in which he said that the United States did not support independence for Taiwan.⁹⁰ The summit did not produce a written U.S. statement on Taiwan or a fourth communiqué, or require change in U.S. behavior—and the president’s statement of the “three no’s” contained nothing new regarding actual U.S. policy toward Taiwan. Yet this was the first time that a U.S. president had publicly stated that the United States did not support Taiwan independence. In the aftermath of China’s coercive diplomacy, the Taiwan issue had become

visa from the United States. Then in July of that year, just before an important meeting in the cross-strait dialogue, he provocatively described the mainland-Taiwan relationship as a “

Taiwan's diplomacy responsible for China's

Chinese leaders acknowledge the costs of their coercive diplomacy. But they believe that if they had adopted less provocative policies, they would have failed to get Washington's attention, independence sentiments in Taiwan would have remained high, and U.S. policy would have continued to encourage Taiwan independence. Shortly after the confrontation, Premier Li Peng gloated that Americans in and out of government "have come to realize the importance of China." He observed that this is "progress because before they miscalculated the situation. They thought that . . . China was no longer important. . . . But facts have negated these ideas." Chinese leaders accept the costs of coercive diplomacy as the necessary trade-off for the gains they made in influencing U.S. policy toward Taiwan and the resulting caution among the Taiwan electorate.⁹⁸

Chinese threats made the people of Taiwan less likely than ever to consider unification. The New Party has become irrelevant in Taiwan politics, and the victory of Chen Shui-bian (the DPP candidate in the 2000 presidential election) suggests Taiwan's growing resentment at mainland threats. Greater threat perception has also encouraged Taiwan to develop its political and military relationship with the United States. Thus China's ability to expand mainland-Taiwan economic relations and to develop the cross-strait dialogue on the basis of the one-China principle has been more difficult since March 1996. China, however, never predicated its Taiwan policy on the assumption that diplomacy could win the affection of the people of Taiwan or persuade Taiwan to reduce its ties with the United States. Rather, China expects that economic cooperation will make Taiwan increasingly dependent on the Chinese economy, deterrence will prevent independence

nese use of force. This miscalculation affected not only U.S.-China relations, but also the outcome of the Taiwan presidential election. The U.S. response offset any impact China's use of force might have otherwise had on Beijing's effort to curb Taiwan's independence movement.

strategic position in the region and increased confidence in Washington's commitment to its Asian allies. This heightened confidence of course reflects many factors, including the strengthening of the U.S.-Japan security treaty. Nonetheless, the U.S. response to Chinese use of force made an important contribution to sustaining regional confidence in U.S. resolve.¹⁰¹

The costs for the United States of deterrence diplomacy mirrored China's costs for its coercive diplomacy. Although Washington achieved its immediate policy objectives, U.S. policy affected perceptions of the United States among China's political leadership. The United States' ability to threaten China without risk angered, frustrated, and embarrassed many Chinese. U.S. deterrence diplomacy reminded them of the humiliation they suffered under imperialist "gunboat diplomacy" during the nineteenth century. Some Chinese policymakers were especially angry insofar as the United States had been assured that China would not attack Taiwan. They therefore believed that the deployment of the aircraft carriers was not only unnecessary but was aimed at humiliating China. The net effect of U.S. policy was to establish a consensus among China's urban citizens and elites that the United States is China's

vene.¹⁰³ Thus the PLA is planning for war against the United States, with implications both for the domestic politics of China's U.S. policy and for PLA hardware acquisitions. China's increased deployment of M-9 missiles in Fujian Province and its cruise missile program reflect its

The benefits of Washington's policy outweighed the costs, however. The United States increased both Chinese caution and regional confidence in its presence in Asia. On the other hand, the costs of inaction could have been very high, including greater Chinese militancy against Taiwan and less cooperation from the United States' Asian security partners. At stake was the post-Cold War regional security order. Administration officials also believed that the deployment of the two carrier groups was the minimum display of force that would have succeeded in demonstrating U.S. resolve. Just as China had to use missile tests to get the attention of U.S. leaders, Washington's response had to get the attention of Chinese leaders as well as leaders throughout Asia. In the context of China's 1996 coercive diplomacy, U.S. deterrence diplomacy was necessary and justified the costs.

Conclusion: The Lessons of 1995–96

U.S. policy drift in the Clinton administration and the March 1996 U.S.-China confrontation reflected White House susceptibility to congressional pressure, which in turn reflected Taiwan lobbying on behalf of its independence diplomacy. Administration policymakers understood that U.S. interests lay in the rejection of a visa for Lee Teng-hui, and they resisted further change in U.S. policy toward Taiwan, but they were unable to sway the president's thinking. Following the confrontation, the White House readily returned U.S. policy to the status quo of 1994, which suggests

policy of his predecessors. Beijing understood that domestic politics was the source of U.S. policy change, including the 1992 F-16 sale, the 1994 Taiwan policy review, and the 1995 decision to issue a visa to Lee Teng-hui. But it was the policy, rather than its sources, that mattered to China. The Chinese used force to persuade the Clinton administration that appeasement of the "Taiwan lobby" was not risk free and to compel it to incur the domestic costs of returning to the status quo ante in U.S. policy toward Taiwan. The 1997 and 1998 U.S.-China summits and the administration's statements on Taiwan—the "three no's"—reflected the changes in U.S. policy.

The 1996 Taiwan Strait confrontation further reveals how