

CHAPTER 2

Taiwan: The Stakes

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*The domination of Formosa by an unfriendly power
would be a disaster of utmost importance to the United States,
and I am convinced that time is of the essence.*

— DOUGLAS MACARTHUR, JUNE 14, 1950

Washington and its allies face many potential geopolitical disasters over the next decade, but nearly all pale in comparison to what would ensue if the People's Republic of China (PRC) coercively annexed Taiwan.

For such a small place, Taiwan carries outsized geostrategic, economic, and ideational importance. The ramifications of its subjugation by Beijing would be surprisingly far-reaching. Whether one cares about the future of democracy in Asia or prefers to ponder only the cold math of realpolitik, Taiwan's fate matters. Whether one's preferences on international trade are laissez-faire or protectionist, a PRC annexation of Taiwan would pose essential problems. Whether one believes that Taiwan's semiconductor fabs would be successfully resuscitated by Beijing after an invasion or kept idle by Western sanctions,

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industrialized democracies would face severe economic predicaments. The coup de grâce would be a race among nations to develop new or expanded nuclear arsenals, resulting from the diminished credibility of America's "extended deterrence" guarantees.

On June 14, 1950, General Douglas MacArthur, supreme commander for the Allied powers in Japan, wrote a top secret memorandum to Washington arguing that it was a matter of "utmost importance" that Taiwan (then still referred to as Formosa) remain in the hands of a friendly, or at least neutral, government. That Communist insurgencies were seething in Southeast Asia and trouble was brewing on the Korean Peninsula only served to underscore the island's strategic significance. "Formosa in the hands of the Communists can be compared to an unsinkable aircraft carrier and submarine tender ideally located to accomplish Soviet offensive strategy and at the same time checkmate counteroffensive operations by United States Forces based on Okinawa and the Philippines," MacArthur wrote. He explained how Imperial Japan had used Taiwan as "a springboard for military aggression" beyond East Asia and warned that Communist forces could do the same. He also raised the ideological and "moral implications" if Taiwan fell into Beijing's hands, saying Taiwan's people should be offered "an opportunity to develop their own political future in an atmosphere unfettered by the dictates of a Communist police state." He even highlighted Taiwan's importance as a net exporter of food in postwar Asia and as a future "prosperous economic unit."¹

Remarkably, the dynamics MacArthur highlighted in 1950 are still relevant today, some more than ever.

In the decades since MacArthur's memo, Taiwan's citizens have indeed seized the opportunity "to develop their own political future" by building a full-blown democracy off the coast of the PRC, which only raises the strategic stakes if such a government were snuffed out. The world is currently "mired in a deep, diffuse, and protracted democratic recession," argues the democracy scholar Larry Diamond. "If conquest looks inevitable or if Taiwan eventually falls, most regional states will opt to ride the wave of China's hegemonic ascent rather than be drowned by it," Diamond writes.² Beijing would have erased the

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world's first liberal democracy whose founders include many people of Chinese heritage—and, with it, living proof that there is a workable and appealing alternative to Beijing's totalitarian governance.

Taiwan's economic and technological heft today is likewise far greater than what MacArthur would have imagined three-quarters of a century ago. A PRC strengthened by the annexation of Taiwan would hold sway over global semiconductor manufacturing—the backbone of most strategic industries in the twenty-first century. If Taiwan's fabs remained intact and operational, Beijing would control virtually the entire world's supply of the most advanced semiconductors. If, on the other hand, Taiwan's fabs struggled to resume operations, the world would have to settle for inferior older-generation chips—of which the PRC is on course to become the largest producer. Beijing, whose explicit strategy is to acquire leverage over other nations through dominating high-tech supply chains, would impose adverse economic and trade realignments that would diminish American power and the industrial might of other industrialized democracies.³

Certainly, China's economy would suffer a major setback if Taiwan's high-end chips disappeared from the world market. But so would the economies of the rest of the industrialized world. Beijing's Marxist-Leninist rulers, who regard power as zero-sum, may consider this as a price worth paying—especially if China ultimately emerged as the world's leading producer of chips.

Moreover, from a geopolitical standpoint, the fall of Taiwan would rob US alliances of much of their credibility. America would be at risk of losing the forward military and commercial access that enable it to be a global power. PRC forces would stand ready to fill the vacuum. The ensuing proliferation of nuclear weapons among untrusting allies and adversaries alike could reap whirlwinds of instability.

Even if Beijing achieved Taiwan's involuntary subjugation through something less than a full-scale war, the ripple effects would be highly consequential.

Employing steps that fall below the threshold of sustained, high-intensity combat may be Beijing's best strategy because it leverages ambiguity, allows for face-saving retreats from ineffective actions under most

circumstances short of Taiwan formally declaring *de jure* independence, and puts Taiwan, the United States, Japan, and others on the horns of a dilemma: either confront Beijing's actions and invite accusations of "destabilizing" behavior or remain passive as Beijing consolidates changes to the status quo that strengthen its hand vis-à-vis Taiwan. Such an approach would also allow Beijing to capture industrial and technological infrastructure intact.⁴ Accordingly, Beijing is trying first to employ United Front tactics—including the use of what it calls the "three warfares": public opinion warfare, psychological warfare, and legal warfare—to undermine Taiwan's democracy and the public will to resist in pursuit of "peaceful reunification" and "winning without fighting."⁵

Whether through outright war or quasi war, PRC success in annexing Taiwan against the will of its people would disrupt and reconfigure the global order in ways unlike anything since World War II, making concrete the "changes unseen in a century" that PRC commander-in-chief-of-everything Xi Jinping keeps foreshadowing in his speeches. With Xi now in his early seventies and facing limited time to pursue his grand ambitions, the following consequences of PRC aggression against Taiwan merit urgent examination.⁶

Key Impact #1: Dark Clouds for Democracy in Asia and Beyond

In 1996, Taiwan citizens voted for the first time to directly elect their president. Four years later, they elected an opposition-party candidate as president, ending the Kuomintang's decades-old political monopoly over Taiwan. Democracy has since deepened its roots in ways that have allowed not only for an orderly transition of political power every four to eight years, but also for remarkable economic and social achievements.

- Taiwan enjoys freedom of speech and freedom of association and is ranked by the Economist Intelligence Unit as the world's eighth most "fully democratic" polity, ahead of every other country in Asia as well as the United Kingdom and the United States.

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- Taiwan has one of the most economically equitable societies in the world, with a relatively low disparity in income distribution despite having among the highest median incomes. Taiwan's per capita GDP overtook Japan's in 2023.⁷
- Taiwan's gender equality is the sixth highest in the world, according to the United Nations Development Programme's Gender Inequality Index. Women account for more than 40 percent of Taiwan's legislators, the highest percentage in Asia and well ahead of the United States, where women account for 28 percent of members of the US Congress. And not only have Taiwanese twice elected a woman to the highest office in the land, but several of Taiwan's leading cities are led by female mayors. Taiwan's respect for the rights of indigenous and minority groups stands out too. In 2019, it became the first place in Asia to pass a same-sex marriage law.

Taiwan is a democratic standout in another important respect: its faith in democracy is growing at a time when some democracies are indulging in cynicism about self-government. A Taiwan Foundation for Democracy poll in 2022 found that three-quarters of Taiwanese respondents believe that although there are problems with democracy, it is still the best system.⁸ And, in a refreshing contrast with the United States, the younger the demographic in Taiwan, the more prevalent the trust in democracy.⁹

It is difficult to overstate the significance of all this in the context of the politics just across the Taiwan Strait, where more than a billion people who share a linguistic and cultural heritage with so many Taiwanese nonetheless remain subject to autocratic—even totalitarian—rule. Millions of PRC citizens draw inspiration from the political model in Taiwan, which flips Chinese Communist Party tropes about political legitimacy on their head.

Whereas leaders in Beijing have long tried to caricature Taiwan as slavishly imitating Western forms of government, it is actually Beijing that plagiarized an early-twentieth-century European political model that Europe has long since rightly discarded. As a PRC street protester caught on video in late 2022 put it, after he and fellow protesters were

accused of being manipulated by foreign forces: “Excuse me, but what ‘foreign forces’ are you referring to? Is it Marx and Engels? Is it Stalin? Is it Lenin?”¹⁰

The loss of Taiwan as a democratic alternative would end the experiment with popular, multiparty self-government by a predominantly ethnic Chinese society, with bad tidings for the possibility of democracy in the PRC and beyond.

Key Impact #2: PRC Achieves Hegemony Regionally—and Bids for It Globally

Would Beijing stop after annexing Taiwan? Vladimir Putin’s war in Ukraine reminds us that revanchist powers aren’t known for having small appetites. The PRC is actively challenging Japan’s administrative control of the Senkaku (Diaoyu) Islands in the East China Sea as well as the territorial claims of five other governments in the South China Sea. Ominously, PRC maps and official propaganda question the legitimacy of Japanese sovereignty over the Ryukyu island chain—including Okinawa—and of Russia’s control over parts of its far east.

The Ryukyu dynamics already bear watching. In 2013, soon after Xi came to power, a commentary in the authoritative *People’s Daily* suggested that the Ryukyus “belonged neither to China nor Japan,” sparking recriminations between Tokyo and Beijing.¹¹ One of the authors, Li Guoqiang, has since been installed by Xi to serve as deputy head of the Chinese Academy of History, which Xi visited in 2023.¹²

In March 2023, China’s new ambassador to Japan met with the deputy governor of Okinawa and encouraged Okinawa’s “independent diplomacy.”¹³ Then, in May 2023, the former deputy chief of the Joint Staff Department of the PLA, Admiral Sun Jianguo, told a delegation from Japan’s Liberal Democratic Party: “I hope you consider that from the position of the Chinese government, Ryukyu was originally within the Chinese sphere. What would you think if I told you that it was to seek independence?”¹⁴

On June 4, 2023, *People’s Daily* carried a front-page story on Xi visiting the National Archives of Publications and Culture to reflect

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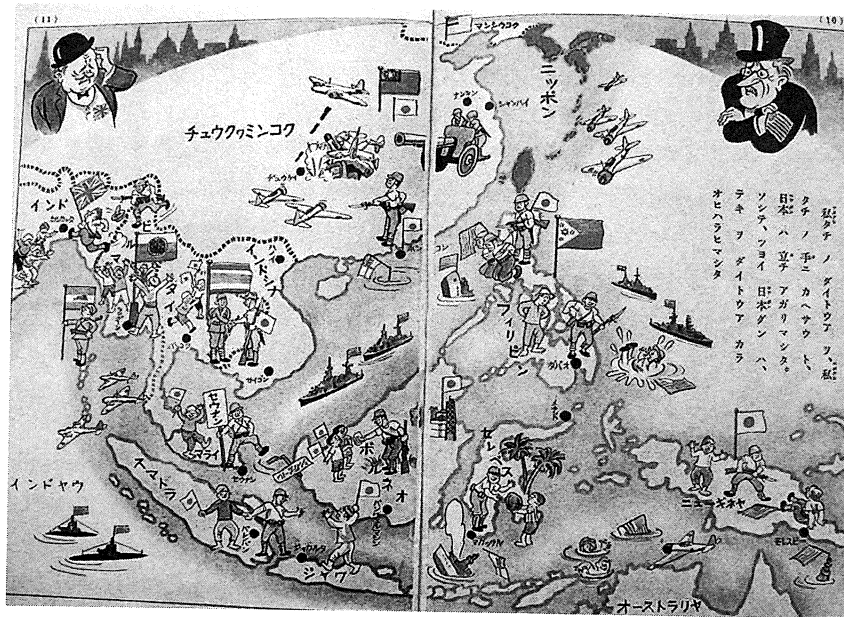
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on the “historical continuity” of China. According to the article, a curator pointed Xi to an ancient book, *Records of the Imperial Title-Confering Envoys to Ryūkyū*, detailing a Ming dynasty (1368–1644) diplomatic mission. The curator told Xi that the ancient book plays “a politically important role” by showing that the Senkakus are part of Chinese territory.¹⁵ On the same visit—in a scene reminiscent of Putin’s inspections of historical maps and archives amid his invasion of Ukraine—Xi viewed a Qing dynasty map, *The Great Qing Dynasty’s Complete Map of All Under Heaven*.¹⁶ The map depicts the Ryukyus and Taiwan in a manner that could be interpreted to mean they were both parts of the Chinese empire.¹⁷

Japan would be in a far weaker position to defend its territory in the event Taiwan was controlled by Beijing. This is because Japan’s defensive concept relies on its ability to hold at-risk PRC naval vessels and warplanes that venture near, through, and beyond what is informally known as the First Island Chain. For Japan’s defensive posture to work, the full island chain, which includes the Japanese and Philippine archipelagoes as well as Taiwan at the center, must remain in the hands of friendly powers. If Taiwan became a PLA basing location—the “unsinkable aircraft carrier and submarine tender” that MacArthur warned of—Japan would become acutely insecure. PRC military doctrine stresses precisely this point, with a PLA Air Force textbook emphasizing:

As soon as Taiwan is reunified with mainland China, Japan’s maritime lines of communication will fall completely within the striking ranges of China’s fighters and bombers. . . . Our analysis shows that, by using blockades . . . Japan’s economic activity and war-making potential will be basically destroyed. . . . Blockades can cause sea shipments to decrease and can even create a famine within the Japanese islands.¹⁸

By establishing an indisputably dominant position in East Asia, Xi would be free to turn wholeheartedly to his bid for achieving PRC preeminence globally. The mighty military resources, planning, and



Japanese propaganda in the form of a 1943 map depicts Japanese forces “freeing” Asian nations from Western imperialism. Taiwan can be seen in the role MacArthur described in his cautionary memo years later as a “springboard” for aggressors. CPA Media Pte Ltd/Alamy Stock Photo

training that have long been almost single-mindedly concentrated on taking Taiwan could, following a successful invasion, be applied to projecting power throughout the Pacific, the Indian Ocean, and the Atlantic—where Beijing has already built, or apparently envisions, military bases in Argentina, West Africa, and even potentially Cuba. Beijing has already declared its goal of becoming a “world-class” military and to use its armed forces to defend its national interests wherever it asserts them around the world. And those interests are set to expand, as Beijing has recently unveiled a Global Security Initiative, a Global Development Initiative, and a Global Civilization Initiative—elements of a vision Xi calls “A Community of Common Destiny for Mankind.”¹⁹

Herein lies a strategic danger that Franklin Delano Roosevelt warned about in 1939: “So soon as one nation dominates Europe, that nation will be able to turn to the world sphere.”²⁰ East Asia is today

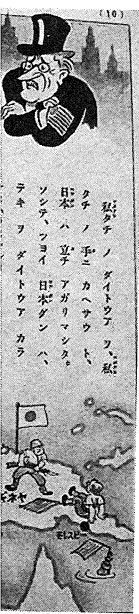
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the global center of economic and technological gravity that Europe was eighty-five years ago. Just as Europe has declined on the global economic stage, so America could decline in relative terms if its strategic interests were undermined by a hostile China. We contend that the Chinese capture of Taiwan poses a grave threat to America's strategic interests.

Key Impact #3: Greater Sway over Semiconductors and High Technology

Chips are today as important as oil was in the twentieth century. Approximately 600 billion dollars' worth of chips is now produced globally each year.²¹ These are incorporated into physical items collectively worth multiple trillions of dollars, and the services delivered by these devices amount to tens of trillions of dollars annually.²² Chips power smartphones, data centers, and high-performance computing applications like artificial intelligence (AI), as well as the electronic brains controlling systems in aircraft, cars, tools, machinery, and many other necessities.

Unlike oil, however, the very latest generation silicon chips (those with circuits 5 nanometers or smaller) are presently produced in only two places—Taiwan (by Taiwan Semiconductor Manufacturing Company Limited, or TSMC) and, to a much lesser extent, South Korea (by Samsung). Taiwan now accounts for more than half of global semiconductor foundry capacity and a much higher proportion—perhaps 90 percent of production—for the most advanced chips.²³ The aftermath of a coercive annexation of Taiwan would adversely impact Americans' security and well-being to a far greater degree than what would have happened had Operation Desert Storm failed in 1991 and Saddam Hussein retained control of Kuwait and with it greater influence over vital Persian Gulf energy resources—which then supported about 27 percent of total global oil production.²⁴ Taiwan's significance for semiconductor production, in short, is far greater than that of all members of the Organization of Petroleum Exporting Countries (OPEC) combined for oil.

If China captured Taiwan, it would command the dominant position regarding the most fundamental industrial input of the twenty-first century's technology economy. That could help to make the PRC much wealthier, provide it with consequential leverage over democracies that depend on its supplies, and catapult it into a position of global preeminence.

Much as cheap energy from Russia was a core catalyst for German economic power, abundant Taiwanese semiconductors have been a core catalyst for global technological progress.²⁵ Thanks largely to Taiwanese manufacturers' efficient scaling, transistors now cost only billionths of a cent apiece (or tens to hundreds of dollars for phenomenally powerful semiconductor chips). Yet unlike energy supplies, where a diversity of resources can substitute for one another to compensate for supply disruptions, no such fungibility exists for high-end semiconductors.

A major disruption of Taiwan-origin semiconductor supplies would likely decelerate human technological progress and cause an immediate global economic contraction followed by lower, slower growth for years thereafter. This is because chip production lines constructed elsewhere to replace damaged high-end chip facilities in Taiwan would take several years to bring into service, given the depth and complexity of multinational supply chains producing silicon wafers, chemicals like photoresists and exotic gases, and other critical inputs.²⁶ The length of time likely needed to reconstitute supply chains matters because chips are ubiquitous in everything from automobiles to high-performance computing facilities that power cutting-edge drug discovery and genomics research.²⁷

Even if Taiwanese chip foundries were captured intact, they might struggle mightily to recover to prewar production levels. The disruptions to electricity, software updates, foreign equipment, maintenance, chemicals, and engineering—not to mention the likely flight overseas by many of Taiwan's most knowledgeable semiconductors experts—would have effects on Taiwan's fabs comparable to the effects of prolonged oxygen deprivation on a human brain. Many of these effects might be sustained for months or years through postwar sanctions regimes imposed by the world's democracies.²⁸

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The global economic convulsion that followed could well exceed that caused by the Great Recession of 2007–09 or the worst decline of economic output during the COVID pandemic's early phase in 2020. The Great Recession's cumulative losses ran as high as \$22 trillion in the United States alone, according to estimates from the Government Accountability Office (GAO).²⁹ Some financial markets participants see a semiconductor disruption as causing still worse economic impacts. For instance, Citadel chief executive officer Kenneth Griffin stated at a November 2022 conference that he believed that "if we lose access to Taiwanese semiconductors, the hit to US GDP is probably in the order of magnitude of 5% to 10%. It's an immediate Great Depression."³⁰

World War II caused the largest economic disruption for at least the past 120 years—imposing a peak global GDP loss of 6 percent between 1944 and 1945.³¹ Yet America's economy increased in size by nearly 2.5 times between 1939 and 1945 as Americans rallied for war, mobilized industrial capacity idled by depression, and forged the Arsenal of Democracy.³² This significantly decreased the economic downturn's severity on a net global basis. None of the positive prerequisites that existed in World War II, such as spare US industrial capacity, remain. A loss of Taiwanese semiconductors could thus realistically trigger an economic disruption reminiscent of World War II—with the downturn resounding potentially for several years, if not longer, as impacts compound upon each other.

Key Impact #4: Adverse Economic and Trade Realignments

More than a century ago, "the efficient functioning of the global trading system (and a high level of trade) was critical to the British Empire's prosperity and strength," the historian Nicholas Lambert observes.³³ While different in its domestic and international politics, in the present postimperial era the United States occupies an economic position that is analogous to the British Empire in its heyday. This helps explain why, despite periodic spasms of isolationism, US strategy on balance has recognized for decades that America's prosperity is tied to free and open access to the world and robust flows of trade. It is axiomatic that

constrained access and exclusion of US exports would be disproportionately harmful to American power and position over time.

Reduced US trade flows with East Asia resulting from a post-Taiwan-invasion order would be especially impactful, given the region's current and future status as the largest, most dynamic global economic activity zone. East Asia and the Pacific account for one-third of global GDP in purchasing power parity terms, a share roughly twice that of the United States.

Curtailed US access to economic opportunities in East Asia would be a very real prospect in the wake of a PRC coercive annexation of Taiwan. History shows a strong correlation between cementing hegemony and restricting rivals' economic prospects. In a 2018 *Foreign Affairs* article asking what "Life in China's Asia" might look like, the Dartmouth scholar Jennifer Lind points out, "Great powers typically dominate their regions in their quest for security. They develop and wield tremendous economic power. They build massive militaries, expel external rivals, and use regional institutions and cultural programs to entrench their influence."³⁴

If, as described above, Japan would have a hard time defending itself after the fall of Taiwan, the situation facing the Philippines and other Southeast Asian nations would be even worse. PRC control of even part of the First Island Chain would put Beijing in a position to complicate US access to East Asia, Southeast Asia, and the Indian Ocean—the littoral of the most populous and economically active part of the world.

The United States could begin to resemble, in the words of the late Henry Kissinger, "an island off the coast of the world."³⁵

A hegemonic PRC's intolerance of external rivals (among which the United States would be first) would probably drive economic and other coercion against Asian states that sought to continue robust trading and investment relationships with American entities. To that point, recent PRC behavior in the region is already consistent with an apparent effort to economically displace the United States. A well-placed Malaysian scholar recently noted that China is attempting to have Association of Southeast Asian Nations (ASEAN) states denominate

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Although ASEAN states would prefer not to be forced into a binary choice between the dollar and the renminbi, PRC actions and regional responses suggest Beijing would likely erase the prospects for a “middle course” in the wake of a successful coercive annexation of Taiwan and the presumptive diminishment of America’s presence and role.

Key Impact #5: Nuclear Proliferation

The invariable lack of trust in US security commitments after an annexation of Taiwan would reinforce the incentives of key countries to develop their own nuclear weapons.

Multiple events tested the American nuclear umbrella during the past sixty years, including China’s development of nuclear weapons; Washington’s normalization of relations with Beijing beginning in 1972; the fall of Saigon and loss of the Vietnam War for the United States in 1975; President Jimmy Carter’s 1976 campaign pledge to withdraw troops from the Korean Peninsula; and the acquisition of nuclear weapons by India, Pakistan, and North Korea. But American preeminence across the economic, technological, and military domains kept US power credible and conferred the leverage necessary to dissuade most East and Southeast Asian states from going nuclear, despite China and North Korea developing their own arsenals. Washington was able to offer the “carrot” of coverage by a first-class nuclear umbrella, while wielding the “stick” of economic, technological, and hard security exclusion against countries that insisted on pursuing nuclear weapons capability.

An East Asia reeling from the coerced annexation of Taiwan would present very different circumstances and might make nuclear weapons appear necessary to regional leaders. Japan would probably have the shortest path to developing nuclear weapons. It possesses a full on-shore nuclear fuel cycle, including the world’s third-largest commercial reprocessing plant, in Rokkasho.³⁷ Furthermore, it already possesses

what is likely the world's largest plutonium stockpile (nearly forty-five tons at year-end 2021) with about nine tons of this held domestically under sovereign control. For perspective, one ton of plutonium could produce 162 "Fat Man" atomic bombs or 250 "pits" for a modern thermonuclear weapon.³⁸

In February 2022, months before he was assassinated, former prime minister Shinzo Abe raised the idea of Japan engaging in "nuclear sharing" similar to the arrangements the United States has with Belgium, Germany, and the Netherlands, whereby nuclear weapons are stored in-country under US custody but are deliverable by nuclear-capable aircraft possessed by both the United States and the host country.³⁹ Abe also noted that had Ukraine retained nuclear weapons following the fall of the Soviet Union, Russia might have been deterred from invading.⁴⁰

South Korea, meanwhile, has a world-class civilian nuclear program, with twenty-six reactors in service, but does not, for now, control the nuclear fuel cycle and lacks the domestic uranium enrichment or reprocessing ("plutonium recovery") facilities that would be required to build nuclear weapons.⁴¹ Nevertheless, the question of whether to develop a nuclear arsenal is now openly debated by politicians in Seoul. If South Korea's world-class science complex and industrial base were mobilized under exigent strategic circumstances, it would be reasonable to assume Seoul could fashion deployable fission devices within a handful of years.⁴²

One question is how China would respond to Japanese nuclearization. PRC leaders might conclude they need considerably more than the 1,500 warheads the 2022 and 2023 *China Military Power Reports* forecast China's nuclear arsenal will have by 2035.⁴³ That decision would have substantial ramifications for both American and Russian nuclear stockpile decisions. Recapitalization of the American stockpile would, in conjunction with a potential Sino-Japanese nuclear competition, raise at least two disturbing scenarios, neither of which existed during the Cold War. In the first, US planners would worry about Russia and China presenting a combined nuclear front against the United States and its allies. This concern was never realized during the Cold War because China pursued a minimum deterrence strategy

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India would also likely substantially expand its nuclear stockpile and deployment options. Warning signs already loom on the horizon. In December 2022, India tested an updated version of its *Agni-5* ballistic missile that allegedly now has a range of more than seven thousand kilometers—sufficient to reach all of China.⁴⁴ Geopolitical patterns persisting to the present suggest that Pakistan would likely seek parity if India expanded its nuclear warhead stockpile.⁴⁵

Nuclear proliferation would also affect the Middle East. Iran continues to edge closer to breakout capability. Iranian acquisition of a nuclear weapon, in addition to inviting a preemptive attack by Israel, would probably induce Saudi Arabia to urgently acquire its own nuclear weapons, perhaps first through a stopgap sharing agreement with Pakistan and subsequently in-kingdom production drawing on foreign expertise. Riyadh has announced plans to build a substantial nuclear system with a full fuel cycle (including enrichment) that would use domestic uranium resources and thus be exempted from International Atomic Energy Agency (IAEA) safeguards.⁴⁶

A baseline nuclear proliferation cascade following a PRC coerced annexation of Taiwan could potentially see hundreds of nuclear warheads added to stockpiles globally.

Conclusion

Taiwan is a beacon illuminating powerfully that Chinese heritage and culture is no barrier to democracy, rule of law, or freedom. Taiwan's values underpin the modern economy worldwide. By helping Taiwan keep its flame of self-governance burning bright, we safeguard the world we want to inhabit for the next fifty years. Coercive annexation of Taiwan would not alleviate Sino-American tensions but rather would supercharge them. Should Taiwan be subjugated by the PRC because of US inaction or ineffective action, there will be serious global questioning of US claims about commitments to the security of allies and to defending democracy.

Accordingly, this chapter is a call to action to avert manifold disasters by spotlighting several of the most consequential. As the ongoing struggle intensifies, American policymakers must internalize the dire consequences of losing the pivotal techno-industrial, geostrategic, and political alternative and buffer that Taiwan represents to PRC coercive power. Isolationism shrouded in realpolitik may sound attractive from the back benches of legislative chambers, but it has repeatedly failed catastrophically, as in 1914 and 1941.

In addition to the severe economic and military consequences, a successful PRC coercive annexation of Taiwan would propel autocracy ahead in the global contest of systems, signaling a likely end to the US-led postwar order that underpinned so much improvement in the human condition over the past eighty years. An authoritarian, PRC-centric world would not only crush US foreign trade—it would also set the stage for future wars. It would limit India's development and crimp the future well-being of multiple middle powers, including key American allies and partners. Moreover, by strangling economic freedom, throttling freedom of action, and squandering untold resources and potential, the CCP's quest for domination abroad would substantially shrink prospects for China's own population. Enhancing American investment in deterrence—while simultaneously making clear to Beijing that Washington favors continuance of the peaceful status quo that most Taiwanese embrace—would signal three important things. One, our allies and partners are well placed in standing with Taipei and Washington. Two, we seek peace through strength. Three, for China and its people, today, tomorrow, and the next day are bad times to pursue war but good times to direct their energy toward peaceful endeavors. Taiwan is worth supporting and defending, the stakes are stark, and there's no time left to waste.

NOTES

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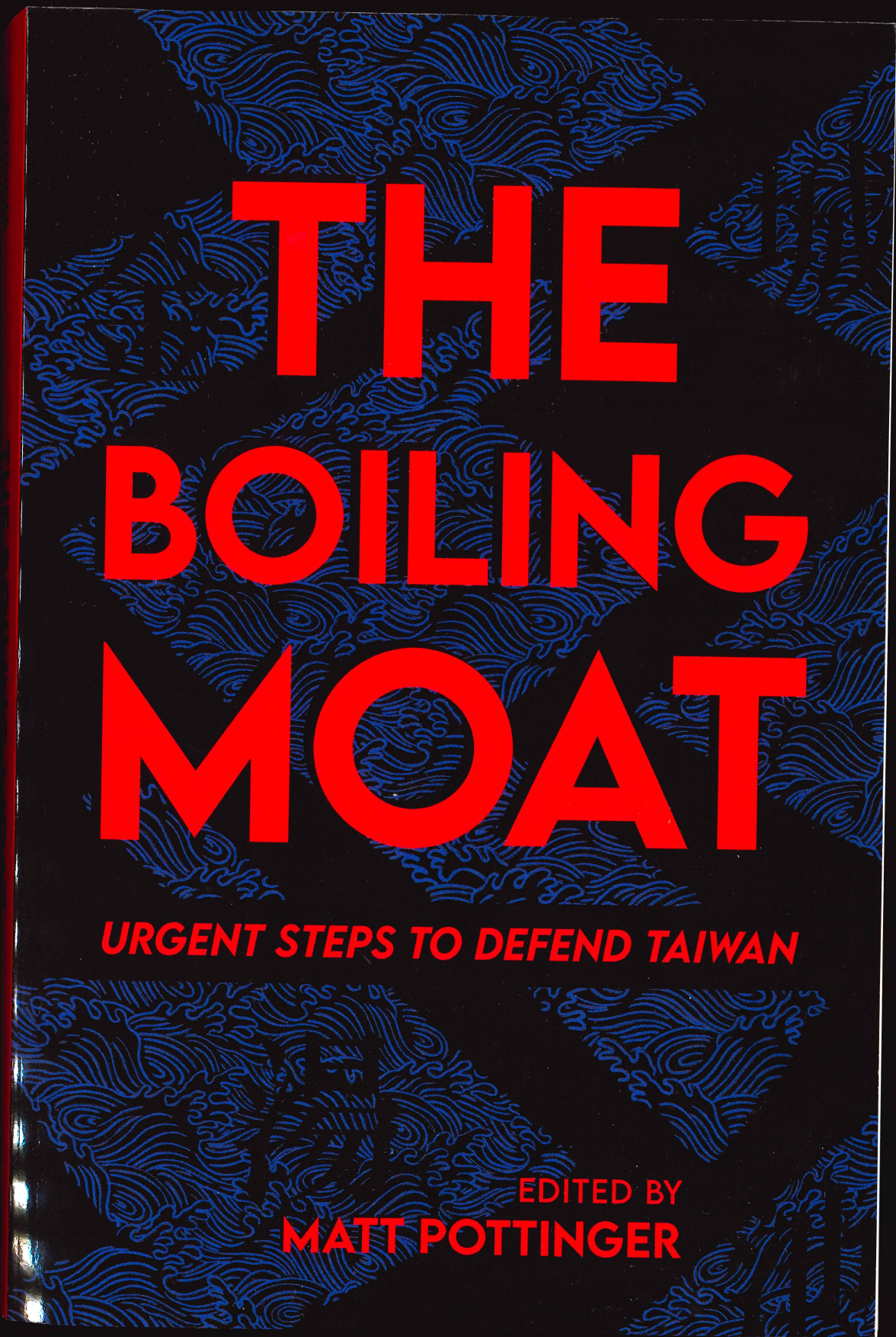
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THE BOILING MOAT

URGENT STEPS TO DEFEND TAIWAN

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