Reliability and Alliance Interdependence

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CHAPTER 4

Allies Encourage Limits on US Loyalty to Formosa, 1954–1955

War was being risked over what appeared to be, physically, worthless, very small pieces of island real estate. But [Dulles] believed that actually the issue there was whether we honored our commitments, or whether we were going to back down when the pressure got on us; and if we ever started that, it would undermine all our treaties.

—William Macomber (special assistant of intelligence, Department of State)

As demonstrated in chapter 3, in 1954 US allies carefully observed how Washington treated the ROC.¹ These allies were concerned that America’s association with the ROC’s security could provoke a general war that would be contrary to their own interests. Even as the United States formally committed itself to the ROC through an alliance, the views of other allies were influential: the United Kingdom and New Zealand wanted the US-ROC alliance to restrain, not embolden, the ROC’s president Chiang Kai-shek. As the First Taiwan Strait Crisis continued and eventually reached its zenith in April 1955, Secretary of State John Foster Dulles and President Dwight Eisenhower believed that their policy toward the ROC had to consider the disposition of other allies.

While most US allies agreed that the defense of Formosa itself was important, only Washington’s most belligerent ally—the ROK—welcomed the prospect of conflict over the offshore islands. Other allies used diplomatic efforts to persuade the United States to adopt a more conciliatory posture and decrease the risk of a general war. Throughout the crisis, US policy toward Nationalist China was strongly influenced—perhaps even decided—by the preferences of its allies. While Washington feared the negative consequences of being perceived as disloyal to the ROC, the greater fear was losing the support of allies such as the UK, Japan, Canada, Australia, and New Zealand. Because the events of the First Taiwan Strait Crisis offer an
opportunity to decisively assess the alliance audience effect theory’s careful delineation between the concepts of loyalty and reliability, it is a crucial case for examining the alliance audience effect framework.²

This chapter contains four sections. The first focuses on the events of December 1954 to February 1955: this includes the PRC’s reaction to the US-ROC alliance and the passage of a congressional resolution which gave Eisenhower the ability to interpret attacks against the offshore islands as a prelude to an invasion of Formosa itself. However, as expected by the alliance audience effect framework, the views of US allies influenced Washington’s approach. When the small Tachen Island group was attacked by the PRC, US allies advocated a Nationalist withdrawal from the islands. Washington encouraged and eventually assisted this evacuation in early February.

The chapter’s second section considers the Eisenhower administration’s attempts to convince the ROC to withdraw from the remaining offshore islands of Quemoy and Matsu. When these efforts failed, the United States adopted a belligerent posture and publicly threatened the use of nuclear weapons against mainland China. Allied governments took the final step of strongly distancing their states from the US strategy, and announced that they would not help to defend the offshore islands. This lack of allied support was a key influence on President Eisenhower deciding again, in April 1955, that the United States would likewise not defend the offshore islands.

Because the first two sections of this chapter focus on those allies with the most significant influence on US policy, the third section considers the reactions of two less influential allies: Korea and the Philippines. The fourth section concludes the chapter with an assessment of whether the events examined support or rebut the alliance audience effect framework.³

**December 1954 to February 1955**

**UNITED KINGDOM AND NEW ZEALAND LIMIT COOPERATION WITH WASHINGTON DUE TO ENTRAPMENT FEARS**

Representatives from the United States, United Kingdom, and New Zealand met shortly after the US-ROC alliance was publicly announced in December 1954. At this meeting, the British ambassador conveyed the concerns of the UK’s foreign secretary, Anthony Eden, to Dulles. Because the US-ROC treaty had angered Beijing, Eden felt that Operation Oracle—the cooperative, trilateral effort to place a ceasefire resolution for the Taiwan Strait before the UNSC—should be paused. To improve the situation, Eden recommended that the secret notes attached to the US-ROC treaty be publicly released before proceeding. These notes codified an “understanding that without mutual consent, the Chinese Government would not take any offensive action which might provoke retaliation by the Communists lead-
ing to invocation of the Treaty.”

Although these notes had not been publicly released, Washington had reserved its right to do so.

Dulles was unenthusiastic about this idea and said it was not intended to release these notes publicly “unless it should prove to be necessary in connection with the New Zealand initiative” (Operation Oracle). According to historian Robert Accinelli the UK and New Zealand were “still anxious to restrain Washington,” so they suggested that Oracle be postponed. When Dulles discussed the matter with Eden in mid-December, he noted that there was no intelligence to indicate an imminent attack against any of the offshore islands. Because of the “heated atmosphere,” further aggravated by the PRC’s imprisonment of several American airmen captured in the Korean War, Dulles suggested that the three allies should “adopt a policy of watchful waiting.”

Nevertheless, Washington’s dilemma continued to grow sharper. A few days after the US-ROC treaty was signed, a memo from the Office of Intelligence Research questioned the wisdom of the administration’s policy, designed to “keep the Communists guessing.” The memo suggested that “the Communists are unlikely to be deterred by our present policy from progressively expanding their pressure on the offshore islands . . . they will not only continue probing operations but also eventually attempt to conquer the islands, one by one.” It also noted that if such attacks occurred “some US Congressional and press opinion . . . would probably call for vigorous action.” But if the United States did decide, in this context, to defend the offshore islands, it would “find itself completely isolated from its major allies.”

AN ATTACK ON THE TACHENS LEADS THE UNITED STATES TO ENCOURAGE EVACUATION

Chinese Communist actions soon placed further pressure on US policy. On January 10, 1955, the Communists launched an air attack against the Tachen Islands. This was, according to the Nationalists, “larger than any Communist air action in the Korean War” and the most significant attack since September 1954. The ROC’s foreign minister, George Yeh, complained to Dulles that “for the last few days all units of the 7th Fleet have given the Tachen Islands a wide berth. They have stayed farther away than usual. This creates an impression of abandonment.” When Yeh requested the Seventh Fleet make a show of force, Dulles replied that “the U.S. Government could not afford to bluff in this situation. We cannot indicate that we may intervene unless we are in fact prepared to do so.”

At a lunch with Eisenhower, Dulles expressed his concern that “doubt as to our intentions was having a bad effect on our prestige in the area, since it was in many quarters assumed that we would defend the islands, and our failure to do so indicated that we were running away.” This comment reveals that Dulles worried about US policy being judged against allied expectations of it,
rather than what the United States had actually pledged to do. Dulles suggested that Washington encourage the Nationalists to evacuate the Tachen Islands, with the US Navy providing logistical support. Concurrently, the US could make clear its intent to defend Quemoy, and possibly also Matsu, through a public announcement. The situation in the Strait might then be stabilized by bringing the matter before the UNSC.

Eisenhower approved this plan, and Dulles briefed the British ambassador about the proposed withdrawal from the Tachens. Because this action would damage morale on Formosa, “it was contemplated to state that under present conditions the United States would assist the Nationals in the defense of Quemoy,” as it remained “important to the defense of Formosa.” The British ambassador asked whether the US intended to incorporate Quemoy into the US-ROC treaty. Dulles “replied negatively, saying that our action would be provisional pending UN action or, alternatively, the Communists using Amoy as a clear staging base for the invasion of Formosa.” Dulles suggested that it was now time to commence Operation Oracle and move for a ceasefire in the UNSC.

Without waiting for a formal response from the UK and New Zealand, Dulles then presented his three-pronged plan to the ROC’s foreign minister and ambassador. The United States would assist with the evacuation of the Tachen Islands, proclaim its willingness—“under present conditions and pending appropriate action by the UN”—to defend Quemoy, and finally a UNSC ceasefire resolution would be moved. Dulles explained that the president would have to seek congressional approval of this policy, “since we would have to be prepared if necessary to engage in hostilities with Communist China.” Regarding Matsu, Dulles said that it “was not believed to be defensible” and suggested that the Nationalists withdraw from it “under cover of the Tachen operation.” Dulles drew a clear line between Quemoy and other Nationalist-held positions, arguing that while Quemoy had genuine defensive value, this could not be said for other positions: “It did not make sense to tie up major forces to hold a bunch of rocks.”

Dulles made it clear that “If the Chinese Government rejected the proposal, it would lose the whole business,” as it would be unable to defend the Tachen Islands alone. Dulles said the United States “could not play a fuzzy game any longer,” as the “Communists had already begun to probe and were exposing the indecision. The U.S. must now make clear its position and be prepared to carry out the obligations it was now prepared to assume. Otherwise the U.S. reputation would become tarnished. The U.S. could not afford to back down from any position which it assumed, or to be exposed in a bluff.”

When Dulles briefed congressional leadership on this plan, he again emphasized how other countries would be impacted by US behavior toward the Nationalists. If they did not withdraw from the Tachens, the result would be a “falling of the islands one by one, including Quemoy” and the United
States “would be charged with turning and running and making excuses, and the whole effect on the non-communist countries in Asia would be extremely bad.” Dulles noted that “sentiment in the Philippines is extremely sensitive to the Formosan situation,” and Radford “pointed out that the psychological effect of the loss of Formosa, in Japan and [in] other countries in the Far East would be terrific.”\textsuperscript{16} At an NSC meeting that day, Dulles thought the US faced “a series of Communist military operations which are ultimately directed toward the capture of Formosa . . . it would have a very grave effect throughout all the nations of free Asia if we were to clarify a U.S. position which in effect amounted to abandonment of all the Nationalist-held offshore islands.”\textsuperscript{17}

Eisenhower saw several points of merit in Dulles’s plan. The evacuation of the Tachen Island group would “have the merit of showing the world that the United States was trying to maintain a decent posture. At the same time, the proposed policy would make clear that this US concession with respect to the Tachens would not mean that the United States was prepared to make any concessions with respect to Formosa.” Eisenhower saw Dulles’s plan as having the right mix of conciliatory and confrontational measures. Other members of the NSC argued that the United States should use this opportunity to persuade the Nationalists to withdraw from all the offshore islands, but Eisenhower ruled this out on the rationale that “we probably couldn’t hold Formosa if Chiang Kai-shek gives up in despair before Formosa is attacked.” Dulles also noted that there might be a “revolt . . . in the Congress if the Administration proposed to abandon all the offshore islands.” Eisenhower agreed: “there was hardly a word which the people of this country feared more than the term ‘Munich.’”\textsuperscript{18}

But US allies did not share Eisenhower’s enthusiasm for Dulles’s plan. The British cabinet “did not like the idea of a ‘provisional guarantee’ of Quemoy believing that its lack of clarity would confuse all parties and . . . encourage the Nationalists to hang on to the coastal islands.”\textsuperscript{19} On behalf of Secretary Eden, the British ambassador also noted that Dulles had previously said that “Quemoy could not be defended except with the use of atomic weapons. Eden’s question was whether Quemoy was sufficiently vital to risk such wide-reaching developments.” Dulles’s response was to justify the defense of Quemoy in terms of allied morale, because if “the Tachens are evacuated and no other move made or explanation given, the impression will be that of a collapse in position. The consequences he foresaw in Japan, Korea, the Philippines and very possibly throughout all of Southeast Asia would be extremely serious.” Dulles tried to walk back from his earlier comment, professing that “his reference . . . related only to the most extreme hypothesis of the Communists attacking Quemoy in so heavy a human wave as to make it impossible to stop them with ordinary firing power . . . this was a remote possibility.” This issue was evidently important to the British officials, who “exchanged a glance and . . . made what was obviously a verbatim note.”\textsuperscript{20}
FOLLOWING BRITISH LOBBYING, DULLES DECIDES AGAINST A PUBLIC GUARANTEE OF QUEMOY

The next day, Dulles briefed the NSC that the British were unwilling to support Washington’s plan to guarantee Quemoy because a public commitment would jeopardize action in the UNSC and if Quemoy was attacked the US “might be obliged to use atomic weapons.” Dulles suggested that if Washington committed to aiding Formosa “without publicly identifying those offshore islands which the United States would help to defend,” then the British might support the plan. After some debate, the meeting agreed that Eisenhower would request congressional authority to protect “Formosa and the Pescadores against armed attack” and that this would “include the securing and protection of such related positions now in friendly hands.”21 Allied lobbying achieved a significant change of US policy: instead of Washington publicly committing to the defense of Quemoy, the pledge would remain private as “a concession to the British.”22

Speaking to Foreign Minister Yeh, Dulles retracted his earlier offer of a public guarantee of Quemoy in exchange for evacuation of the Tachens. As a sweetener, Dulles told Yeh that the United States had decided it was “prepared to assist in the defense of Matsu as well as Quemoy. However, no public declaration would be made at present in this respect.” Yeh queried this reversal several times, and Dulles finally answered that “this was a matter of U.S. policy and not of agreement with the Chinese Government, and, therefore, could be changed by the U.S. just as any other policy.”23 The following day, Yeh reported that while the ROC was willing to evacuate the Tachen Islands, President Chiang was insisting that Washington must publicly announce, concurrently with the evacuation, its intent to defend Quemoy. Walter Robertson, the assistant secretary of state for Far Eastern affairs, swiftly refused this request, noting that the congressional resolution would refer to the Formosa area but would not name specific offshore islands.24 ROC representatives raised this issue again later in January, but Dulles cautioned that Taipei “should not through its public statements get the U.S. in the position of apparently having made a formal commitment” to Quemoy, as “the U.S. Government might have to deny such an implication.”25 Dulles was making it clear that Washington—despite reneging on its earlier promise to publicly guarantee Quemoy—could not be manipulated and that any attempt to do so would prompt a sharp response.

President Eisenhower sent a message to Congress on January 24, 1955, and on January 28 it passed the “Formosa Resolution.” This granted Eisenhower the authority to use US forces “for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands.”26 In response, the premier of the PRC, Chou En-lai, released a statement which reaffirmed Communist China’s in-
tent to liberate Taiwan, and called on the United States to cease interference in China’s internal affairs.\textsuperscript{27}

Despite Washington's restraint, the British were still concerned.\textsuperscript{28} In reply to a letter from Prime Minister Winston Churchill, Eisenhower emphasized that while he was exercising a “sober approach to critical problems” and had been “working hard in the exploration of every avenue that seems to lead toward the preservation and strengthening of the peace,” the United States was concerned about the “solidarity of the Island Barrier in the Western Pacific.” In this context, he feared that “the psychological effect in the Far East of deserting our friends on Formosa would risk a collapse of Asiatic resistance to the Communists.”\textsuperscript{29} But Washington could not evade the actual concerns of allied states, which mainly feared entrapment. Dulles again emphasized this issue in an NSC meeting on January 27: “the big danger resulting from a war . . . was the possibility that it would alienate the allies of the United States.”\textsuperscript{30}

The Formosa Resolution, with its expansive remit, did not ameliorate allied concerns. Canberra instructed its diplomats in Washington “to watch how [the] Americans intend [to] use these powers. We must continue to press [the] importance of not getting involved in large-scale hostilities over [the] off-shore islands . . . we hope this will not lead to [a] U.S. commitment defined or undefined to defend others of these islands.” Of particular concern was an impression that the Americans were now “drifting toward widening obligations.”\textsuperscript{31} New Zealand’s high commissioner to Canada observed similar concerns among his hosts, cabling Wellington that “parts of Eisenhower’s Message to Congress have disturbed the Canadians and the [Canadian] Ambassador in Washington has been instructed to express the hope that the power given by Congress will be used with great caution.”\textsuperscript{32}

Following the passage of the Formosa Resolution, President Chiang dug in his heels. Clinging to Dulles’s initial offer, Chiang refused to withdraw from the Tachens unless Washington publicly announced its intent to defend Quemoy and Matsu.\textsuperscript{33} A meeting of US officials reconsidered the issue and affirmed that while the Washington was prepared to help defend Quemoy and Matsu, this was “a unilateral decision on our part . . . subject to change” and the United States was “not willing to make a public statement to this effect.”\textsuperscript{34} The acting secretary of state cleared a response with Eisenhower and cabled it to the US ambassador in Taipei, Karl Rankin, who was to immediately deliver it to President Chiang. It made it clear that the American undertaking to defend Quemoy and Matsu was unilateral, private, and could not be publicly announced by the ROC.\textsuperscript{35} Washington’s reversal and its new position—that the undertaking must remain secret—were the direct result of allied lobbying.

At this time, Eisenhower reflected on the difficulties of the situation. While the US administration could “state flatly that we would defend . . . Quemoy and the Matsus . . . the world in general, including some of our friends,
would believe us unreasonable and practically goading the Chinese Communists into a fight.” He lamented the difficulty of finding a policy which could “retain the greatest possible confidence of our friends and at the same time put our enemies on notice that we are not going to stand idly by to see our vital interests jeopardized. . . . Whatever is now to happen, I know that nothing could be worse than global war.”

**Operation Oracle Moves Ahead, but US Allies Remain Concerned**

In late January, New Zealand placed its ceasefire resolution on the UNSC agenda. The PRC was invited to participate in the council’s consideration of the resolution, but Beijing refused because the resolution was intended “to intervene in China’s internal affairs.” Washington convinced the ROC to withdraw from the Tachens, and evacuation preparations began, but US allies remained concerned that a military clash over the offshore islands could escalate into general war. When several Commonwealth prime ministers met in early February, they were united in their apprehension. The prime minister of Australia, Robert Menzies, noted that “Australian and other British [Commonwealth] opinion would be much opposed to accepting a risk of war over the ‘off-shore’ islands.” To further emphasize the Commonwealth’s desire to avoid escalation, he lauded President Eisenhower, saying it was his “coolness, judgment and character . . . which gives me encouragement and hope.”

American reporting confirmed that Menzies was expressing a common position: “The view of all the Prime Ministers was that no precipitate decisions should be taken, nor positions publicly announced, which might make the situation more difficult.” For these allies, “Quemoy and Matsu, like the Tachens, were strategic and political liabilities, indefensible except at the risk of general war.” Though the United States worried about its reputation and the possibility of falling dominoes, some of these domino states were themselves dismissing the importance of the offshore islands and thus rejecting the domino theory.

Bilateral representations to the United States reflected this sentiment. The Canadian and British ambassadors both took “great pains to emphasize . . . the importance that is attached to making a distinction between the off-shore islands on the one hand and Formosa and the Pescadores on the other.” The assistant secretary of state for European affairs thought the Commonwealth nations “are trying to tell us without putting it into words . . . that they can swing all of the Commonwealth . . . behind our policy if we will indicate that we are prepared to have the Chinese Nationals withdraw from all the off-shore islands and make our stand on Formosa and [the] Pescadores.”

On February 5, the Chinese Nationalists announced their intent to withdraw from the Tachens with US assistance. When the NSC met on February 10, Admiral Radford briefed that the evacuation was “proceeding very
successfully” and “would be completed at the end of the week.” But unsurprisingly, this did not allay allied concerns. The director of the Policy Planning Staff, Robert Bowie, wrote that “the free nations in Europe and Asia distinguish sharply between Formosa and the offshore islands.” These nations consider [that] the off-shore islands do not involve our security interests . . . they look on them as a futile hostage to fortune and the symbol of a rash and quixotic policy . . . they feel that our protection of those islands greatly enhances the risk of war and thereby endangers their own security. This fear will tend to strain the coalition and generate pressures to restrain us . . . . This attitude would put us in a difficult position if the Chi-Coms should attack Quemoy or the Matsus. A war arising over Quemoy would alienate our allies in Europe and much of Asia. The lack of allied support would handicap our conduct of even a limited war and might seriously impair our capabilities if hostilities spread . . . . The U.S. must adopt some other course of action which will keep the free world with us . . . . our policy should be directed to disengaging from the offshore islands in a way which will not damage our prestige or leave any doubts as to our will and ability to defend Formosa and the Pescadores.

Bowie’s suggestion was that the United States pressure the Chinese Nationalists to withdraw from all of the offshore islands, thus removing a major point of disagreement between America and many of its important allies. By responding “severely” to any Communist attack during the evacuation, the US could demonstrate “both our contempt for the Chinese Communist military power and our desire not to provoke ‘useless’ conflict.”

**Could the United States Coerce Chiang to Withdraw from the Other Offshore Islands?**

Until this point, many of Dulles’s comments suggest that he believed the loss of the offshore islands would so frighten Asian allies as to lead to their defection or loss to Communist subversion. In a conversation with the Australian ambassador in Washington, Percy Spender, Dulles now suggested that “in the technical sense” the loss of the offshore islands “would not mean the loss of the Philippines and Japan.” But morale on Formosa had to be considered: loss of the offshore islands could so affect Nationalist morale as to cause the “loss of Formosa from within.” This causal process meant that in Dulles’s eyes, “the battle for Formosa is now ‘on.’” Aware of Canberra’s fears, Dulles “said he hoped that Australia understood that the U.S. was not being reckless and that we did not want war . . . we had been calm and careful.”

Eisenhower made a similar argument in a private letter to Winston Churchill: the offshore islands were important for reasons of Nationalist morale—and the consequences on Formosa—and not because their loss
would instantly jeopardize the US defensive position in Asia. It would be the subsequent loss of Formosa that would destroy the defensive perimeter, and it was for this reason that the Nationalists “must have certain assurances with respect to the offshore islands.” Eisenhower emphasized US restraint: “history’s inflexible yardstick will show that we have done everything in our power . . . to prevent the awful catastrophe of another major war.” 

In his reply, Churchill maintained the Commonwealth position: he could not “see any decisive relationship between the offshore islands and an invasion of Formosa . . . nobody here considers [the offshore islands] a just cause of war.” Though pleased to see the Tachen Islands evacuation occur peacefully, Churchill was “very anxious about what may happen at the Matsus and Quemoy.” He recommended that the United States evacuate all the offshore islands: this strategy would “command a firm majority of support” in the UK and put “an end to a state of affairs where unforeseeable or unpreventable incidents and growing exasperation may bring about very grave consequences.”

This seemingly coordinated attempt to influence US policy annoyed Dulles, who felt that Chiang Kai-shek’s sacrifices were not adequately appreciated. Speaking with Eisenhower about Chiang, Dulles assessed that “we cannot at this time squeeze any more out of him.” In a speech on February 16, Dulles rebutted the idea of further withdrawal, claiming that it was “doubtful that this would serve either the cause of peace or the cause of freedom.” However, Dulles had shared his speaking notes with London prior to the speech and had changed some phrases in order to “reassure the British that he did not intend to go beyond the commitments” in President Eisenhower’s January message to Congress. Referring to the Commonwealth’s preference that the US influence the Nationalists to withdraw from all the offshore islands, Dulles complained to the NSC that “there was apparently no realization among the Commonwealth Prime Ministers of the difficulty of doing this.” Eisenhower understood the international perspective, but still believed that “the surrender of the offshore islands would result in the collapse of Chiang’s government.”

In another letter to Churchill, Eisenhower argued that the current US policy was the best available. Eisenhower admitted that the United States “does not have decisive power in respect of the offshore islands. . . . Chiang would even choose to stand alone and die if we should attempt now to coerce him into the abandonment of those islands.” On the allied reaction, Eisenhower argued that “all of the non-Communist nations of the Western Pacific—particularly Korea, Japan, the Philippines, and, of course, Formosa itself, are watching nervously to see what we do next. I fear that, if we appear strong and coercive only toward our friends, and should attempt to compel Chiang to make further retreats, the conclusion of these Asian peoples will be that they had better plan to make the best terms they can with the Communists.” Emphasizing Washington’s efforts to lower tensions,
Eisenhower described five policy actions taken by the US to “make an express or tacit cease-fire likely.” He also referred to US alliance politics with South Korea, arguing that “all that we have done not only here, but in Korea with Rhee, amply demonstrates that we are not careless in letting others get us into a major war.”

February to April 1955

A build-up of Communist military forces in February dashed this hope for a tacit ceasefire. Dulles was concerned that this build-up would make “the Matsus and the Quemoy islands . . . indefensible in the absence of massive US intervention, perhaps with atomic weapons.” Dulles and Eisenhower hoped that the “Nationalist government may finally conclude that their situation would be improved by withdrawing from the coastal islands,” but they agreed that “any approach to Chiang along this line would have to be so skillfully conducted as to make him ostensibly the originator of the idea.”

While this was Eisenhower’s preferred solution, he was not yet willing to try to coerce Chiang: he instructed Dulles to inform Eden that “we do not intend to blackmail Chiang to compel his evacuation of Quemoy and the Matsus as long as he deems their possession vital.”

In late February, at a SEATO meeting in Bangkok, Dulles again discussed the offshore island issue with Eden. As Thomas Stolper notes, throughout the crisis US defense planners assessed that “there was never any solid evidence of PRC preparation for an invasion of Quemoy and Matsu, let alone Taiwan.” This was “a fact that Washington recognized, but one to which it sometimes seemed not to give due weight.” This meeting with Eden was one of those moments. Dulles said that his assessment of the Chinese Communists had changed: “we are in a battle for Taiwan . . . [the] Communists still give every evidence [of an] intention [to] take Taiwan by force.” For Dulles, “Further retreat would have [a] grave effect on Taiwan and in Asia. . . . Further retreat could swing Asia. . . . Further retreat or [the] loss of Formosa would convince Japan [that] communism [is the] wave of [the] future. Consequent effect on Okinawa and other parts of Asia obvious.”

Despite Dulles’s alarmist views, other allies supported the UK’s position. O. Edmund Clubb writes that “the British Commonwealth countries . . . backed away from the thesis expounded by Dulles at the February SEATO meeting . . . that war in one sector of East Asia would automatically involve the entire front (that is, all of America’s allies).” Eden was unmoved: while Formosa must be defended, “public opinion in the Commonwealth and elsewhere does not see [the] necessity of stirring up a row over these [offshore] islands and would not support our fighting for them.” Eden believed that an “abandonment of Quemoy and Matsu would be justified by increased support of [the] resultant position by Commonwealth and Western European
public opinion.” Dulles was unconvinced, feeling that Eden failed to “ap-
praise adequately [the] dangers to non-Communist morale in Far East, not-
tably in Taiwan, Korea, Japan and the Philippines.”

On his return to Washington, Dulles told Eisenhower that while he hoped
“Chiang might reorient his policies so that less importance would [be]
attached to these islands,” he “did not think that as things now stood we
could sit by and watch the Nationalist forces there be crushed by the Com-
munists.”

Because defensive action would require the use of nuclear weap-
ons, Dulles suggested (and Eisenhower concurred) that the US public
should be forewarned. In a public speech just two days later, Dulles said
“that the administration considered atomic weapons ‘interchangeable with
the conventional weapons’ in the American arsenal.” According to H. W.
Brands, after this nuclear threat “European onlookers, especially the Brit-
ish, reacted strongly, feeling that the U.S. was treading far too close to war.”

British diplomats approached Beijing and sought a renunciation of the use of
force, but this effort was rebuffed. Dulles grew more pessimistic about the
situation: he thought US-PRC conflict over Formosa was “a question of time
rather than a question of fact.” However, he did begin to consider the issue of
Nationalist morale with greater rigor: he said the United States “must know
how much pressure we can safely put on Chiang. What inroads is subversion
making? . . . we need more and better information.”

The CIA pledged to re-
port again on the issue of morale.

Meanwhile, Washington’s allies were growing even more concerned about
the United States using nuclear weapons against mainland China and thus
running the risk of a general war. A Canadian diplomat described this pos-
sibility as “very disturbing to our friends and allies in the free world.”
Accordingly, allies continued to suggest methods of reducing tensions with
Communist China. Australia’s prime minister Menzies met with Dulles and
asked whether Chiang might withdraw from the offshore islands if “a group
of nations joined with the United States in guaranteeing the defense of For-
mosa.” While Dulles expressed some interest in the proposal, he again re-
turned to the familiar theme of fragile morale: “constant retreat was likely
to have a disastrous effect.”

In a memo to Dulles, the British ambassador
also emphasized the advantages of restraint, noting that if the West did not
“exercise moderation in our statements and attitudes,” it might “frighten the
Asians into China’s arms.”

With Washington rattling the nuclear saber, and unwilling to coerce Chi-
ang into a withdrawal, allies publicly distanced themselves from US policy.
Speaking in parliament on March 8, “Eden for the first time openly advo-
cated a Nationalist withdrawal from Quemoy and Matsu on the condition
that the Chinese abstain from an assault against either these islands or Tai-
wan.” As he confided to a US military officer, “not one percent of British
people” would support a fight over the offshore islands, and he could not
“increase that percentage no matter how hard I tried.” In early March Can-
ada’s secretary of external affairs, Lester Pearson, warned Dulles that if the United States used nuclear weapons against the Chinese mainland then the US “would be on their own so far as Canada was concerned.” Though Dulles told the Canadian cabinet, on March 18, that “the loyalty and morale of the forces on Formosa became a vital link of the whole Western position,” on March 24 Pearson publicly announced that Canadian forces would not fight for the offshore islands. Australia privately accepted the inevitability of being pulled into a “great war” if one were to break out, but insisted that Australian public opinion would “not support a war over the Offshore Islands.” In August 1954, Dulles had worried that a “major war where world public opinion would be wholly against the United States . . . was the kind of war you lose.” Washington was now on the precipice of such a conflict.

**NEW THINKING ON NATIONALIST MORALE**

In March, another National Intelligence Estimate considered how US policy toward the ROC would affect other countries and allies: “most non-Communist governments” would have an “unfavorable” reaction to an American defense of the offshore islands. If U.S. forces attacked the Chinese mainland, “non-Communist reactions would be considerably more unfavorable, reflecting a fear of the immediacy of general war.” Although there would be “increased strains between the US and its allies,” the estimate assessed that “existing US alliances would remain intact.” However, if the United States used nuclear weapons, “the predominant world reaction would be one of shock.” This “would be particularly adverse if these weapons were used to defend the offshore islands. . . . The general reaction of non-Communist Asians would be emotional and . . . extremely critical of the US. In the case of Japan, the Government would probably attempt to steer a more neutral course.” In late March the Japanese prime minister told a news columnist that “the Japanese people don’t want a war and particularly they don’t want a war started over those islands.”

According to the estimate, if the Nationalists evacuated the offshore islands, “with or without US assistance or pressure,” it would cause a deterioration of morale on Taiwan and great disappointment in the ROK. In the Philippines such an evacuation would stimulate concern that the US was not prepared to commit its forces in forward areas. To a lesser extent this reaction would occur in Thailand, Laos, Cambodia and South Vietnam. However, the dominant reaction among other interested non-Communist states would probably be one of relief followed at least for some time by increased support for US policies with respect to the defense of Taiwan.

Despite such assessments, and their own discussions with foreign diplomats, Eisenhower and Dulles continued to view the situation in terms of
falling dominoes. Eisenhower asked a friend: “If you became convinced that the capture of [Quemoy and Matsu] . . . would inevitably result in the later loss of Formosa to the free world, what would you do . . . [T]he opinion in Southeast Asia is that the loss of Formosa would be catastrophic; the Philippines and Indonesia would rapidly be lost to us.”

At this time, Eisenhower regarded the object of this dispute as not simply the offshore islands, but the fate of free Asia. Overlooking the fact that the evacuation of the Tachen Island group—which could be considered as the first domino—had not resulted in the fall of Quemoy or Matsu, Dulles complained that “our allies really had comparatively little knowledge of the intricacies of the situation which we face with respect to Quemoy and the Matsus. . . . They fail to consider the tremendous morale effect that the loss of these islands might well have.”

As the preceding analysis has shown, this was clearly not the case. Allies acknowledged US concerns about Nationalist morale as valid, but still did not regard the islands as worthy causes of war. They felt that Nationalist morale would be better supported by making more secure the ROC’s position on Formosa, even if this involved a withdrawal from the offshore islands. American allies felt the islands were expendable and that the better course was to reinforce Formosa itself.

Other US officials were also less concerned about Nationalist morale. In late March, Ambassador Rankin cabled the results of an informal survey to the State Department. This showed that American officials and military officers in Taipei “do not think that morale in Taiwan has changed significantly over the past year. . . . Subversion is well under control in Taiwan. . . . Chinese-American cooperation continues to be satisfactory despite some recriminations over our attempts to get a cease-fire in the Taiwan Strait and our failure to commit ourselves on the defense of Matsu and Quemoy.”

As new information about Chinese morale opened up the possibility of a different approach, “the distance between the United States and the Commonwealth trio of Britain, Canada, and Australia . . . was also greater than ever.” The essential dilemma had not changed throughout the crisis: Washington could defend the offshore islands, with the risk that allies would not support this policy, or abandon the islands, with the risk that it might damage not only regional beliefs about US security reliability, but also morale on Formosa. As Accinelli eloquently explains, “events had not forced a choice between these grim options; yet the horns of the dilemma were sharper than ever.” Eisenhower’s friends continued to write him, warning that a defense of the offshores would isolate the U.S. in world opinion. One worried that “our allies definitely would be opposed. . . . In this troubled world we need allies badly, and to lose them would be a disaster much more serious than any consequences proceeding from the loss of these islands.” As pressure built, Eisenhower felt the United States could not “remain inert awaiting the inevitable moment of decision between two unacceptable choices.”
Resolving that one of these choices was, in fact, acceptable, Eisenhower finally aligned US preferences with those of its allies. He decided that the “desirable solution” was to convince the Chinese Nationalists to “voluntarily evacuate Quemoy and Matsu” and prepare for a defense of Formosa, thus providing “a constant military and psychological threat to the Chicom régime.” In exchange, Eisenhower thought the United States should station a Marine division on Formosa, improve air defense and air force assets there, and “extend the U.S. Mutual Defense Treaty with the Nationalists to include other powers, such as Australia.” While “no decision was reached in this discussion . . . time for action by the U.S. was becoming acute. . . . It was entirely possible that the U.S. could be drawn into a fight to protect the offshore islands, whether it liked it or not.”

Eisenhower formalized his instructions in a letter to Dulles on April 5. Simply titled “Formosa,” this document prominently notes that were the United States to defend the offshore islands, “our active participation would forfeit the good opinion of much of the Western world, with consequent damage to our interests in Europe and elsewhere.” This letter contains a subtle—but significant—shift of language. Whereas Eisenhower had previously argued that the fall of the offshore islands would inevitably lead to the fall of Formosa, he now took a more skeptical tone, noting that a “refusal to participate in the defense of the offshore areas might have equally disadvantageous results” and that “further retreat in front of the Chinese Communists could result, it is alleged, in the disintegration of all Asian opposition” to Communism. He also wrote that because the defense of the offshore islands would require the use of nuclear weapons, this would result in the United States becoming “isolated in world opinion, and this could affect very disadvantageously our treaties with Japan and in the SEATO region.”

Eisenhower decided that the preferable policy choice was to convince Chiang to withdraw. A defense of Quemoy and Matsu, even if it was “temporarily successful . . . would in no way remove the existence of the permanent threat . . . because our prestige would have become involved.” Eisenhower acknowledged that a “retreat from the Matsus and Quemoy—if occasioned by any influence of ours—might create consternation among our friends in Asia, particularly in Thailand, the Philippines, Laos and Cambodia.” But he explicitly noted that this in “no wise refutes the clear conviction that militarily and politically we and the ChiNats would be much better off if our national prestige were not even remotely committed to the defense of these islands.” If Chiang could show that a decision to withdraw from Quemoy and Matsu was a “shrewd move to improve his strategic position, his prestige should be increased rather than diminished.”

Eisenhower’s memo cast doubt on “the sincerity of Chiang’s contention that the retention or loss of the offshore islands would spell the difference between a strong and a destroyed Nationalist government. If this is so, his own headquarters should be on the offshore islands.” Eisenhower suggested
that if the islands were attacked, the Nationalist forces should inflict serious losses on the Communist attackers and then withdraw from the offshore islands, thus removing a serious thorn in the US-ROC relationship. This plan would ensure that the loss of the offshore islands would “occur only after the defending forces had exacted a fearful toll from the attackers, and Chiang’s prestige and standing in Southeast Asia would be increased rather than decreased.”

Many of these phrases and sentences were incorporated into a draft policy statement on Formosa, which was later reviewed by the State Department’s Policy Planning Staff, headed by Bowie. Bowie wrote that for Chiang, the offshore islands were “the most likely means for involving the U.S. in hostilities with the Chinese Communists which could expand to create his opportunity for invasion.” Because of this, “Chiang can hardly be persuaded . . . [to withdraw from Quemoy and Matsu] unless he is completely convinced that the U.S. has no intention of participating in their defense.” Bowie also argued that “in order not to impair its own prestige and the confidence of its allies . . . the U.S. would have to make publicly clear in advance its intentions regarding the coastal islands.” Bowie thought Eisenhower’s new plan was a step in the right direction, but likely to fail if Washington did not coerce Chiang into a withdrawal by publicly stating that the United States would not defend the islands.

Another National Intelligence Estimate, received by the president on April 16, provided the most detailed consideration yet of how US allies would react to different American policies. The evacuation of the islands before a Communist attack:

would stimulate concern [in the Philippines] that the US was not prepared to commit its forces in forward areas, and might cause the Government to request a clearer definition of the US commitment to defend Philippine security. There would be a lesser concern in Thailand, Laos, Cambodia, and South Vietnam. ROK leaders would be greatly disappointed. However, the dominant reaction in Japan would be one of general relief. Moreover, none of the governments under discussion would be unduly concerned by an evacuation if the US reaffirmed its intent to defend Taiwan at all costs, and none of them would materially change their policies as a result of the evacuation.

If the islands fell to a Communist attack to which the United States did not respond:

there would be severe criticism of the US in the ROK, and to a lesser degree in the Philippines. Most other governments under discussion, especially the Japanese, would be relieved that hostilities between the US and Communist China had not developed. However, the adverse effects on morale arising from loss of the islands, as described . . . above, would be more sharply evident . . . US prestige would suffer. Laos, South Vietnam, Cambodia, and
Thailand, in which the US does not maintain forces or bases, would probably feel increased doubts as to whether the US would defend them in case of need. These countries would probably be disposed to increasing caution in their policies toward the Communists.\(^\text{95}\)

The following day, Dulles met with Eisenhower and suggested a method of persuading the Chinese Nationalists to withdraw all of their forces from the offshore islands. If Taipei agreed to withdraw, the United States would conduct a maritime blockade for over 500 miles of the Chinese mainland’s coastline, preventing Chinese Communist forces from receiving weapons and logistical support via sea. It would also provide more anti-aircraft weapons to Formosa and station additional US troops there.\(^\text{96}\) The prospect of expanding the US-ROC alliance to include Commonwealth countries could also be used to encourage a Nationalist policy shift. Eisenhower approved this new strategy and dispatched Robertson and Radford—the two Americans closest to Chiang Kai-shek—to Taipei. At the conclusion of their meeting, Dulles and Eisenhower agreed that this new plan “would immeasurably serve to consolidate world opinion” behind the United States.\(^\text{97}\) As Accinelli writes, if Chiang accepted this proposal “the U.S. would appease its concerned allies and define a policy . . . much more acceptable to . . . world opinion.”\(^\text{98}\)

DE-ESCALATION

The United States soon “found a means of escape not through the ill-conceived evacuation-blockade scheme but an unexpected offer from the Chinese Communists.”\(^\text{99}\) On April 24, 1955, Chou En-lai stated that he was willing to discuss security tensions with the US administration. Concurrently, in Taipei, Robertson and Radford failed to convince President Chiang to withdraw from the offshore islands. When he was informed that the US was rescinding its private pledge to assist in the defense of Quemoy and Matsu, Chiang vowed to stand firm regardless, insisting that “soldiers must choose proper places to die. Chinese soldiers consider Quemoy–Matsu are proper places for them.”\(^\text{100}\)

Washington’s initial response to Chou En-lai’s statement was “discouragingly tepid.” Dulles thought it a ruse, and a senior Republican, Senator William Knowland, described it as an “invitation to another Munich.”\(^\text{101}\) In stark contrast, US allies seized on Chou En-lai’s offer. Australia’s prime minister cabled Dulles, encouraging him to follow it up with the idea of achieving a “settlement wider than off-shore islands and Taiwan.”\(^\text{102}\) The UK moved to “sound out Chou on this subject” and was “anxious to do anything it could to help.”\(^\text{103}\) Gradually, Dulles and Eisenhower realized “friendly governments would expect a receptive reaction from Washington” and so modified their position accordingly.\(^\text{104}\) On July 25, the US and PRC announced that
they would meet in Geneva, for “further discussions and settlement of certain other practical matters now at issue between both sides.”105 Chinese Communist attacks subsided as negotiations replaced confrontation, at least for a time.

The Philippines and South Korea

So far, this chapter has focused on the disposition of those allies which had the most direct influence on Washington. But two other allies—the Philippines and the ROK—were also closely monitoring US actions. In his memoirs, Eisenhower noted that US decision makers “were receiving, almost daily, throughout diplomatic and private channels, questions from other Asiatic nations concerning the firmness of our intentions.”106 Though such a claim might suggest that allies in Asia were desperate for the United States to take a strong stand against Communist China, the preferences of most allies aligned with the Operation Oracle countries: they wanted to prevent the conquest of Formosa but feared a general war. The ROK was the only clear exception to this trend, as conflict offered the prospect of reunifying the Korean Peninsula.

Japan’s reaction to the First Taiwan Strait Crisis was less immediate, but its fear of entrapment was very influential in subsequent negotiations for the revision of the US-Japan Security Treaty. I cover these matters, in great detail, in the next chapter.

The Philippines

Manila’s reaction was affected by misunderstanding and excessive confidence in American military capabilities. Initially, the Philippines was quite alarmed about the prospect of retreat in the face of a Communist threat. Foreign Secretary Carlos Garcia, reacting to the PRC’s January attack against the Tachen Islands, “expressed alarm for [the] safety [of the] Philippines as [a] result [of the] Tachen incidents.” He briefed the press that Manila was “closely watching Tachen development[s]” and that the “entire democratic free world’s faith in America will hinge on your ability to cope with [the] situation.” A senior foreign affairs adviser in Manila, Felino Neri, warned that “from [the] psychological point of view, loss of islands around Formosa would have [a] telling effect on other countries in Asia which have joined in common resistance of [the] Red advance.”107

In this context the president of the Philippines, Ramon Magsaysay, warmly welcomed Eisenhower’s policy as expressed in the Formosa Resolution. But reporting from the US embassy shows that Magsaysay’s position was contingent on the “erroneous assumption [that the] US resolution constituted [a] firm commitment [to] defend Quemoy [and] Matsu.” Manila was worried
by the prospect of American retreat in the face of a Communist advance. The US embassy believed “Neri honestly stating what he considers widespread conviction US must defend offshore islands [to] maintain its prestige and power in Far East.” Thus, the Philippines was more unnerved than other allies by the prospect of the United States abandoning the offshore islands.108

Despite Neri’s apprehension that a retreat from the offshores would severely damage US prestige in the Philippines, there were no “serious reactions” to the withdrawal from the Tachens. Asked about Manila’s likely reaction to five offshore islands scenarios, the US embassy assessed that any seeming retreat would have negative consequences. The Nationalists evacuating the offshore islands due to US pressure would require careful public explanation. If it was depicted as a decision to “withdraw to [a] militarily stronger position which [the] US [was] committed and fully capable [to] defend, adverse effect on morale could be kept under control.” But if this public explanation did not take hold, then although Manila’s “will to resist communism would remain strong,” the withdrawal would be interpreted as a “convincing demonstration of US unwillingness or inability [to] support friends with force [of] arms.” In response, Manila would “insist [on] material evidence in Philippines of American will to fight, in terms [of] more material, planes and all forms [of] military equipment on [the] ground.”109

If the offshore islands fell due to American nonintervention, then “failing prompt vigorous US actions helping [to] restore confidence [in] our intention and capabilities, present negligible support for neutralist, appeasement policies would increase somewhat.” But the most alarmist forecast was reserved for the scenario in which the offshore islands fell despite limited US intervention: it “would be accepted by all here as . . . evidence that US [is] not capable [of] furnishing support necessary against Communists in Far East. Philippine Government would probably remain determined [to] resist [the] Communists, but in utter hopelessness, and would demand utmost from US in terms [of] military support.”110

President Magsaysay, who had voiced his support of Eisenhower’s position on the mistaken belief that the United States had pledged to defend Quemoy and Matsu, was criticized for not adequately understanding US policy. The “keep them guessing” nature of this policy was unhelpful and in early April Neri implored US diplomats to provide a clearer explanation of Washington’s policy. Neri encouraged them to “understand [the] Asian mind. To us a retreat on Quemoy and Matsu means a retreat in all of Asia.”111 Days later, a State Department memo noted that “sentiment in the Philippines is very strongly against anything smacking of abandonment of Quemoy and Matsu. The islands are generally thought to be important to the defense of Taiwan. Loss of the islands . . . would cause serious concern . . . that the United States was unwilling, unable, or both, to fulfill its Pacific commitments.”112 Later in April, Neri complained that “many Filipinos fear
U.S. determination is wavering, especially under pressure [from] British, Canadian allies, and that failure [to] defend Quemoy, Matsu would lead inevitably to withdrawal from Formosa and Philippines.” But the US embassy believed that Neri’s position rested on an incorrect assumption: American diplomats thought that “most Filipinos . . . do not include serious considerations of world war possibilities, but rather take for granted that U.S. strength sufficiently great so that Formosan issue can be limited to local action.”

Given this mistaken belief, it is unsurprising that Manila supported a firmer US stance in defense of the offshore islands. Other allies—with different understandings of the military situation—were more fearful of escalation.

Despite fears that an abandonment of the offshore islands would precipitate a collapse in America’s defensive line, when Chou En-lai’s comments raised the possibility of an informal ceasefire, Neri was “highly elated at [the] news” and phoned a diplomat at the embassy. This “reaction [was] striking in view [of the] previous Philippine insistence [that the] U.S. should not retreat from Quemoy, Matsu.”

Aware that there was still some nervousness in the Philippines, US diplomats tried to arrange for Assistant Secretary Robertson to return from Taipei via Manila, so that he might reassure Filipino leaders of America’s security commitment. But Robertson and Radford had already departed Taipei for Washington and the crisis drew to a close shortly afterward.

SOUTH KOREA

Among US allies in this period, South Korea was the real outlier. As described in chapter 3, America had earlier encountered difficulties in trying to restrain Syngman Rhee. Given his desire to restart the Korean War, it is unsurprising that Seoul was the regional capital most critical of Eisenhower’s determination to avoid war. One American diplomat wrote that South Korea’s foreign minister, Pyun Yong Tae, held the “basic premise that World War III is inevitable and believes sooner the better.” Pyun also worried that Washington’s willingness to risk general war might be tempered by “possible opposition of its allies.”

Korean officials hoped that a Chinese Communist attack on Formosa would lead to general war against the PRC and thus offer an opportunity to reunify the Korean Peninsula. At a press conference, the Korean ambassador to the ROC said he was “sure” that in the event of an attack against Formosa, the United States would “allow Korea to start its ‘long withheld military drive into North [Korea].’”

By invoking reputational concerns about prestige, Korea might have been trying to manipulate the United States into a defense of the offshore islands. In September 1954 Foreign Minister Pyun sent a message to Dulles: “In this part of [the] world Quemoy can be [a] symbol, [the] loss of which especially at [this] particular juncture would have serious repercussions in Asia.”

While this case study does suggest that South Korea viewed the Taiwan
Strait Crisis as a test of US reliability, Washington was unmoved by South Korea’s pleas. Unsurprisingly, the Eisenhower administration’s acceptance of Chou En-lai’s offer of negotiations was denounced by the South Korean press, which claimed that the “president’s judgement is in error” and that he was “risking alienation of America’s only real friends in [the] Far East.”

**Assessing the Alliance Audience Effect**

Following the structure of the historical narrative above, I first assess the reactions of those allies most involved in the crisis deliberations and then turn to the reactions of the Philippines and South Korea.

**CRISIS ESCALATION: DECEMBER 1954 TO FEBRUARY 1955**

H1 expects that a state will monitor its ally’s behavior in other alliances and these observations will affect perceptions of reliability. The evidence presented above shows that the United Kingdom, Canada, Australia, and New Zealand were all concerned that America’s policy toward the ROC—because it raised the risk of an undesired war—made Washington a less reliable ally. As expected by H2, these states acted to mitigate the risk of American unreliability. The UK and New Zealand successfully convinced the US to refrain from publicly guaranteeing the security of Quemoy. Working through Operation Oracle, these countries exercised a strong influence on Washington and, once the Tachens had been successfully evacuated, they encouraged the United States to coerce Chiang Kai-shek into a withdrawal from all the offshore islands.

H3 expects the United States to be influenced by the prospect of alliance interdependence, and the evidence examined shows that leaders knew that they had to simultaneously manage several different alliance relationships. The State Department’s Policy Planning Staff recognized the alliance risks posed by excessive belligerence and urged senior decision makers to “adopt some other course of action which will keep the free world with us.” To this end, Dulles’s decision to not publicly announce Washington’s intent to defend Quemoy and Matsu was a reversal of his earlier promise to the ROC and this decision was clearly influenced by allied lobbying. If, as deterrence theory and Mercer expect, a demonstration of disloyalty only generates expectations of future disloyalty, then US allies never would have encouraged such a policy shift. As Brands writes, “The State Department contended that the disadvantages of losing the offshore islands did not overbalance the turmoil that another war with the PRC would create in the American alliance system.”

In the face of these pressures, Eisenhower and Dulles invested significant time and energy into preserving allied unity. They thought the withdrawal
from the Tachens would be a sign of good faith to allied capitals and regularly explained US-ROC developments to other allies such as the UK, New Zealand, Canada, and Australia. On several occasions, Eisenhower wrote Churchill at some length, consistently emphasizing that Washington was doing its best to maintain the defensive line without unnecessarily risking war. In response to allied concerns, the United States modified its initial policy of providing a public guarantee of Quemoy and Matsu, and kept this as a private commitment that could be changed, at any time, without embarrassment or damage to US prestige.

THE CRISIS REACHES ITS ZENITH: FEBRUARY TO APRIL 1955

As the crisis escalated and risks of war grew, the alliance audience effect intensified. As expected by H1, US policy toward the ROC influenced how other allies judged American reliability. By February most allies were already concerned about the possibilities of escalation across the Taiwan Strait and Dulles’s comments about nuclear weapons added fuel to this fire. American diplomats reported that Dulles’s remarks were “very disturbing to our friends and allies in the free world.”

These friends and allies did not sit still, but tried to mitigate the risks posed by American unreliability. Specifically, these allies strongly encouraged Washington to pressure the Nationalist regime into withdrawing from the offshore islands. As an inducement toward this end, Australia even suggested that a group of countries might join with the United States in guaranteeing the security of the ROC on Formosa itself, provided that Taipei withdrew its forces from the offshore islands. When these efforts did not succeed, US allies took the final step of distancing themselves from Washington’s policy: several publicly announced that they would not assist in a defense of the offshore islands. These events clearly support H2’s prediction of allies attempting to mitigate the risk of unreliability.

H3, which predicts that a state’s policy in one alliance will be influenced by the possibility this will affect the reliability perceptions of its other allies, was also supported by the evidence considered in this period. Allied concerns were a significant influence on US policy: when Eisenhower decided to not defend Quemoy and Matsu, but instead to strongly encourage a Nationalist withdrawal, he justified his decision with reference to allied support.

THE PHILIPPINES AND SOUTH KOREA

The Philippines carefully monitored the US-ROC alliance during the First Taiwan Strait Crisis and these observations caused Manila to doubt American reliability. Perhaps due to an excessive faith in US military power, and the belief that hostilities would be localized and not risk a general war, Fili-
pino diplomats and leaders urged Washington to defend Quemoy and Matsu. These dynamics support H1 and H2 of the alliance audience effect framework. As the above evidence has shown, the United States did consider Manila’s reaction during its crisis deliberations. When, in late April, it became clear that the US would not intervene if the offshore islands were attacked again, the embassy tried to organize a visit of Assistant Secretary Robertson. However, the crisis soon deescalated and further reassurance of Manila was not needed. Though Manila was not given the same attention as other allies, the available evidence still supports H3—the United States considered, and was influenced by, the possibility that its behavior in the US-ROC alliance would affect Manila’s beliefs about Washington’s reliability.

It does not appear that the possibility of South Korea observing US-ROC interactions, and these observations influencing the US-ROK alliance, had much of an effect on American policy. Given the fractious nature of US-Korean relations in the mid-1950s, this is not particularly surprising. Washington knew that Korea’s preference was to restart the Korean War but this could not be done without significant US support. South Korea’s dependence meant that Washington could ignore Seoul’s complaints without consequence.

While unsurprising, this is a definite challenge to H3, which expects that a state’s actions will be influenced by the possibility that its behavior in one alliance will affect the reliability perceptions of its other allies. This instance and the example of Japan discussed in chapter 3 suggest that a simple caveat is needed for H3: when a state is highly dependent on its alliance for security and does not have feasible alternatives to the alliance, and/or is mitigating the risk of unreliability in a way unlikely to adversely impact the ally, then the ally does not need to worry about the possibility of an alliance audience effect.

The zenith of the First Taiwan Strait Crisis is a critical case for how my theory delineates between the concepts of loyalty and reliability. This chapter demonstrates that US allies constantly monitored America’s interactions with the Chinese Nationalists throughout the 1954–1955 period. Most thought that America’s commitment to the Chinese Nationalists posed significant risks of entrapment in a war with Communist China and perhaps the Soviet Union. In response, American allies pursued a variety of diplomatic initiatives intended to reduce the likelihood of conflict. By March 1955, when it appeared that these efforts had been in vain, some allies publicly announced that they would not participate in a conflict over the offshore islands. Despite Eisenhower’s and Dulles’s concern for reputation, they gradually shifted US policy closer to the more conciliatory position favored by the UK, Canada, New Zealand, and Australia.

In hindsight, Dulles and Eisenhower made two significant mistakes in their handling of the crisis. First, they placed far too much emphasis on the importance of Nationalist morale. According to Accinelli, the British consul
in Taipei observed that the Chinese Nationalists used hints of collapsing morale as a “‘highly effective counter’ to any objectionable American suggestion.” As noted earlier in this chapter, Dulles and Eisenhower quickly concluded that the loss of the offshore islands would inevitably lead to the loss of Formosa to subversion or defection, but for several months this logic was not tested against the available intelligence or diplomatic reporting.

The second mistake was to assume that allies were judging America’s loyalty to the ROC. This is a key expectation of other theories, and the evidence examined here demonstrates the folly of such beliefs. There were many good reasons to doubt this logic even at the time: Dulles often complained that a conciliatory approach toward the PRC would cause allies to lose faith in America’s alliance commitments, but he also worried that an aggressive posture would alienate allied governments. Intelligence assessments consistently and prominently noted that most US allies desired a more conciliatory approach, but official views often contradicted this advice. Dulles’s State Department and ambassadors were telling him that the policies he viewed as disloyal to the ROC would be welcomed by many allies. Despite this advice, Dulles continued to see his choices in moral terms: he feared that the US “would be charged with turning and running and making excuses.” Had Dulles realized that US allies were worried about America’s reliability—not its loyalty—he may have been more willing to deescalate the crisis at an earlier time. In the end it was Eisenhower himself, not Dulles, who broke the stalemate and decided that the United States would not defend the offshore islands if the price of doing so was breaking faith with so many allies.