

## 37. China and Taiwan

THE Pentagon's Quadrennial Defense Review, issued February 6, 2006, states that "China has the greatest potential to compete militarily with the United States" and that the "pace and scope of China's military build-up already puts regional military balances at risk." In fact, China is emerging as Asia's predominant power while the rest of Asia perceives that the United States is withdrawing from the region to attend to crises in Iraq and Afghanistan and the war on terrorism.

by *John J. Tkacik, Jr.*

### Recommendations

**1. Undertake a bottom-up reassessment of America's stake in Taiwan within the broad strategic context of China's emergence as a superpower "peer competitor" in Asia.** Although Washington is concerned that Taiwanese actions could be seen in Beijing as a *casus belli* and instigate an American military confrontation with China, these concerns are misguided. Chinese communist rhetoric against democratic Taiwan, which wants to be free of Chinese threats, is a classic case of the bully blaming the bullied. As China's military and naval strength grows, so does its propensity to bully neighbors from Japan to India and into Central Asia. It therefore makes no sense to encourage China's claims to sovereignty over Taiwan. If Beijing should succeed in persuading Washington to back away from its support of democratic Taiwan, Asia would see it as a signal that the United States is withdrawing from the Western Pacific. Even more seriously, a Chinese-controlled Taiwan would enable China, in the words of a senior Chinese general, "to rise suddenly, [and] pass through oceans and go out of the oceans in its future development."

**2. Reexamine assumptions about trends in Chinese political reforms.** In the 16 years since the June 4 suppression of China's democracy movement at Tiananmen Square, the communist regime's repression of civil, political, and religious rights has grown worse, not better. The strategic environment in Asia that yielded a robust U.S.–China geopolitical partnership from 1972 to 1992 is now profoundly changed. The Soviet threat has been dead and buried for 14 years, along with the grand organizing principle that cemented

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the U.S.–China relationship for two decades. Since then, China has embarked on a protracted and energetic military build-up to “increase the comprehensive strength of the nation” and make China predominant in Asia. The Beijing regime is, and in all probability will continue to be, a counter-liberal force encouraging despotism and undermining democracy in its own country, in Asia, and across the globe. There is no evidence that the Chinese Communist Party is moving toward a democratic future; in fact, the evidence is overwhelming that the Beijing regime is returning to its old totalitarian ways rather than evolving away from them, primarily in an attempt to shore up its legitimacy. Beijing’s oversight of the Internet and personal telecommunications has yielded censorship and continues to deprive people of the right to freedom of expression. Washington policymakers can no longer adopt an agnostic posture on the direction of the Chinese regime and must begin to craft strategies that address this challenge.

**3. Place Taiwan on the priority list for a free trade agreement (FTA) with the trade goal of increasing U.S. exports to Taiwan and the strategic and political goal of loosening the Chinese noose of isolation on a key ally.** Taiwan is one of America’s top 10 export markets and could be an even bigger market—especially for U.S. agricultural goods like rice, frozen pork, and poultry, as well as automobiles, auto parts, and financial services—with an FTA. Taiwan is America’s Asian poster child for vibrant democratic reforms, and the prospect that its embryonic democracy and advanced technological base might become firmly enfolded within a China-centric “Greater East Asian Co-Prosperity Sphere” in the 21st century should worry America’s leaders. Since 2001, Taiwan has been America’s second largest cash customer for U.S. defense equipment, including \$962 million in 2004 alone. It purchased \$22 billion in U.S. goods in 2005 while exporting \$35 billion to the U.S. Taiwan is America’s eighth largest trading partner and, with total foreign trade of \$371 billion in 2005, the world’s 15th largest trading nation. Even more unsettling, Taiwan continues to be an important U.S. defense and intelligence partner on the Pacific Rim where reliable friends of America are becoming harder to find.

**4. Reexamine assumptions about Taiwan’s ability to deter China with a solely “defensive” panoply.** In the view of some China-policy analysts in Washington, the Taiwan Relations Act (TRA) of 1979 contemplates that the United States will supply Taiwan only with “arms of a defensive character.” But defensive weapons systems are often vastly more expensive than the systems they are designed to defend against, and many pro-China politicians in Taiwan declare with some justification that such an arms race would bankrupt Taiwan. The Department

of Defense, for example, has quoted Taiwan a price of \$10.6 billion for eight diesel electric submarines—a cost of \$1.2 billion each, while U.S. shipyards reportedly have told DOD they can produce them for half that amount. Taiwan’s partisan politics may have turned the U.S. sales issue into a political football, but the fact remains that from September 2000 through September 2004 (the date of the most recent information), Taiwan was the United States’ second largest cash customer for defense articles and services after Saudi Arabia.

U.S. leaders in Congress and the executive branch should encourage their Taiwan counterparts to do more to strengthen their own security. Raising the level of defense spending from the present 2.3 percent of GDP to 3 percent would be a good start. Taiwan’s political leaders have balked at the high price tags of defensive systems against Chinese missiles, jet fighters, and submarines, but those who worry that acquiring these systems will cause “an unwinnable arms race” with China should be asked whether they would rather let China run the race all by itself and leave Taiwan all the more vulnerable.

Finally, with Taiwan limited solely to “defensive systems,” China’s attack calculus focuses only on how to defeat those systems and need not consider defending China’s own territory. Section 3 of the TRA mandates that the “United States *will* make available to Taiwan such defense articles and services...necessary to enable Taiwan to maintain a sufficient self-defense capability” [emphasis added]. However, this does not limit Taiwan solely to “defensive” arms (which *must* be made available to Taiwan). It also mandates that the U.S. should “make available” to Taiwan arms of at least a limited offensive capacity to serve as a deterrent (which would oblige China to factor the consequences of a possible Taiwan counterstrike into its calculus for war) and to prolong Taiwan’s ability to resist military pressure in the event of hostilities.

## Facts and Figures

■ China’s published military budget increased just under 13 percent in 2005 and will increase another 15 percent in 2006, bringing it to \$35.1 billion and making 2006 the 15th straight year of double-digit growth in military spending. U.S. intelligence agencies believe that China’s real defense budget, adjusted for purchasing power parity and including estimates of off-budget and secret spending, is between \$65 billion and \$90 billion, making China the world’s third largest military spender after the U.S. and Russia.

■ Secretary of State Condoleezza Rice considers China to be nearing “military superpower” status, and Director for National Intelligence

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John Negroponte says that “China’s steadily expanding global reach” means make it “a peer competitor to the United States at some point.”

■ In 2005, China exported \$243 billion in goods to the United States while importing only \$42 billion, leaving the U.S. with a \$201 billion trade deficit—nearly 30 percent of America’s overall trade deficit and 40 percent of the U.S. non-oil deficit.

■ For 15 years, with the exception of 1993 and 1997, the State Department has reported that China’s human rights record has “deteriorated,” “declined,” “displayed well-documented abuses and/or violations,” or “remained poor” and characterized by “numerous and serious abuses.” A congressional commission has likewise reported “increased government restrictions” on worship, “curtail[ed] activities” of domestic civil society organizations, “rapid [loss of] judges,” and “tightened restrictions” on journalists.

■ China’s support for the world’s most ruthless dictatorships, including Burma, Iran, North Korea, Syria, Uzbekistan, and Zimbabwe, has helped to enhance their international legitimacy and protect them from United Nations sanctions.

■ Since 2001, Taiwan has been America’s second largest cash customer for U.S. defense equipment, including \$962 million in 2004 alone. It purchased \$22 billion in U.S. goods in 2005 while exporting \$35 billion to the U.S. Taiwan is America’s eighth largest trading partner and, with total foreign trade of \$371 billion in 2005, the world’s 15th largest trading nation.

■ The United States, Japan, Canada, Australia, and the European Union have never explicitly recognized China’s claims of sovereignty over Taiwan and hence do not recognize China’s right in international law to use any force against the island.

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*This chapter can be read online at [issues2006.org/china](http://issues2006.org/china).*

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## Additional Reading

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