



TAIWAN: THE KEY TO CONTAINING CHINA IN THE INDO-PACIFIC

A strategy of deterrence to maintain the US-led,
rules-based global system

J. B. Barranco

Scowcroft Center for Strategy and Security

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November 2022

ISBN-13:

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Executive Summary

There is no longer any question that the United States has entered a new era of strategic or great-power competition. The “end of history” moment enjoyed by the United States following the collapse of the Soviet Union was the exception, not the rule. Though Russia and the People’s Republic of China (PRC) are peer or near-peer competitors, China poses the primary threat to the US-led, rules-based global system. Taiwan (the Republic of China (ROC)) is key to achieving the United States’ interests, the most significant of which are the containment of China and the prevention of China achieving regional hegemony in the Indo-Pacific. Taiwan is strategically located in the middle of the first island chain. It is the primary supplier of semiconductors to the United States and its allies, and one of the most advanced economies in the world. It provides the world with a visible example that a vibrant, multiparty democracy can thrive in Chinese culture. Though Taiwan is not a formal ally due to its unique status and the United States’ “One China Policy,” China—as well as US allies and other unaligned nations—well understands that Taiwan is under the US security umbrella.

China’s desire to achieve “reunification” is clear, and its efforts to test Taiwanese and US resolve on the issue are increasingly bold.¹ These efforts are the most likely flashpoint for a future Sino-US conflict,

as failure to deter Chinese aggression toward Taiwan could quickly escalate into war. Moreover, a US refusal to support Taiwan, or significant US military setbacks in a confrontation over Taiwan, could signal to both allies and potential allies in the Indo-Pacific that the United States is a declining power and China an ascendant one. Considering the recent US abandonment of its allies in Afghanistan, a further loss of credibility over Taiwan could make US containment of China increasingly difficult.²

This paper proposes a US strategy for strengthening the relationship between Taiwan and the United States, its allies, and its partners, to blunt China’s aggression in the Indo-Pacific region by deterring any attempt to achieve “reunification” by force. This paper focuses on preventing a Chinese takeover of Taiwan through a policy of deterrence and denial.

Many potential methodologies analyze US challenges and formulate a cohesive strategy from the familiar “ends, ways, means” to the strategic-planning system Royal Dutch Shell created in the early 1980s. For analysis, this paper primarily utilizes the work of William Ascher and William Overholt in their 1983 book *Strategic Planning and Forecasting: Political Risk and Economic Opportunity*.³

Strategic Context

Today, the United States faces a peer adversary in China that is far wealthier, more agile, and more powerful than the Soviet Union ever was.

Following World War II, the United States and its democratic allies established a rules-based international system through the Atlantic Charter and the Bretton Woods system. This system laid the foundation for more than seventy years of global peace and prosperity. At the time, there were only eleven democracies in the world, and a tiny minority of the global population knew prosperity. Today, there are one hundred and fifteen electoral democracies, and only 9.4 percent of the world lives below the poverty line.⁴ Under US leadership, this system provided the ideological and economic underpinnings to the Western alliance that successfully contained the Soviet Union and ultimately won the Cold War. It worked so well that it led many in the West to view the new unipolar world that emerged after the fall of the Iron Curtain as the new normal. Francis Fukuyama best summed up this optimistic view in his 1989 speech and the resulting book, *The End of History and the Last Man*. He argued that the West's victory meant that humanity had reached “not just the end of the Cold War, or a passing of a particular period of postwar history, but the end of history as such: that is, the endpoint of mankind's ideological evolution and the universalisation of Western liberal democracy as the final form of human government.”⁵

The end of history was supposed to mark the end of great-power competition. In hindsight, if such a moment ever existed, it proved exceptionally brief. During the post-Cold War years, China followed Deng Xiaoping's advice to “hide your strength, bide your time, never take the lead.”⁶ Today, the United States faces a peer adversary in China that is far wealthier, more agile, and more powerful than the

Soviet Union ever was. Unfortunately, Washington had no Beijing equivalent to George Kennan's famous 1946 “long telegram” from Moscow to clearly lay out a successful strategy for US policymakers to prevent China from achieving regional hegemony in the Indo-Pacific region. As late as 2001, when China entered the World Trade Organization (WTO), the threat China presented was still unrecognized by US leadership. While aimed to increase the Chinese Communist Party's democratization and respect for human rights, the US-backed decision to admit China into the WTO was, in hindsight, clearly a mistake. Not until the 2018 National Defense Strategy (NDS) did US policymakers reach a bipartisan consensus, recognizing that China was not on a path to liberalization, but was instead a revisionist and revanchist power determined to undermine the US-led, rules-based global system. Rather than playing by the rules, the Chinese Communist Party (CCP) attempts to buy influence within organizations and create rival organizations—such as the Shanghai Cooperative Organization (SCO) and Belt and Road initiative (BRI)—when it cannot co-opt existing ones.

CHINA IS THE PACING THREAT

The threat posed by China is not just economic or military; more dangerously, it is ideological. China continues to violate intellectual-property (IP) rights, steal technology to modernize its armed forces, intimidate its neighbors, and challenge the United States in the Indo-Pacific region and around the globe. Militarily, China has surpassed the United States in the size of its surface fleet, and appears to be ahead of the United States in applying artificial intelligence/machine learning (AI/ML) to defense modernization.⁷ Economically, China's annual growth rate has been three to four times that of the United States in the last twenty years, and many economists project that China could surpass the United States in overall gross domestic product (GDP) by 2030.⁸ Additionally, the United States is more politically divided than it has been since the



Gen. Joe Dunford, then Chairman of the Joint Chiefs of Staff, meets with Xi Jinping in 2017 at the Great Hall of the People during the conclusion of Gen. Dunford's visit to Beijing. Source: U.S. Indo-Pacific Command Flickr.

Civil War. Polls show growing numbers of Americans questioning the value of US leadership in the post-World War II system and, in some cases, liberal democracy itself.⁹ The NATO allies largely continue to underfund defense priorities despite the rising threat of Russia, and ignore the reality that the United States must focus on the Indo-Pacific as its primary theater.¹⁰ There have been recent pledges from Germany, and others, to increase their defense budgets in response to the recent war in Ukraine, but only time will tell how strong those commitments are.¹¹ In the Indo-Pacific, the United States lacks a cohesive anti-hegemonic alliance to counter China in a similar way to NATO's role against the Soviet bloc during the Cold War. The United States' Asian allies have never faced a challenge as severe as that posed by China today, and this is reflected in their defense budgets and postures.

Juxtaposing an image of US dysfunction at home and lack of commitment abroad, China aims to project order, growth, strength, and prosperity to advance its vision of autocratic, authoritarian state capitalism as a viable rival to liberal democracy and free-market economies. It has enjoyed some success in this effort. According to Freedom House, 2020 marked the fifteenth year in which democracy receded around the globe:

The malign influence of the regime in China, the world's most populous dictatorship, was especially profound in 2020. Beijing ramped up its global disinformation and censorship campaign to counter the fallout from its cover-up of the initial coronavirus outbreak, which severely hampered a rapid global response in the pandemic's early days. Its efforts also featured increased meddling in the domestic political discourse of foreign democracies, transnational extensions of rights abuses common in mainland China, and the demolition of Hong Kong's liberties and legal autonomy. Meanwhile, the Chinese regime has gained clout in multilateral institutions such as the UN Human Rights Council, which the United States abandoned in 2018, as Beijing pushed a vision of so-called noninterference that allows abuses of democratic principles and human rights standards to go unpunished while the formation of autocratic alliances is promoted.¹²

China is executing a comprehensive strategy running counter to US and allied interests, which has seen great success over the last forty years. The next step in that strategy is the forceful annexation of Taiwan. If the United States does not block this path, any realistic chance of preventing Chinese hegemony in the Indo-Pacific without resorting to war will be lost—and with it, the entire US-led, rules-based global system.

CHINA IS NOT THE ONLY THREAT

Though China's aggressive rise poses the most significant strategic threat that the United States and the free world face, it is, unfortunately, not the only one. Russia, too, seeks to undermine the US-led global system through gray-zone operations waged against the West, leveraging its supply of fossil-fuel resources and outright military action against nonaligned, Western-oriented, fragile democracies on its frontier, like Ukraine and Georgia. Russia retains a formidable and advanced military. However, with a population of one hundred and forty-six million, a negative birth rate, and roughly 3 percent of global GDP, it pales in comparison even to NATO allies who, without the US contribution, have a total population of close to six hundred million and account for almost one-quarter of global GDP.¹³ With the United States, the total NATO population climbs to just under one billion and the percentage of global GDP to 43 percent.¹⁴ Russia is a nuclear power and cannot be discounted as a peer competitor, but it is of secondary concern compared to China. Whereas China poses a threat to replace the existing system, Russia possesses only enough power on its own to disrupt it. NATO remains an effective anti-hegemonic coalition against Russia, despite its overdependence on US contributions. In the event of a conflict in which the United States is engaged in both Europe and Asia simultaneously, the European members of NATO will need to take on a more prominent role to be the primary counterweight against Russia. Preventing the possibility of a formal authoritarian alliance between China and Russia needs to be part of any overarching US strategy to prevent a combined anti-democratic hegemon from dominating the Eurasian landmass or, as Halford John Mackinder referred to it in his Heartland Theory, "The Geographical Pivot of History."¹⁵ The February 4 joint statement from Presidents Vladimir Putin and Xi Jinping following their summit is an indicator that such an alliance has taken shape, or will form soon.¹⁶

North Korea and Iran, though not peer competitors, significantly threaten global stability. The former is now a nuclear power, and the latter will likely soon join the club. Both are rogue regimes that operate outside of international norms, and that threaten US and allied interests. Neither is powerful enough to pose an existential threat to the United States

itself, or to supplant the current US-led, rules-based system. However, both have the potential to bolster China's malign power, and both can distract the United States from its primary focus on the Indo-Pacific. Because North Korea is China's formal ally and borders the US defense perimeter, it has more potential than Iran to cause a significant conflict that pulls in the United States and China. Barring a crisis that spurs war on the Korean peninsula, South Korea is a capable ally and can contain North Korea effectively. The same is true of Israel and the United States' Gulf State allies regarding Iran. If North Korea or Iran exploits a showdown over Taiwan, the United States will take punitive action against them after resolving the Indo-Pacific crisis.

Violent extremist organizations (VEO) remain an important part of the strategic context in which the United States and its allies operate. Despite the return of great-power competition, the threat of international terrorism from non-state actors has not disappeared. Over the last twenty years, the United States and its allies have had enormous success in hardening their defenses against terrorist attacks, and have degraded terrorist groups' ability to launch attacks through operations in Iraq and Afghanistan. Now that those operations have concluded, the United States will need to be vigilant, and to ensure that neither nation becomes a launching pad for future attacks against US interests. This is particularly true in Afghanistan, with the Taliban's return to power and the United States' ability to conduct "over-the-horizon targeting" reduced mainly to a paper tiger due to its lack of access to basing in Central Asia and the likely denial of overflight of Pakistan.

In summary, the United States must navigate a complex strategic environment to execute its Taiwan strategy. With discretionary budgets shrinking due to the rising costs of existing entitlements, the United States cannot increase defense budgets substantially without negatively affecting overall GDP growth.¹⁷ This fact, combined with war fatigue from twenty years of combat in the Middle East and Southwest Asia, means that the United States must make difficult choices about how it allocates precious resources. The Indo-Pacific region must stay the priority, and Taiwan is the linchpin to US success in the region.

Major Elements of the Strategy

IDENTIFYING INTERESTS

To form a coherent and effective strategy regarding Taiwan, US policymakers must first identify the respective interests of the United States and China, weigh them, and evaluate them against the region and timeframe. They must then understand where these interests conflict, converge, or can possibly coexist.

US INTERESTS AND TAIWAN'S ROLE

The United States has numerous national security, economic, and diplomatic advantages over China in the contest for Taiwan's future. The most significant is that, as the status quo power, the United States only needs to maintain the current balance of power in the region. China has the more daunting task of overthrowing the current system and remaking it in its image. This does not mean that the United States can afford to have a wait-and-see strategy. The stability and prosperity that *Pax Americana* has brought the world have benefited no region more than the Indo-Pacific. This fact gives the United States' efforts to contain China great credibility, despite US missteps over the years. The United States is guided by three foundational interests, all of which are evolutionary, vice revolutionary, and aligned with US grand strategy in the post-World War II era—with the key difference being the elevated importance of the Indo-Pacific compared to Europe. These interests are to

- preserve and revitalize the US-led, rules-based global system;
- prevent the rise of a regional hegemon in the Indo-Pacific region; and
- prevent the rise of a regional hegemon in Europe.

Preserve and Revitalize the US-Led, Rules-Based Global System

The primary interest of the United States—to preserve and revitalize the US-led, rules-based global system—is the foundation upon which the other two interests rest. The international norms of this system reflect the values of the United States and its democratic allies and partners. The United States sits at the center of a global web of alliances that underwrites its position as the premier superpower. Strong alliances help maintain the US dollar's spot as the international reserve currency, led to victory in the Cold War, and have limited nuclear proliferation. Allies were vital to that effort seventy years ago, and are even more vital today, as the United States no longer possesses “roughly 50 percent of global GDP” as it did at the height of the Cold War.¹⁸ Today it possesses a little less than half of that, and China's “state capitalism” poses a threat to the existing order in a way the Soviet Union's non-market-based economy never did.

In 2021, China's GDP was \$16.6 trillion, roughly 16–17 percent of total world GDP and closing in on the US economic advantage.¹⁹ Though China's growth rate has slowed recently, the World Bank in 2021 still estimated its growth rate as 8 percent.²⁰ However, the combined 2021 GDP of the United States (\$22.6 trillion), Japan (\$5.4 trillion), South Korea (\$1.8 trillion), and Australia (\$1.6 trillion), at \$31.4 trillion, nearly doubles China's.²¹ If one adds the \$21.4 trillion GDP of the NATO allies to that combined Western figure, it reaches a total of \$53.8 trillion.²² The numbers make it clear that only with the aggregate wealth and power of its allies and partners working together to maintain the rules-based system can the United States hope to maintain the advantage it needs to prevail in today's great-power competition.

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Increasingly, that competition is focused on the Indo-Pacific region. General of the Army Douglas MacArthur was prescient in his retirement speech when he said:

Before one may objectively assess the situation now existing there, he must comprehend something of Asia's past and the revolutionary changes which are, which have marked her course up to the present. Long exploited by the so-called colonial powers, with little opportunity to achieve any degree of social justice, individual dignity, or a higher standard of life...the peoples of Asia found their opportunity in the war just past to throw off the shackles of colonialism and now see the dawn of new opportunity, a heretofore unfelt dignity, and the self-respect of political freedom. Mustering half of the Earth's population, and 60 percent of its natural resources these peoples are rapidly consolidating a new force, both moral and material, with which to raise the living standard and erect adaptations of the design of modern progress to their own distinct cultural environments...this is the direction of Asian progress, and it may not be stopped. It is a corollary to the shift of the world economic frontiers as the whole epicenter of world affairs rotates back toward the area whence it started.²³

Prevent the Rise of a Regional Hegemon in the Indo-Pacific Region

Today, Asia and the Indo-Pacific account for the majority of the world's population. Totaling 1.4 billion people, China alone makes up roughly 18 percent of the global total. Right now, the Asian share of global GDP is 32 percent, and is expected to rise to 53

percent in 2050.²⁴ The economic growth and large population in the Indo-Pacific make it arguably the world's most important region. This necessitates a role for the United States in preventing the rise of a regional hegemon in the Indo-Pacific that threatens to deny the United States access to markets or the ability to operate militarily and defend its allies. It is essential to distinguish between Asia, Central Asia, and the Indo-Pacific. Central Asia possesses some valuable resources and growing economies, but they pale in size, sophistication, and technical advancement to the economies of the Indo-Pacific. Additionally, Central Asia is outside the US defensive perimeter, due to its geographic location between Russia and China. This limits the United States' ability to back up any security pledges it were to make to the nations there. Whoever leads the Indo-Pacific region leads Asia and, by extension, will be the world's premier superpower. Taiwan is the key to winning in the Indo-Pacific, as General MacArthur understood and made clear seventy years ago:

Our line of defense is a natural one and can be maintained with a minimum of military effort and expense. It envisions no attack against anyone, nor does it provide the bastions essential for offensive operations, but properly maintained, would be an invincible defense against aggression. The holding of this littoral defense line in the western Pacific is entirely dependent upon holding all segments thereof; for any major breach of that line by an unfriendly power would render vulnerable to determined attack every other major segment. This is a military estimate as to which I have yet to find a military leader who will take exception. For that reason, I have strongly recommended in the past, as a matter of military urgency, that under no circumstances must Formosa fall under Communist control. Such an eventuality would at once threaten the freedom of the Philippines and the loss of Japan and might well force our western frontier back to the coast of California, Oregon, and Washington.²⁵

Taiwan has changed significantly since General MacArthur's speech stressing its importance to the United States' position in the Indo-Pacific. Once a one-party quasi-dictatorship under the Kuomintang (KMT) in 1949, Taiwan evolved to become a free multiparty democracy by 1996, when it held its first direct presidential election. It has had seven free



The United States must continue to lead and advocate for participation in the institutions of a liberal rules-based world order. U.S. Secretary of State Michael R. Pompeo participates in a UN Security Council Session on Middle East Peace and Security, in New York City, New York, August 20, 2019. Source: U.S. Department of State Flickr.

and fair elections since, and its two major parties, the KMT and the Democratic Progressive Party (DPP), have peacefully transferred power back and forth multiple times. What has not changed is the accuracy of MacArthur's estimation of Taiwan's strategic importance. Taiwan occupies the center of the first island chain, and the Taiwan Semiconductor Manufacturing Company (TSMC) dominates the high-tech semiconductor-chip market worldwide. Of equal or greater significance, after the crushing of Hong Kong's democracy by China, Taiwan is the one shining beacon of hope to the people of China that democracy can thrive in Chinese culture—if only it is allowed to do so.

To advance its primary interest of preserving the US-led, rules-based global system, the United States must achieve its second interest, preventing the rise of China as a rival regional hegemon in the Indo-Pacific. It can do that by ensuring the status of Taiwan remains unchanged.

Prevent the Rise of a Regional Hegemon in Europe

Europe remains vital to US interests. Despite the shift of US trade to Asia, the United States' economic, military, and cultural ties with Europe remain its strongest. The NATO Alliance principle of collective defense remains a powerful deterrent against Russian aggression in Eastern Europe and the Baltic Sea region. It would also bring NATO into a conflict in the Indo-Pacific should China strike US forces there. Russia under Putin has demonstrated that it is a revisionist power bent on reestablishing some semblance of its pre-1991 borders and maintaining a buffer zone between it and NATO.

The Middle East, the Western Hemisphere, and Africa

The Middle East, the Western Hemisphere, and Africa are additional areas of global competition between the United States and China, and remain important to the US primary interest. The Gulf States and Israel can balance Iran and its proxies. The United States' demonstrated ability to achieve energy independence has lessened the significance of Middle Eastern oil to the US economy. The US

hegemony in North and South America is unlikely to be challenged by any Western Hemisphere nation. It is being contested by China, but the United States' deep economic and cultural ties in the region mean that China is unlikely to displace the United States there. The United States should also remain engaged in Africa to counter China's efforts to expand its influence there. However, there is no potential rival in Africa that can challenge US access to African markets, nor assist China in achieving dominance in the Indo-Pacific. Because of these facts, Africa should remain of lesser interest to US policymakers.

CHINA'S INTERESTS

As a rising power, China faces the more daunting task of challenging and altering the existing order. How it chooses to do so will be driven by its core interests, which are to

- restore China to great-power status;
- increase the Chinese people's standard of living to ensure regime stability;
- undermine the US-led, rules-based global system;
- establish regional hegemony in the Indo-Pacific region; and
- supplant the United States as the world's preeminent superpower.

For China, taking control of Taiwan is central to all five of these interests.

Restore Great-Power Status

China's goal is to turn these core interests into reality. Its most publicly stated interest is to return to its rightful place as a great power equal to the United States and commensurate with its history as one of the ancient and great civilizations of the world. Chinese President Xi Jinping and other senior CCP leaders routinely mention the need to right the injustices of China's Century of Humiliation in their speeches.²⁶ This era falls roughly between the First Opium War against the British Empire (1839–1842) and the Second Sino-Japanese War (1937–1945). During the Century of Humiliation, China—first in the form of the Qing Dynasty (1644–1912), and then under the Republic of China—suffered a string of disastrous military defeats at the hands of the European powers and Japan. These defeats resulted in unequal treaties with trade concessions,

onerous reparations, and the loss of large swaths of territory to “leases,” outright annexations, or the formation of puppet states controlled by more powerful rivals. China reached its greatest territorial extent under the Qing Dynasty. In the seventeenth and eighteenth centuries, it was the world's most populous and arguably most potent state, only to be reduced to the sick man of Asia by the end of the nineteenth century.

The combined KMT-CCP forces recovered conquered Chinese territory in World War II. Manchukuo, the puppet state formed in 1931, and Taiwan, taken from China in 1895, were returned to Chinese control. After the CCP's victory over the Nationalists in the Chinese Civil War in 1949, the People's Republic of China once again lost control of Taiwan. However, China successfully retook Tibet by force in 1950, seized disputed territory from India in 1962, and recovered Hong Kong and Macau at the negotiating table in 1997 and 1999, respectively. Of the remaining territories lost during the Century of Humiliation, outer Manchuria was annexed by Russia in the late nineteenth century and remains part of Russian East Siberia today. The former Qing Dynasty province of Outer Mongolia broke away in 1921 as the Soviet-sponsored communist buffer state of Mongolia. Today, it is no longer communist, but remains independent and within the Russian sphere of influence. Taiwan exists in a gray zone as a “rebellious province” of “one China, two systems.” Taiwan is the most economically, geographically, and psychologically valuable of the remaining three regions. Because it was the home base of the deposed Republic of China and the hated Chiang Kai-shek, Taiwan's status remains a source of frustration and humiliation for the CCP.

Xi Jinping and the CCP leadership routinely stir up nationalist fervor over the past wrongs done to China at the hands of the imperialist West, which they claim were righted by the CCP. This narrative allows the CCP to cloak its aggression in victimhood. It glosses over the fact that the Qing Dynasty was foreign and imperialist. Its Manchu rulers subjugated the Han majority after destroying the Ming Dynasty, and forced them to adopt the queue haircut as a reminder of their humiliation. It also ignores that the United States has long supported China's peaceful rise as a great power. It was the United States that established “the Open-Door Policy” toward China in the early twentieth century to prevent its dismemberment. Despite the brief US military intervention during the Boxer



President Jimmy Carter and Deng Xiaoping at signing ceremony in 1979 officially establishing diplomatic relations between the United States and the People's Republic of China. Source: U.S. National Archives and Records Administration

Rebellion, the United States made no territorial demands of China. US material, manpower, and military power—not CCP guerilla heroics—ultimately defeated imperial Japan in World War II and gave China a permanent seat on the United Nations Security Council.

Increase the Chinese People's Standard of Living to Ensure CCP Survival

There is little of the ideological concept either one way or another in the Chinese make-up. The standard of living is so low, and the capital accumulation has been so thoroughly dissipated by war that the masses are desperate and eager to follow any leadership which seems to promise the alleviation of local stringencies.²⁷

When General MacArthur said those words in 1951, he could not have known how accurately they predicted China's future under Deng Xiaoping. Deng struck an unspoken bargain with the Chinese people to lift China out of poverty. He would curb the worst excesses of the CCP, like its dogmatic adherence to failed Marxist-Leninist economic plans that resulted in the disastrous Great Leap Forward and the political purges and iconoclastic destruction of Chinese culture that occurred

during the Cultural Revolution. He summed up his approach with his famous quote, "It does not matter if it is a black cat or a white cat. If it catches mice, it is a good cat."²⁸ He adopted liberal economic reforms that ignited China's meteoric growth. The CCP expected the people of China to accept the regime's undemocratic character and repression of civil liberties in return for material comfort and an end to the mass murder that characterized Mao Zedong's rule. Here too, the United States provided its support by extending formal recognition to the PRC in 1979 after the reforms began, followed by Most Favored Nation (MFN) status in 1980, and culminating in WTO membership in 2001.

Since Deng, the first two of the interests described above have been consistent pillars of Chinese policy. His successors have largely achieved them peacefully, while operating within the status quo balance of power provided by the current international system and with US support. The last three may have always been part of the CCP's long-term strategy, but have openly come to the forefront under the leadership of Xi Jinping. There are reports of internal dissent within the inner party of the CCP over Xi's aggression.²⁹ However, the cause of these reservations is unclear. Is it because more cautious members of the politburo think China is not



Marine sand is being pumped by a ship at the commencement of “Colombo Port City” at the Colombo Port. *Source:* Mahinda Rajapaksa Flickr.

yet strong enough to challenge the United States? Or is it due to a lack of desire to overturn the current system that has served China and its people well for the last forty years?

It is the last three interests, so far unachieved, that pose a threat to US interests generally, and Taiwan specifically. All three are interconnected, and China must achieve them sequentially to succeed.

Undermine the US-Led, Rules-Based Global System

China may surpass the United States in GDP and military power, as some predict, but it will not be able to match the aggregate strength of the US-led alliance unless it undermines the institutions that form the foundation of the current liberal order. It has already begun to do so. China increasingly “rattles its saber” at Japan over the disputed Senkaku Islands. Six years ago, the Permanent Court of Arbitration at The Hague ruled against China’s claims over territories it disputes with the Philippines, Malaysia, and Vietnam in the South China Sea. Despite being a signatory to

the United Nations Convention on the Law of the Sea (UNCLOS), China ignored the ruling without repercussions, and its militarization of the region continued uninterrupted. To “defend” these claimed territories, China has asserted its “nine-dash line” and an air-defense identification zone (ADIZ) encompassing all the Spratly and Paracel Islands and coming up to the southeastern coast of Taiwan. China continues to ignore WTO standards with massive industrial subsidies, violation of intellectual-property rights, and documented forced labor in Uyghur re-education camps in Xinjiang.³⁰ It uses its influence in the United Nations (UN) to protect its authoritarian allies from censure and to keep democratic Taiwan excluded from the World Health Organization (WHO) and other bodies. It practices predatory “debt trap” investment through the Belt and Road Initiative.³¹ In each of these violations of international norms, China has escaped any meaningful consequences and, by doing so, undermined the legitimacy of the UN, WTO, World Bank, and the International Monetary Fund (IMF)—the four pillars of the US-led, rules-based global system.

Establish Regional Hegemony in the Indo-Pacific Region

If China is allowed to complete co-opting or delegitimizing every institution, it will significantly reduce the credibility and power of the United States. At that point, Beijing will be in a position to achieve its last two interests—establishing regional hegemony in the Indo-Pacific region and supplanting the United States as the world’s preeminent superpower. Once US credibility has been reduced, China counts on unaligned “fence-sitting” nations that the United States hopes to bring into its anti-hegemonic coalition to instead “bandwagon” with China, and for US allies not to involve themselves with a Chinese invasion of Taiwan.³² With no US allies to join the fight, and potentially no overseas bases for the United States to strike back at Chinese forces, China will have the advantage in force strength and proximity in the Indo-Pacific. It can use the significant anti-access/area denial (A2/AD) capabilities in which it has invested in the last decade to deny the United States’ ability to operate inside the first island chain and defend Taiwan. China’s goal is to convince the United States that the tyranny of distance and lack of a viable coalition to defend Taiwan will present the United States with the choice to escalate the conflict or accept China’s annexation as a fait accompli.

If Taiwan falls, China will have destroyed the United States’ credibility in the Indo-Pacific and the US defense perimeter in the first island chain.

Supplant the United States as the World’s Preeminent Superpower

If Taiwan falls, China will have destroyed the United States’ credibility in the Indo-Pacific and the US defense perimeter in the first island chain. The geographic “cork in the bottle,” as Fleet Admiral Ernest King famously called it, will have been popped, which will allow China to project its power outward across the Indo-Pacific region and force the United States and its allies to come to terms with the new reality.³³ As the world’s second-largest nation in population, and possibly its largest in GDP, with the most populous and wealthy region as its sphere of influence, China will be able to supplant the United States as the world’s preeminent superpower. China’s recent shift in its defense spending from A2/AD and integrated air-defense systems (IADS) to building aircraft carriers demonstrates that this is its vision.

Assumptions

THREE-PART SECURITY-ENVIRONMENT ANALYSIS

As a powerful actor on the global stage, the United States has significant influence over its environment relative to its interests. To form a viable strategy that protects its interests, specifically regarding Taiwan, the United States must make planning assumptions about the future. It can best accomplish this by conducting a “three-part conceptualization of the environment.”³⁴ That portion of the environment that is relatively stable and controllable is known as the core environment, and forms the first part of the analysis triad.³⁵ The second part consists of three possible future environments over which the United States has less influence.³⁶ China will have the primary influence over these environments, though other actors will have some lesser influence. Despite being the focus of this strategy, Taiwan lacks the power to significantly alter its environment vis-à-vis the United States and China. In trying to visualize these futures, it is crucial to predict, and not to project. Finally, the United States must consider “exogenous contingencies which reflect random, uncontrollable, or unpredictable events.”³⁷ These include pandemics, market crashes, major terrorist attacks on US soil, or other “black swan” events that cannot be predicted or influenced, but must be considered in the environment analysis. The recent COVID pandemic is a prime example of one such exogenous contingency or strategic shock.

Core Environment

The core environment the United States has created promotes its interests rather than China’s, in terms of their competing visions of what the global system should look like, who will be the dominant power in the Indo-Pacific, and Taiwan’s future. The edge today, and in the near term, goes to the United States across the spectrum. Taiwan is free and part of the US defense perimeter. The US population and GDP continue to grow through a

combination of a positive birthrate and assimilation of immigrants. China, by contrast, has a declining birthrate and suffers from demographic gender imbalance due to years of the one-child policy. The United States remains the destination of choice for higher education, with more than three hundred and seventeen thousand Chinese students attending university in the United States every year, but is falling behind China and other developed countries in secondary education—particularly in science, technology, engineering, and mathematics (STEM).³⁸ With its highly productive workforce, rule of law, political stability, and reliable infrastructure, the United States remains the global leader in innovation and investment. China under Xi has rolled back free-market reforms and slowed much-needed enhancements in transparency and the rule of law, all of which have made it less competitive with the United States.

The US economy remains the largest in the Indo-Pacific and the world, with China in second place. Both the United States and China are members of the Asia-Pacific Economic Cooperation (APEC). Chinese exports of goods and services in 2021 totaled \$2.2 trillion (the World Bank lists them at \$2.7 trillion, including Taiwan as a Chinese province), compared to \$2.1 trillion in the United States, but US allies in Asia make up almost \$2 trillion in additional exports (Japan with \$786 billion, Australia \$319 billion, the Philippines \$91 billion, New Zealand \$46 billion, South Korea \$597 billion, and Taiwan \$446 billion).³⁹ Despite the large amount of combined US and allied trade in the region, the United States is not part of either of the new big organizations that form the current Indo-Pacific trade architecture. It declined to join the Trans-Pacific Partnership (TPP) and is not one of the eleven members of its successor, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). It is also not part of the fifteen-nation Regional Comprehensive Economic Partnership (RCEP), though China is.

The US military remains the most professional all-volunteer force in the world. In 2021, the Department of Defense (DoD) had a budget of more than \$700 billion. US allies Japan, South Korea, and Australia combined to spend more than \$100 billion on defense. China spends roughly \$180 billion, or roughly a quarter of the Pentagon's annual expenditure. The United States has approximately three hundred and seventy-five thousand military and civilian personnel in the Indo-Pacific region assigned to the US Indo-Pacific Command (INDOPACOM). The US Pacific Fleet consists of approximately two hundred ships, including five aircraft-carrier strike groups, nearly 1,100 aircraft, and one hundred and thirty thousand sailors. Marine Corps Forces, Pacific (MARFORPAC) includes two Marine Expeditionary Forces (MEF) with about eighty-six thousand personnel and six hundred and forty aircraft assigned, including the preponderance of its F-35s. US Pacific Air Forces (PACAF) have approximately forty-six thousand airmen and civilians and more than four hundred and twenty aircraft. US Army Pacific has approximately one hundred and six thousand personnel from one corps and two divisions, and the US Special Operations Command (SOCOM) has 1,200 special-operations personnel.⁴⁰ The United States retains a significant technological edge in its submarines and fifth-generation aircraft, and has an experienced cadre of combat-tested leaders.

On the diplomatic front, the United States has some form of defense pact with sixty-nine countries, including "informal" agreements with Taiwan and Israel. Of the formal-agreement nations, thirty-three are in the Western Hemisphere and make up the Organization of American States (OAS), twenty-nine are in NATO, and five are in the Indo-Pacific. In total, these countries make up around 75 percent of the world's economic output, and have a combined population of more than two billion.⁴¹ The United States currently has bilateral defense treaties with South Korea, the Philippines, Japan, and Thailand (the Manila Pact remains technically in force despite the dissolution of the Southeast Asia Treaty Organization (SEATO) in 1977, as does the 1962 Thanat-Rusk Communiqué). The United States has a de facto defense treaty with Taiwan. The Australia-New Zealand-United States (ANZUS) multilateral treaty remains between the United States and Australia. New Zealand returned to limited participation in ANZUS in 2007, and the Australia-United Kingdom-United States (AUKUS) trilateral security pact was created in 2021.

The United States also participates in Quadrilateral Security Dialogue (Quad) with India, Japan, and Australia, which the leaders of the four nations described in their March 2021 joint statement as being dedicated to "promoting a free, open rules-based order, rooted in international law to advance security and prosperity and counter threats to both in the Indo-Pacific and beyond. We support the rule of law, freedom of navigation and overflight, peaceful resolution of disputes, democratic values, and territorial integrity."⁴² The more recent May 24, 2022, Quad Joint Leaders Statement reiterated these points.⁴³ The United States has Foreign Military Sales (FMS) agreements with non-allied partners Malaysia, Indonesia, and Singapore, as well as a permanent naval support presence in Singapore. In August 2021, twenty-one nations participated in the Southeast Asia Cooperation and Training (SEACAT) exercise in Singapore, including Australia, Bangladesh, Brunei, Canada, France, Germany, India, Indonesia, Japan, Malaysia, Maldives, New Zealand, the Philippines, South Korea, Singapore, Sri Lanka, Thailand, Timor-Leste, the United Kingdom, the United States, and Vietnam. SEACAT is just one of eighteen major exercises the United States leads in the Indo-Pacific.

China has only one formal ally with whom it shares a mutual-defense treaty: North Korea. However, it has numerous official partnerships in the region, the most significant being the China-Russia Comprehensive Strategic Partnership of Coordination for a New Era and the China-Pakistan All Weather Strategic Cooperative Partnership. China has also attempted to build informal partnerships with several Southeast Asian states, including Myanmar, Cambodia, Vietnam, Thailand, and Laos.⁴⁴ Though a multilateral organization, the Chinese-led Shanghai Cooperation Organization (SCO) is primarily Central Asian focused and has minimal effect on the Indo-Pacific balance of power.

The United States' relationship with Taiwan falls somewhere between that of the treaty allies and of the US partners and potential anti-hegemonic coalition members in the region. The United States maintains a position of "strategic ambiguity" regarding Taiwan, which has evolved over time. The joint 1972 Shanghai Communiqué issued at the beginning of US-PRC relations during the Richard Nixon administration stated that "the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China."⁴⁵

The Shanghai Communiqué is the basis for the US “One China Policy.” It is important to note that the United States acknowledged, but did not accept, the PRC’s position that it opposed any activities that aim to create “one China, one Taiwan,” “one China, two governments,” “two Chinas,” or an “independent Taiwan,” or that advocate that “the status of Taiwan remains to be determined.”⁴⁶ With President Jimmy Carter’s recognition of the PRC as the sole legitimate government of China in 1979, the Sino-American Mutual Defense Treaty of 1954 between the United States and the Republic of China (Taiwan) was voided, and official diplomatic and military relations ended. The Taiwan Relations Act (TRA) of 1979 outlines the de facto US-Taiwan relationship. Per the TRA, it is US policy to “maintain the capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan” and “to provide Taiwan with arms of a defensive character.”⁴⁷ In 1982, through the Six Assurances, the United States further clarified its positions by stating that it

- has not agreed to set a date for ending arms sales to Taiwan;
- has not agreed to consult with the PRC on arms sales to Taiwan;
- will not play any mediation role between Taipei and Beijing;
- has not agreed to revise the Taiwan Relations Act;
- has not altered its position regarding sovereignty over Taiwan; and
- will not exert pressure on Taiwan to enter into negotiations with the PRC.⁴⁸

Under Presidents George H. W. Bush, Bill Clinton, and George W. Bush, Taiwan’s international relations expanded after contracting for the previous two decades following its expulsion from the UN in 1971. Taiwan acceded to membership in APEC in 1991 and the WTO in 2002. Following the ascension of Xi Jinping in 2013, China has adopted a more aggressive stance toward Taiwan, and the United States has countered with the Taiwan Travel Act of 2018 and the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019. The former allows high-level US officials to visit Taiwan and permits Taiwanese officials to visit the United States. The latter sets it as policy that the United States will “advocate, as appropriate, for Taiwan’s membership in all international organizations in

which statehood is not a requirement and in which the United States is also a participant, and that Taiwan will be granted observer status in other appropriate international organizations.”⁴⁹

Despite pessimism in some quarters, the current state of affairs for the United States and its allies in the Indo-Pacific is overall favorable. Taiwan’s status, though still ambiguous, has kept it free of CCP domination for seventy-two years. The defense perimeter the United States created during the Harry Truman administration has held. US policymakers have done well in shaping the environment to their needs, but environments are dynamic, and China is a powerful actor that can shape world events to its needs as well. It is incumbent on US strategists to predict possible futures driven by China’s actions, and to create a strategy to deal with them.

POTENTIAL FUTURE SECURITY ENVIRONMENTS

Scenario 1: China Eclipses the United States

The future environment that needs to command the most US attention in forming a strategy toward Taiwan is the strong possibility that China continues to rise on its present course. Many economists predict that China could surpass the United States as the world’s largest economy by 2030, 2040, or 2050.⁵⁰ With the largest population and economy, China would have the resources it needs to challenge the US-led coalition and attempt to establish itself as the regional hegemon. In that scenario, the combined GDP of the United States, the United Kingdom, Australia, Taiwan, South Korea, and Japan may no longer exceed China’s, making the United States’ need to find more coalition partners even more critical. Beijing will be aided in its efforts by its advantageous geographic proximity and the increased dependence the region’s economies have on it. If the CCP successfully continues its military investment, especially in disruptive technologies like hypersonic weapons and AI/ML, China will have powerful economic and military weapons to use in its “wolf warrior diplomacy.” It will use these capabilities to intimidate fence-sitting nations from joining the US anti-hegemonic coalition, and to instead bandwagon with China as the new regional hegemon. Powerful allies like Japan, South Korea, and Australia will likely never acquiesce to Chinese dominance

because of the incompatibility of China's values with their own. However, recognizing the new balance of power in Beijing, they may be unlikely to commit forces beyond the obligations of their bilateral defense agreements with the United States, and may not come to Taiwan's aid. China will also use this preeminent power position "within international institutions to delegitimize and overturn initiatives, standards, and norms perceived as hostile to China's interests, particularly on human rights and international maritime law, while advancing a new, hierarchical, authoritarian conception of international order under Xi's deliberately amorphous concept of a 'community of common destiny for all mankind.'"⁵¹

All these Chinese efforts are aided by a United States that is divided at home and uncertain about its role in the world. China sees the United States as a country in decline whose time as the world's predominant power has passed, just as it did for the British and Roman Empires before it.⁵² The extreme political divisions in the United States, if left unaddressed, may prove it correct. Record wealth inequality stemming from the effects of the global economy, rising crime, and political violence may cause the United States to retreat from the international stage and retrench.

Once China has sequentially dismantled the US coalition, it can move aggressively to fulfill its territorial ambitions. Its first likely move will come in the South China Sea, to test US resolve and demonstrate China's ability to deny access to the region or inflict great pain on the United States for challenging it. If the United States cannot hold together a coalition and bring enough power to bear, or if it fails to intervene, its credibility will be severely damaged. If that occurs, Taiwan will be next. Without a credible US-led coalition, it will fall—and with it, the US defense perimeter in the Indo-Pacific.

Scenario 2: China Gets Caught in the Middle-Income Trap

A less daunting future, but one with a reasonable probability of occurring, is China's growth slowing. Even before the COVID-19 pandemic, there was already evidence of this occurring. Goldman-Sachs may have predicted that China will become the world's largest economy, but since 2009, "economists predicted that this transition would happen by 2020. That date has been pushed back

China's growing debt crisis is compounded by declining birthrates, an aging population, failure to reform its capital markets, failure to increase transparency for investors, and failure to curb CCP cronyism and corruption.

a decade as Chinese growth has slowed."⁵³ Similar predictions were made about Japan's economy surpassing that of the United States in the 1980s, only to see Japan stagnate and be surpassed by China. The recent collapse of Evergrande into insolvency has called attention to the fact that China's economy might not be as strong as previously thought.

China's overall debt was 270 percent of its GDP at the end of 2020, up from 247 percent a year earlier. Foreign debt reached \$2.4 trillion in 2020. Since 2008, Chinese borrowing, mainly by businesses and households, has risen by almost 100 percent of GDP and accounts for two-thirds of the global debt increase. Evergrande's outstanding debt of more than \$300 billion constitutes less than one percent of China's total debt.⁵⁴

Unlike in the past, this debt is not held by state-owned enterprises (SOEs), but privately by foreign investors and Chinese citizens: "At China's current debt levels, which are rising around 12 percent–15 percent annually, growth of six percent is required to simply keep debt to GDP stable."⁵⁵

China's growing debt crisis is compounded by declining birthrates, an aging population, failure to reform its capital markets, failure to increase transparency for investors, and failure to curb CCP cronyism and corruption. All these issues combined may result in a market crisis in China or, at a minimum, cause flat growth and economic stagnation. If this occurs and China's GDP remains at roughly two-thirds of US GDP, China still poses a significant threat to stability in the Indo-Pacific. Xi's internal opponents within the inner party of the CCP could use a financial crisis to move against him, prompting him to take an even more aggressive posture toward forced reunification as a way to

distract the public. Taiwan's robust economy, especially TSMC, will be an attractive target to a China that finds itself needing to boost its faltering economy.

China would have significantly less economic leverage to apply to potential US coalition members or international institutions in this potential environment, but its power and influence would still be considerable. It would also have less money to invest in its military modernization. This situation would not be unique to China, as the United States is also seeing shrinking discretionary funding—which could include defense budgets in the future, due to rising debt and the cost of entitlement programs for an aging population.

If China's growth slows significantly, it will still possess the inherent advantage of its proximity to the first island chain. But it will be more critical for China to compete with the United States for influence with the unaligned countries in the region, as its ability to overmatch the United States in this environment is diminished.

Scenario 3: China Is Destabilized by Internal Unrest

The least likely, but potentially most dangerous, future environment is China racked by internal instability. Outwardly, China seems an unstoppable juggernaut of growth and totalitarian order, but there are visible cracks in that façade. The Soviet Union's collapse in 1991 also came without warning. In hindsight, it is easy to look back and say the USSR was all "painted rust" but, at the time, it shocked even the most astute Soviet observers. China has studied the "errors" the Soviets made to prevent repeating their mistakes, but there is no guarantee it will not fall prey to its own unique set of challenges.

The growing debt crisis threatens the prosperity of China's growing middle class. The 1989 Tiananmen Square protests showed what could happen if growing expectations go unmet; the more recent Hong Kong protests have done the same. The one-child policy in effect from 1979 to 2016 resulted in declining birthrates, an aging population, and a gender imbalance. Since the one-child policy went into effect in 1979, China's birthrate has been cut by more than half, from eighteen births per one thousand people to eight.⁵⁶ In a society that values sons over daughters, years of abortions and

infanticide of female babies have caused China to have 34.9 million more men than women in 2020.⁵⁷ China now has an entire cohort of lower-class Chinese men with limited options to marry and start families. If the recent reduction in growth continues, this could result in rising discontent among these young working-class men who see their chances of economic advancement diminishing. At the same time, they see an elite few continue to accrue wealth and influence, due to their connection to the CCP—and to the education and business opportunities it brings to its inner party and their families.

China has fifty-five ethnic minorities. Several seek independence or at least autonomy, to varying degrees. The CCP fears repeating the historical cycle of the central government in China breaking down and causing balkanization and foreign domination. To avoid the fate of past governments, the CCP has forced Sinicization and Han colonization on its disparate regions. A million or more Muslim Uyghurs in Xinjiang are currently in concentration camps as part of an ongoing drive to erase their culture and faith.⁵⁸ China persecutes the Free Tibet movement and censors any mention of it or the Dalai Lama in media. Thousands of Falun Gong members have been tortured and murdered, and President Xi has led a resurgence in the persecution of China's millions of Christians.⁵⁹

Any one of these internal challenges, or a combination of them, could result in protests or a violent backlash against the CCP, and would inevitably be followed by a crackdown by Beijing. Such a move by the CCP could benefit the US-led coalition. If China's focus moves inward to restore stability, it moves off Taiwan and away from achieving regional hegemony in the Indo-Pacific. However, it could also spur Xi to be even more aggressive to avoid appearing weak. There is also the possibility of an internal leadership shuffle in China. The assumption in the West is always that Xi is the most hardline leader inside the CCP, and anyone who replaces him will be more cautious, like his predecessors. If the regime fears losing control from internal uprisings, that may not be the case. The CCP could replace President Xi with someone even more bellicose. Under those circumstances, an attack on Taiwan might appeal to China to distract from internal disunion and focus nationalist sentiment on an outward enemy.



Secretary of Defense Lloyd J. Austin III meets with Lithuanian Prime Minister Ingrida Simonyte in Vilnius, Lithuania, Feb. 19, 2022. *Source:* U.S. Secretary of Defense Flickr.

EXOGENOUS CONTINGENCIES

Russian Attack on the Baltic States

A Russian attack on the Baltic States or another NATO ally would require immediate US attention and draw its focus away from its primary objective of containing China. NATO allies have the population and resources to defeat Russia, especially with US military presence in Europe, but they have not invested in their defense budgets enough to do so. However, that appears to be changing, considering Russia's invasion of Ukraine in February 2022. The geographic position of the Baltic States relative to Russia means that a surprise attack of overwhelming force would likely result in them being overrun, and NATO needing to stage a costly offensive to liberate them. A counteroffensive will not be possible without US forces shifting from the Indo-Pacific to Europe. Another Russian offensive to complete the seizure of Ukraine is more likely, but will demand less of a response from the United States or NATO.

North Korean Attack

A North Korean invasion of South Korea, or a nuclear strike against South Korea or Japan—though in the US primary theater—can drag the

United States and its allies into a major war with China that they do not want. Iran poses a similar threat in the Middle East. It will likely develop nuclear weapons in the next ten years, if not sooner. An Iranian first strike on Israel, or a conventional attack against a US-allied Gulf state, will also pull US forces away from the Indo-Pacific.

Threats to Homeland Security

A nuclear, biological, or chemical (NBC) attack on a major US urban area by a VEO has the potential to alter public support for the United States' Indo-Pacific focus. If the attackers are state sponsored, the US population will want action taken against them quickly, in the form of military strikes. If such an attack originates from a domestic terror group, the United States may encounter pressure from its citizenry to bring forces home from overseas and put its resources toward ensuring the defense of the homeland. That will dilute the focus on deterring China from seizing Taiwan. The COVID-19 pandemic was accidental, but the United States could face a bioweapon attack that is far more contagious and lethal in the future. COVID-19 exposed the vulnerability that exists in even the most advanced nations when they are exposed to an unforeseen outbreak of a deadly virus. The economic disruption

caused reduced tax revenue and increased outlays in the form of pandemic relief, putting increased stress on already stressed defense spending. It also canceled exercises and deployments, impacting the Department of Defense's readiness when the United States needed to provide strong deterrence against a rising China. The United States will need to prepare for such a contingency in the future.

COVID exposed the vulnerability that exists in even the most advanced nations when they are exposed to an unforeseen outbreak of a deadly virus.

Global Financial Crisis

Another global financial crash like the world experienced from 2007 to 2008 could affect some regions more than others and cause a shift in the balance of power, or could be genuinely global in scope and result in widescale instability. As the center for global finance, the United States will be unable to avoid being affected by such an event.

Climate Change

Climate change could also limit the ability of the US armed forces to operate globally, by degrading access to necessary facilities, generating instability across the globe, or detracting from the resource

base and political attention available for national defense. The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD&S) 2019 "Report on Effects of a Changing Climate to the Department of Defense" examined in detail the possible effects of climate change on seventy-nine key DoD facilities, and determined there was a possibility of fires, drought, and flooding from rising sea levels.⁶⁰ If climate change accelerates, countries will see increased tensions over who is and is not living up to their Paris Agreement goals. Declining resources will increase international competition, and the poorest nations will be the least equipped to deal with it. Such a crisis could cause humanitarian disasters in the form of civil wars, drought, famine, or mass migrations. All these events—and non-climate change-related ones like earthquakes and tsunamis—could increase the demand for the United States to provide humanitarian assistance and disaster relief (HADR).⁶¹ How the United States and China respond to this need might radically alter the perception that unaligned states have toward them, and may cause both countries to reshape their strategic calculus to achieve their goals.

These are just a few possible "black swan," or perhaps "snow leopard," scenarios that might unfold. Any of them could cause the United States to abandon its strategy if it has not considered these kinds of possibilities and devised a sound hedging strategy for them.

Guidelines for Implementation

To satisfy its interests regarding Taiwan in a multifaceted environment, the United States requires a three-part strategy. The core strategy consists of actions that will satisfy the United States' interests in the core environment—those things the United States can control or expect to happen. The basic strategy consists of actions designed to cope with the possible futures outside the United States' control and driven by China, the primary adversary. It is, in essence, what policymakers think China will do in the future and what they plan to do about it. Finally, the hedging strategy is designed to deal with less vital issues or exogenous contingencies; that is, those “black swan” events that are impossible to predict completely.⁶²

CORE STRATEGY

“If we want things to stay as they are, everything will have to change.”⁶³

The US strategy goals are to contain China in the Indo-Pacific, deter China from attacking Taiwan, and deny it from taking Taiwan upon attack. To do so, the United States must maximize its power by preserving the international system it created and leads. It need not remain the most powerful country in the world—though that is optimal—but it must remain the leader of a coalition more powerful than China and its partners. Where there are shared interests on climate change or nuclear-arms control, for example, the United States should seek cooperation with China, assuming it acts within accepted international norms.

The core US environment remains essentially the same as it has been for the last seventy years. The United States has contained China in the Indo-Pacific by deterring Chinese aggression toward Taiwan, and this is a desirable state of affairs for the United States. A powerful actor like the United States cannot “turn on a dime” and change strategies every four-year election cycle and expect to be viewed as a reliable partner with a coherent vision. To try doing so would increase

instability, rather than reduce it, and would be counterproductive. However, how the United States continues to shape its core environment to be favorable to its interests, considering the change in relative power of China compared to the United States, will form its core strategy.

Shoring Up the Domestic Foundation

In the words of Chinese philosopher Lao Tzu, “mastering others is strength; mastering oneself is true power.”⁶⁴ It was true in the Zhou Dynasty, and it remains true for the United States today. If the United States is to retain its global leadership role and stop China from seizing Taiwan, it must first deal with some of its internal issues. There is now a bipartisan consensus on the threat of China—and that is a good start—but, on a host of other issues, the United States remains more bitterly divided than at any time since the Civil War. The summer of 2020 saw large-scale protests; unfortunately, these were accompanied by rioting that did millions of dollars in damage and resulted in multiple deaths. These were followed by an attack on the Capitol on January 6, 2021, with hundreds of arrests for trespassing, vandalism, and violent assaults. The concern that US democracy is in peril is likely overblown, but the United States needs to do more than survive a highly partisan atmosphere; it needs to unify and address the issues that will limit its ability to act.

Chief among these issues is the US fiscal situation. Former Chairman of the Joint Chiefs of Staff Admiral Michael Mullen opined, “that debt is our top national security threat.”⁶⁵ He made that observation in 2010, and the situation has only gotten worse since then. Because of the growing cohort of senior citizens and rising healthcare costs, US entitlement spending and debt maintenance will continue to grow and consume discretionary spending, including the defense budget. Barring the addition of new entitlements, a substantial increase in revenue, or a significant increase in deficit spending, discretionary defense outlays as a percentage of

GDP are projected to fall from 3.2 percent in 2019 to 2.8 percent in 2029.⁶⁶ The United States cannot compete against a growing Chinese military while its DoD budgets decline by 13 percent relative to GDP. To correct this, the United States should revisit the findings of the 2010 bipartisan National Commission on Fiscal Responsibility and Reform, nicknamed Simpson-Bowles after its co-chairs, and adopt its recommendations immediately.

China is pursuing advanced technology to leapfrog the United States. It seeks to leverage AI/ML, take advantage of the revolution in military affairs (RMA), and replace the United States as the world's foremost technology exporter. Preventing this must be a cornerstone of the US strategy. The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) expanded the jurisdiction of the Committee on Foreign Investment in the United States (CFIUS) to address growing national security concerns over foreign exploitation and investment within the United States. It was a substantial step toward protecting US advanced-technology development. The United States Innovation and Competition Act of 2021 (USICA) is a complementary act that provided \$100 billion in funding for research and education in AI/ML, semiconductors, quantum computing, advanced communications, biotechnology, and advanced energy. That level of investment is long overdue, but more is sorely needed.

In the 2018 Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA), fifteen-year-old students from seventy-nine nations participated, including all thirty-eight OECD members. The students were tested in reading, math, and science. China scored highest in all three. The United States, by contrast, placed thirteenth in reading, thirty-seventh in math, and eighteenth in science.⁶⁷ Since the adoption of the second offset strategy in the 1970s, the United States has depended on its technological edge to give it an advantage over a more populous foe with larger conventional forces, but the Chinese advantage in population far exceeds the one the Soviets had. For the United States to maintain its technological advantage in space and cyber, and to gain the advantage in AI/ML, it must reform its education system to emphasize STEM.

Finally, US leadership must educate its public about the importance of the international organizations that provide the underpinnings of the liberal order, the moral and legal basis for the US defense of its allies, and interests in the Indo-Pacific. In a September 2021 Pew Research Poll, only 51 percent of US citizens surveyed thought the UN “deals effectively with international problems.”⁶⁸ In a February 2021 Gallup Poll, 52 percent of US citizens said that the UN does a poor job in trying to solve the problems it has had to face.⁶⁹ The United States must prevent the UN from being perceived as “the theater of the absurd,” as Senator Daniel Patrick Moynihan once described it. To do this, it must lead from the front, energizing the UN and other institutions to be effective instruments for the United States and its democratic allies, and to check Chinese attempts to co-opt them at every opportunity.

Strengthening Alliances and Building the Anti-Hegemonic Coalition: Removing Strategic Ambiguity

The United States and China have shared mutual strategic ambiguity on the status of Taiwan since the joint 1972 Shanghai Communiqué. China's more aggressive posture toward “disputed” territories and Taiwan under President Xi has made its position no longer ambiguous. The United States needs to be equally unambiguous. Secretary of State Dean Acheson's omission of South Korea as part of the US defense perimeter in the Indo-Pacific from his 1950 National Press Club speech is widely believed to have been interpreted by the Kremlin and Beijing as the green light for a communist invasion of South Korea. To prevent any similar misinterpretation today, the United States should add a seventh assurance to the 1982 “Six Assurances.” That seventh assurance should be that the United States will defend Taiwan from a forced reunification with China. Such a strong statement risks antagonizing China, so it must be accompanied with a clear caveat that the United States still recognizes that there is “one China,” and that under no circumstances will it support a unilateral declaration of independence on the part of Taiwan. The United States must ensure that Taiwan understands that continued support is incumbent on this. The DPP has hinted at making such a move in the past, but has backed off recently.⁷⁰ Clarifying the US stance will calm the fears of Taiwan's leadership in both parties, and send a powerful message to US allies and potential coalition partners.

There is already evidence that a more muscular US posture in the Indo-Pacific region will be welcomed. In July 2021, Japanese Deputy Prime Minister Taro Aso said that if China attacked Taiwan, it would be an “existential threat,” and that “in such a case, Japan and the United States will have to work together to defend Taiwan.”⁷¹ He added, “We need to consider seriously that (the southern islands of) Okinawa could be next.” Australian Minister of Defence Peter Dutton stated in November 2021 that it would be “inconceivable” that Australia would not join military action if the United States came to Taiwan’s aid in a conflict with China, saying, “If Taiwan is taken, surely the Senkakus are next.”⁷² Both the Japanese and Australian statements illustrate the concerns the United States’ closest allies have that China’s plans for Taiwan are only the beginning of its appetite for expansion. Their concerns are well founded. As with the Sudetenland in 1938, conceding Taiwan to China will only invite more aggression. These statements also verify that it is the United States to whom allies look to be the anchor, or “cornerstone balancer,” in a coalition to prevent the dominoes from falling to Chinese aggression.⁷³

That is precisely the United States’ role in the Indo-Pacific region—and one that no other country can fill. Most Indo-Pacific nations join Japan and Australia in wanting a balancer to China’s aggression. The United States is not alone in suffering from China’s unfair trade policies and ruthless twenty-first-century version of mercantilism. Every one of China’s neighbors and major trading partners suffers from them as well. Ideally, the United States would lead an Indo-Pacific version of NATO tailored to contain China. Unfortunately, such an alliance is not currently realistic for several reasons. First, China would view such a move as provocative. It would likely result in China using the economic leverage it has against the weakest potential members of such an alliance, to discourage their joining or compel their leaving. Even the most powerful potential members, such as India, while not intimidated by Chinese threats of economic retaliation, are not willing to obligate themselves to go to war against China over Taiwan. Additionally, Taiwan’s nebulous international status exacerbates this situation. The United States’ closest treaty allies in the Indo-Pacific are even reluctant to ally with one another due to lingering bad blood between South Korea and Japan, and the Philippines and Japan, over Japanese conduct during World War II. The United States needs to

accomplish two things to form an effective anti-hegemonic coalition against China. First, it must bring Taiwan into the fold of international affairs and tie it more closely to its potential allies and partners diplomatically, economically, and defensively. Second, the United States must demonstrate its credibility as an underwriter of security for those joining its coalition.

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Normalizing Taiwan Relations

The United States has led by example in normalizing relations with Taiwan. The Taiwan Travel Act (TTA) of 2018 called for increased high-level official exchanges between the United States and Taiwan. It passed with strong bipartisan support that forcefully demonstrated the political unity regarding Taiwan on the part of the United States. Since its passing, bipartisan groups of US congressmen visited Taiwan in September 2018 and November 2021. The 2021 delegation met with Taiwanese President Tsai Ing-wen. Both delegations publicly reaffirmed US support for Taiwan on Taiwanese soil, sending a powerful message to China and the other nations of the Indo-Pacific. In July 2019, Tsai traveled freely to New York City and Denver under the TTA while she was in transit to countries in the Caribbean that still have official diplomatic relations with Taiwan. While in the United States, she met with a bipartisan US congressional delegation and the governor of Colorado. In August 2020, Secretary of Health and Human Services Alex Azar met with President Tsai and lauded Taiwan’s successful COVID-19 response. The United States should continue these exchanges and make them a regular occurrence, ultimately culminating in a face-to-face meeting between the two presidents on US soil, without giving such a meeting the protocol honors of a state visit.

The 2019 TAIPEI Act also passed with broad bipartisan support. The act states that the United States will advocate for Taiwan’s membership in all international organizations in which statehood is not a requirement and in which the United States is

also a participant, or for Taiwan to receive observer status where appropriate. It also calls for Taiwan to be a participant, as a member or observer, in any US-China bilateral meetings. Using the TAIPEI Act, the United States should demand Taiwan's immediate admittance to the International Civil Aviation Organization (ICAO) and the International Criminal Police Organization (INTERPOL), and full Taiwanese participation in the WHO. There are still fourteen nations that recognize Taiwan, not the PRC, as the legitimate government of China. Thirteen of those states are UN members, and four are in the Indo-Pacific. The United States should use its relationship with these nations, and its other allies, to incentivize them behind the scenes to advocate publicly for Taiwan's participation in international organizations. The Biden administration recently took laudable solid steps in this direction with Secretary of State Antony Blinken's press statement of October 26, 2021:

Taiwan has become a democratic success story. Its model supports transparency, respect for human rights, and the rule of law—values that align with those of the United Nations (UN). Taiwan is critical to the global high-tech economy and a hub of travel, culture, and education. We are among the many UN member states who view Taiwan as a valued partner and trusted friend. As the international community faces an unprecedented number of complex and global issues, it is critical for all stakeholders to help address these problems. This includes the twenty-four million people who live in Taiwan. Taiwan's meaningful participation in the UN system is not a political issue, but a pragmatic one. The fact that Taiwan participated robustly in certain UN specialized agencies for the vast majority of the past fifty years is evidence of the value the international community places in Taiwan's contributions. Recently, however, Taiwan has not been permitted to contribute to UN efforts. Despite the tens of millions of passengers traveling annually through its airports, Taiwan was not represented at the International Civil Aviation Organization (ICAO) triennial assembly. Although we have much to learn from Taiwan's world-class response to the COVID-19 pandemic, Taiwan was not at the World Health Assembly. Members of civil society from around the world engage every day in activities at the UN, but Taiwan's scientists, technical experts,

businesspersons, artists, educators, students, human rights advocates, and others are blocked from entry and participating in these activities simply because of the passports they hold. Taiwan's exclusion undermines the important work of the UN and its related bodies, all of which stand to benefit greatly from its contributions. We need to harness the contributions of all stakeholders toward solving our shared challenges. That is why we encourage all UN Member States to join us in supporting Taiwan's robust, meaningful participation throughout the UN system and in the international community, consistent with our "One China Policy," which is guided by the Taiwan Relations Act, the three Joint Communiqués, and the Six Assurances.⁷⁴

Increasing Regional Trade Ties in the Indo-Pacific

The United States should join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, use its influence to block China's attempt at membership, and support Taiwan's bid to join the CPTPP. With the United States and Taiwan in the CPTPP, both countries will be more closely tied to the other eleven signatories, and will bring the combined GDP of the organization to close to 40 percent of the global total. South Korea has applied for membership, and Thailand has expressed its intent. Indonesia and the Philippines have expressed interest in joining, and the United States should encourage them to do so. If they do not join soon, then the United States should enter into free-trade agreements (FTA) with both, like the bilateral FTA it has with Singapore. FTAs will tie countries more closely to the United States economically, but are less preferable because they do not also tie them to Taiwan. The United States should also attempt to enter an FTA with the Association of Southeast Asian Nations (ASEAN), similar to the ASEAN–China Free Trade Area—and use it to encourage increased trade ties between ASEAN and Taiwan.

The next step is for the United States to reduce its economic dependence on China by relocating supply chains, and to encourage Taiwan, the European Union (EU), and its Indo-Pacific partners to do the same. It should do this by encouraging public and private investment in Taiwan and other allies, to reduce China's economic hold over the world. There is evidence that this is already occurring: "A Gartner,

Inc. survey of 260 global supply chain leaders in February and March 2020 found that 33 percent had moved sourcing and manufacturing activities out of China or plan to do so in the next two to three years.⁷⁵ Japan is paying “eighty-seven companies to shift production back home or into Southeast Asia after the coronavirus pandemic disrupted supply chains and exposed an overreliance on Chinese manufacturing.”⁷⁶ The reasons for the move include not just the US tariffs, but concerns with IP theft and the fragility of Chinese supply chains revealed during the COVID-19 pandemic.⁷⁷ A complete separation is not realistic or desirable. It is not the aim of US strategy to hobble and impoverish China, but to alter its behavior to conform with the accepted norms of international behavior. A lessening of Chinese dominance over supply chains is vital to accomplishing that.

Strengthening Regional Security Relationships

The United States should expand the Quad to a “Quad Plus,” to increase its security and defense ties throughout the Indo-Pacific. The Quad Plus should include South Korea, Vietnam, New Zealand, the Philippines, Indonesia, Singapore, Malaysia, Thailand, Taiwan, the second island chain nations of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. This Quad Plus should conduct regularly scheduled large-scale training together, with the primary focus on naval exercises. US treaty allies are natural additions to a Quad Plus. The three Pacific Island countries maintain alliances with the United States under a Compact of Free Association, and are also likely to welcome the invitation. Singapore, Malaysia, and Indonesia are all US armed, and the United States has a military presence in Singapore. The United States should incentivize the membership of all three by increasing FMS and military aid to them, as needed. Along with Vietnam, they participated in combined exercises with the United States. Vietnam has a long history of resisting China’s attempts to subjugate it, and fought China in 1979. Vietnam possesses a capable military, and would likely accept overtures to participate in an expanded security cooperation agreement aimed at China.

Myanmar is a “fence sitter” and has issues in its relationships with both the United States and China. The United States has condemned the actions of the Myanmar military junta, and has sanctioned senior personnel and their business

associates. China has blocked efforts at the UN Security Council to condemn Myanmar’s junta for human-rights abuses, but there is also conflict between the two nations over Chinese support for insurgents, including the Communist Party of Burma (CPB) along their shared border. India has a long-shared history with Myanmar from their inclusion in the British Raj, and has sought to expand its relationship with Myanmar as a counterbalance for China. To keep Myanmar from bandwagoning with China, the United States should consider applying the Kirkpatrick Doctrine to Myanmar and making overtures for it to join the Quad Plus if it improves its human-rights record. India should be encouraged to act as the intermediary in this effort. Cambodia is aligned with China, and has been for nearly fifty years, to protect it from its more powerful neighbor, Vietnam. It is unlikely to change that relationship, and is of minimal value to a coalition compared to the much more powerful Vietnam. Recent reports indicate that the relationship is expanding, as China establishes a military presence at Ream Naval base in Cambodia.⁷⁸ Laos has little power to bring to either camp, and remains dominated by Vietnam.⁷⁹

Pakistan is a nuclear midrange power, but considers China its “all-weather friend” (as their treaty states) in contrast to its “fair-weather friend,” the United States. Pakistan is unlikely to join a Quad Plus that includes India, and maintains its close alliance with China as a hedge against its strategic rival. Given India’s power as the world’s largest democracy with a powerful military and growing wealth, it is a far more desirable partner. While the United States will not separate Pakistan and China as allies, it may be able to use its influence with Pakistan to keep it neutral in a dispute over Taiwan. Pakistan has little ability to influence things in the first island chain and no interests there, other than avoiding the ire of the United States or China. Pakistan paying lip service to China’s right to Taiwan is of little consequence to US strategy, as long as Pakistan does not exploit a Chinese-created crisis over Taiwan to take action against Quad Plus member India.

This Quad Plus combination of the US defense perimeter in the first island chain, the second island chain, other strategic maritime nations like Singapore and Indonesia, and mainland partners in China’s near abroad gives the US strategic depth to contain China and deter its aggression toward Taiwan. The Quad Plus states are all capable of contributing to their defense, and can be defended by the United States if necessary.



There are potentially other states that would desire a partnership with the United States against China. However, to preserve its credibility, the United States cannot extend any form of inferred guarantee beyond the coalition outlined. This Quad Plus would have the same mission as the current Quad, which is the desire for a “free, open, accessible, diverse, and thriving Indo-Pacific” and to avoid any direct reference to China.⁸⁰ The deliberate obliqueness of that mission statement and the informal nature of the coalition are designed to minimize antagonizing China.

The United States’ most prominent ally in the Indo-Pacific, Japan, has the third-highest GDP in the world.⁸¹ Japan has increased its defense budget nine years in a row. It ranked eighth in global military spending in 2019, but spent only 1 percent of GDP on its military.⁸² Japan has been limited by Article Nine of its constitution on its Self-Defense Forces (SDF) employment. Under Prime Minister Shinzo Abe in 2015, Japan approved measures that allow the SDF to cooperate with foreign militaries to protect Japan. The United States should encourage Japan to continue its defense expansion, and to make itself a more potent contributor to its

defense—and the shared defense of the region—from Chinese and North Korean aggression.

NATO allies France and Germany both made Taiwan Strait passages with their naval vessels in late 2021. The United States should encourage this low-cost show of solidarity by NATO allies, to continue reminding China that its aggression could result in severe economic disruption from NATO sanctions or NATO military action if it attacked US forces in the region. France has a substantial interest in this regard. It has overseas territories in the Pacific that China could threaten if it successfully took Taiwan and broke the defense perimeter of the first island chain.

If the United States succeeds in these measures, it will have more tightly tied itself and Taiwan to its needed partners in the Indo-Pacific economically, diplomatically, and defensively. Agreements and joint membership in organizations together are not enough to form a functional anti-hegemonic coalition against China; the United States must demonstrate through its presence and actions that it will back up its partners in the face of Chinese aggression.

Shaping Taiwan's Defense

The United States should also increase bilateral US-Taiwan military cooperation to include joint military exercises. The recent revelation that US military advisors from the Marine Corps and SOCOM were in Taiwan conducting training for the first time since 1979 was a healthy development in the US-Taiwan defense relationship. The presence of US military personnel should expand to include visits from senior military leaders and the inclusion of Taiwan in the National Guard's State Partnership Program (SPP). These steps will increase interoperability between the two militaries. They also act as a deterrent against a Chinese first strike because China does not want to accidentally kill US forces and force the United States and NATO into a war over Taiwan, if it can avoid it. The SPP has the advantage of being less provocative toward China than regular rotations of active US forces. The United States should also approve the Taiwan Deterrence Act immediately. The act proposes that: "the United States should designate for export to Taiwan capabilities critical to maintaining a favorable military balance in the region, including long-range precision fires, air, and missile defense systems, anti-ship cruise missiles, land-attack cruise missiles, conventional hypersonic systems, intelligence, surveillance, and reconnaissance capabilities, and command and control systems."⁸³ Though they are not specified in the text, the United States should include F-35s as part of the capabilities critical to maintaining a favorable military balance. Taiwan should embrace the proposed capabilities in the act, and add a significant investment in naval mines. In the past, Taiwan invested in AH-64s and main battle tanks. They are capable systems and will serve Taiwan well if the PLA successfully lands. However, Taiwan should focus on an asymmetric "porcupine defense" that aims to stop the PLAN from crossing the strait with an invasion force or landing by air. This defense presents the best chance of success, and will mesh well with the US Joint Concept for Access and Maneuver in the Global Commons (JAM-GC), better known as Air-Sea Battle. Taiwan must also invest in hardening itself against cyberspace attacks and developing an offensive cyber capability. It has moved in that direction with the establishment of its Department of Cyber Security 2016, but still lags China significantly in cyber-warfare capabilities.

The United States should also increase bilateral US-Taiwan military cooperation to include joint military exercises.

US Force Posture in the Indo-Pacific

The United States should accelerate the realignment of its forces and the hardening of its defenses in the Indo-Pacific region. Guam's upgraded air-defense systems remain unfunded, even though it is a US commonwealth currently threatened by Chinese long-range missiles. This lack of preparation leaves vulnerable both Guam's one hundred and fifty thousand US citizens and the military infrastructure the United States will need to support Taiwan or other Quad Plus nations threatened by Chinese aggression. The United States has neither defenses nor military infrastructure on its other Pacific Island territories, and that must also be altered rapidly. Hence, the United States will have the option of multiple avenues of approach to launch a counteroffensive from the second island chain against a breach through the US defense perimeter.

The US realignment should include an increase in US Navy, Marine Corps, and Air Force service members permanently assigned, and allocated forces on allied soil where the United States currently has bases. The United States and the Philippines have renewed a visiting-forces agreement (VFA), and are moving forward with bases to support joint US-Philippines missions. This effort also needs to be accelerated. Once the infrastructure is in place, even partially, the United States should permanently assign forces to the Philippines, if Manila will support it. Persistent intelligence, surveillance, and reconnaissance (ISR), along with passive radar-detection systems and ground-based anti-ship missiles (GBASM), should be part of the US presence in the Philippines. Because the Philippines is a long-standing ally where the United States had a significant presence for decades, a return to that posture would not be overly antagonistic to Beijing. The United States should not seek to permanently station large standing forces in Taiwan or non-allied Quad Plus coalition countries, to avoid unnecessarily provoking China.

Congressman Mike Gallagher of Wisconsin recently proposed that the United States reestablish the US-Taiwan Defense Command, which it disestablished

By conducting operational maneuvers like the US Pacific Fleet in World War II, Naval Aviation can employ long-range anti-ship missiles (LRASM) against any PLAN effort to invade across the strait...

in 1979.⁸⁴ Because its name connotes a time when the United States did not recognize the PRC, the United States should not bring it back. It would allow China to portray the United States as an aggressor and itself as a victim. However, the United States should recreate the functions that US-Taiwan Defense Command provided within INDO-PACOM, under a name not associated with past US diplomatic recognition of Taiwan, and locate them in Japan. The United States should regularly schedule SCO in the Quad Plus nations and apply the concept of dynamic force employment (DFE) to conduct unannounced bilateral training with its forces assigned and allocated to Taiwan and all the Quad Plus members, to keep China off balance.

The United States must also continue to embrace the RMA and acquisition reforms to maintain its dominance in space, cyberspace, electronic warfare, and missile defense. The current US advantage in these areas can potentially degrade Chinese long-range surface-to-surface missiles heavily dependent on satellites and over-the-horizon radars for targeting. It also allows the United States to attack China's centralized command-and-control system. The United States should move forward with its planned nuclear-modernization program, especially the Columbia Class Strategic Missile Submarine (SSBN). A robust nuclear deterrent is essential to preventing vertical escalation on the part of China.

US conventional forces also need a rapid upgrade. In aviation, the United States must speed up the fielding of the multi-service Next Generation Air Dominance (NGAD) fighter, the F-35, and next-generation stealth unmanned aircraft systems (UAS). The United States has the advantage in airpower, and must keep it. The Navy will play the dominant role in any engagement with China over Taiwan. Unfortunately, the Biden administration has abandoned the previous administration's naval modernization and expansion plan, Battle Force 2045, and may now abandon the 355-ship fleet. The United States must reverse these decisions and

accelerate the timeline for naval modernization, as twenty years to prepare is a luxury the United States likely does not have. According to Admiral Philip Davidson, then commander of US INDO-PACOM, in his March 2021 congressional testimony, the United States may have less than six years.⁸⁵ In the interim, the United States should cancel the retirement of its early-lot Ticonderoga-class cruisers, and modernize them as a stopgap measure. Additionally, the United States must expedite the Virginia-class fast-attack submarine (SSN) and the Constellation-class frigate timelines.

There has been much discussion among military planners about the survivability of aircraft carriers against modern missile technology, and the value of the Gerald R. Ford class. While it is true that the days of a US carrier sitting off the coast of an adversary to perform strike missions with impunity are gone, carriers will play a vital role in a blue-water engagement with the People's Liberation Army Navy (PLAN). If China uses its long-range surface-to-surface missiles to target US bases in the first or second island chain, it could temporarily disable US runways. Such a strike would temporarily limit F-35A and other land-based aviation operations. Mobile carriers and amphibious ships with F-35Cs and F-35Bs can provide a conventional second-strike capability by launching fifth-generation fighters outside China's over-the-horizon targeting range. By conducting operational maneuvers like the US Pacific Fleet in World War II, Naval Aviation can employ long-range anti-ship missiles (LRASM) against any PLAN effort to invade across the strait, or conduct limited but critical strikes against Chinese missile and radar sites on the coast.

While any engagement over Taiwan will be predominantly a sea and air operation, US land forces still have a vital role to play, and they require modernization. The United States should accelerate the development of long-range hypersonic loitering munitions. The United States moves from towed tube artillery and toward surface-launched long-range precision fires, and GBASM should also accelerate. The US Army must focus predominately on Europe, but will remain the primary US contributor to the defense of South Korea. US Marines should also conduct expeditionary operations throughout the first and second island chains to operate passive radar-detection systems and GBASM sites. Mobile detachments with GBASM will complement US air and sea power in challenging the PLAN.

BASIC STRATEGY

If the United States successfully executes its core strategy, it anchors an anti-hegemonic coalition. That coalition ties the United States, Taiwan, and the other partners together against China in the form of an expanded CPTPP and Quad Plus. China will not observe passively as the United States acts, but will move to counter the United States. Anticipating those moves and developing a plan to deal with them is the purpose of the basic strategy. Ideally, the United States would prefer that its strategy causes China to become a rule-following, non-aggressive member of the international community that respects basic human rights and political freedoms. That would require a large-scale change in the character of the Chinese government. Such a development is unlikely to occur independently, or from any moves the United States makes. However, the United States can modify China's external behavior toward it and Taiwan, if not the regime's core ideology. In analyzing potential future environments, three realistic potential China futures were identified. The United States does not have the resources to prepare three different strategies to deal with three potential futures. Its basic strategy must hold its coalition together and wield it effectively with only minor tweaks during execution. Across all the futures examined, there are myriad possible Chinese reactions to the United States' actions. A good basic strategy allows the United States to deal with any of them. To illustrate this, the basic strategy is examined against three likely Chinese reactions that would be executable in any of the three potential future environments. They are

- a campaign of continued harassment and intimidation of Taiwan;
- a blockade or quarantine of Taiwan; and
- an attempted invasion of Taiwan.⁸⁶

In all three potential courses of action, China will attempt to coerce and intimidate US coalition members into abandoning membership in the Quad Plus, and either joining with China or remaining neutral. The United States must make its red lines clear to China as part of its basic strategy. The actions the United States finds intolerable are

- an attack on US forces;
- an attack on any US treaty ally; and
- an attack on Taiwan.

An attack on a Quad Plus coalition partner is not a stated red line. The United States cannot overcommit to defending every non-ally that partners with it. Taiwan is an exception because of its unique status under US law. The United States refrained from placing permanent forces in non-allied countries to avoid provoking China, and to avoid inviting horizontal escalation on its part against those coalition partners over Taiwan. However, the United States should make guarantees to those nations that if China singles them out for tariffs, sanctions, or military action, the United States will support them by hitting China with punitive economic sanctions and persuading the other Quad Plus, NATO, and OAS members to follow suit. Also, the United States should promise to provide any Quad Plus nation targeted by China with economic relief, additional military equipment, and training. By sending forces to a threatened Quad Plus member for a hasty bilateral training exercise, the United States will force China to risk crossing a US red line. By doing so, the United States itself will use the threat of horizontal escalation to force China up to a red line it does not want to cross. If increasingly aggressive Chinese behavior pushes Quad Plus nations to seek an alliance with the United States for increased security guarantees, the United States should welcome it.

Chinese Reactions and the US Counterreactions

With Taiwan tied more closely to its neighbors, and US forces modernized and focused on the Indo-Pacific region, China will test the United States' credibility up to—and possibly over—its red lines. Regardless of how far it ultimately pushes, increased harassment of Taiwan will occur. The United States can expect to see more cyberattacks, airspace violations, and harassment of naval vessels by China against Taiwan. These actions could be the first step on the ladder of escalation, a test of US and coalition resolve, or an effort to intimidate the people of Taiwan into accepting that reunification is inevitable. In response, the United States should reiterate its support for Taiwan and peaceful resolution of the Taiwan question. The US Navy should conduct Taiwan Strait transits during the period of harassment, and urge its partners to do the same. Equipped with F-35s, Taiwan should scramble to meet the threat but exercise restraint. The United States and Taiwan want China to always be seen as the aggressor, and never as the victim. The members of the Quad Plus coalition joined for



The aircraft carrier USS Nimitz (CVN 68), the guided-missile cruiser USS Chosin (CG 65), the guided-missile destroyers USS Sampson (DDG 102) and USS Pinkney (DDG 91), and the guided-missile frigate USS Rentz (FFG 46) operate in formation in the South China Sea. *Source: Navy Photo.*

protection against China's aggression, not for a war with China.

If China chooses to escalate tensions, a likely next step is a blockade or quarantine against Taiwan. The PLAN will intercept ships headed to Taiwan and redirect them, under threat, to China for customs inspections. China will conduct cyberattacks and jamming to cripple Taiwan's civilian air-traffic control (ATC) and use the People's Liberation Army Air Force (PLAAF) to force all commercial air traffic to land in China before continuing to Taipei. The quarantine will all be done on the grounds that Taiwan, as a province of China, is subject to Beijing's dictates on international travel and trade. Any military equipment will be turned away at sea after China insists its coast guard inspects all cargo, and China will seize all air-embarked military hardware. China will declare that it is acting within its legal rights to stop illegal arms shipments to rebel groups that do not recognize the lawful government of China, of which Taiwan is an integral part. A recent Council on Foreign Relations piece compared this accurately to a "Berlin Airlift" scenario.⁸⁷ The United States needs to react similarly to how it did in 1948. US merchant vessels and civilian air traffic must

attempt debarkation in Taiwan as initially scheduled. The United States should urge its allies and partners to do the same. US-flagged vessels must reject attempts to be inspected by China—and if they are turned away by the PLAN, the United States must lodge protests with the WTO and urge Taiwan and the Quad Plus countries to do the same. Several Quad Plus nations are signatories of the UNCLOS, and should also complain about fellow signatory China not respecting international maritime law.

If China continues on this course, the United States should announce that it is conducting routine freedom-of-navigation operations through China's designated maritime and air quarantine zone. If executing those operations does not end the crisis, the United States should conduct naval training exercises with Taiwan in its territorial waters and the Taiwan Strait. The United States should invite other Quad Plus and NATO nations to participate in these exercises. If China attempts to interfere with the freedom-of-navigation exercise, it will be in a situation where it faces a chance of crossing a US red line. Doing so could cause a military engagement between the two powers, and possibly war. This is unlikely to be China's desired outcome

for this course of action. More plausible is that China wishes to test the United States' credibility and see which members of its coalition are willing to risk a military confrontation. China would have nothing to gain from a war unless Taiwan itself were in play. To do that, China's best course of action is not to gradually ramp up the pressure and give the US-led coalition time to respond. Giving advanced warning negates China's greatest advantage—proximity. A sizable portion of US INDO-PACOM's assigned forces are located on the west coast of the United States, almost seven thousand miles from Taiwan. China's best course of action is to launch a surprise attack and present the United States and the Quad Plus with a *fait accompli* scenario for Taiwan that would require a massive offensive to reverse.⁸⁸

Any predatory attack from Asia must be an amphibious effort. No amphibious force can be successful without control of the sea lanes and the air over those lanes in its avenue of advance. With naval and air supremacy and modest ground elements to defend bases, any major attack from continental Asia toward us or our friends in the Pacific would be doomed to failure.⁸⁹

The chance of China taking Taiwan so quickly that the United States is caught entirely unprepared is remote even now, and will be more so once the US core strategy is executed. With increased US forces and enhanced ISR in the Indo-Pacific, and Taiwan focused on repelling an amphibious assault, China will face a daunting task. There is no easy way for China to take Taiwan. For context, it took one hundred and ten thousand Marines two months to take the eight-square-mile island of Iwo Jima from roughly twenty-one thousand defenders. The United States took twenty-seven thousand casualties. The United States had total naval and air supremacy, and the defenders had only been readying for a US assault for a year. By contrast, China does not have naval or air supremacy in the Taiwan Strait. Taiwan is 13,826 square miles, has twenty-four million people, one hundred and sixty-five thousand active-duty personnel, and 1.655 million reserves, and has been preparing to repel a Chinese invasion for seventy-three years. At the Battle of Iwo Jima, the United States had more than two years of combat lessons learned on amphibious assaults, and still took more casualties than the Japanese defenders.

China has never done an amphibious assault, cannot get its aircraft carrier deck-cycle functioning, and trails the United States in combat-tested officers and noncommissioned officers. China's A2AD capabilities are impressive. However, the US advantage in submarines, fifth-generation aircraft, and surface-warship capability will make crossing the strait with troop transports, or attempting an air insert, incredibly costly. China has roughly 2.2 million active forces and 1.2 million reserves. Even if it could get them all on the beach—an unrealistic proposition—it would still not be enough to conquer a force the size of Taiwan's that is motivated and prepared to defend. The traditional three-to-one ratio of an attacker to the defender (which needs to be even higher for far more challenging amphibious landings) is often dismissed as obsolete due to the development of precision-guided munitions (PGM) and other advancements. That is true if one side has an overwhelming technological advantage over the other, but that is not the case in China versus Taiwan, let alone versus the United States and its allies Japan and Australia, who have pledged to fight alongside the United States to repel an attack on Taiwan. It also does not consider the difficulty of subduing a large population that is resisting. Defeating an opposing force is one thing. Subduing a country and installing a new government via annexation or a local proxy is a much more difficult proposition, as the United States learned in Afghanistan.

While such an attack may not draw in the other Quad Plus members, such an overt act of Chinese aggression will likely push them further into the US camp as they wonder which of them is next. If China attacks the United States, even accidentally, while attacking Taiwan, it triggers NATO involvement. NATO's military contribution may be small, but the economic response will be devastating for China. It also runs the risk of the Quad Plus actively joining the fight alongside the United States over Taiwan—or in the case of India, perhaps taking advantage of an overextended China to restore its pre-1962 border by force, knowing the United States will recognize the action diplomatically. A drawn-out and bloody war will likely be unpopular with the Chinese population and give Xi's enemies the opportunity they need to move against him. All these considerations should deter China from striking Taiwan. That is the goal of the strategy: contain China by deterring it. If China decides to attack Taiwan, the United States will move to contain China by denying it a victory.

Although the United States will exercise restraint and try to prevent escalation of the hostilities, this does not mean that the United States will fight with kid gloves on. Quite the contrary...

The Defense of Taiwan

In a fight over Taiwan, the United States should make it clear to China that it has no desire for vertical escalation. It should expressly state that it will only use nuclear weapons in response to an existential threat against the United States itself, e.g., a Chinese nuclear strike on US territory or against a US ally. The United States should also make it clear to China, and the rest of the Quad Plus, that it wants to limit horizontal escalation. The US position should be that the United States, Japan, and Australia intend to limit their attacks to Chinese forces afloat or ashore in Taiwan and directly involved in the invasion. If China were to attack bases in South Korea, Japan, or the Philippines where allied missions in defense of Taiwan originated, the United States would attack Chinese bases or launch sites where attacks originated. The same will also be true for any Chinese attack against US forces afloat from the mainland. The United States should take a similar approach to space and cyber strikes. It should communicate to its Quad Plus partners that it makes no demands on them to take an active military role in defense of Taiwan, but that the United States will come to their aid if they decide to do so and if China launches reprisal attacks on them. If China launches attacks on their territory to hit US forces conducting training there, the United States will also come to their aid. The United States should announce that it will freeze all Chinese-owned assets in the United States and cut off any business transactions or dollar transactions with China. This would include ending any interest payment on US securities, government (US Treasury bonds) or private, held by Chinese citizens or the Chinese government.⁹⁰ Finally, the United States should work with its NATO allies and the Quad Plus to persuade them to impose crippling sanctions on China.

Although the United States will exercise restraint and try to prevent escalation of the hostilities, this does not mean that the United States will fight with

kid gloves on. Quite the contrary: if China tries to invade Taiwan, the United States and its allies must sink every Chinese troop transport possible with its attack subs for maximum loss of life, sink every PLAN warship with its F-35s, cruisers, and destroyers, and wipe out every missile and radar site on mainland China that is involved in the battle. The economic-warfare measures will be equally devastating and threaten a global financial crisis. The United States and its partners will be better able to weather that storm than China, but the pain will be acute. In victory, the United States, Taiwan, and the other allies and coalition members involved should seek no change in Taiwan's status, nor should they seek any reparations from China. Negotiations to end the conflict should resemble Vienna, not Versailles. There should be no delusions about the benefit of expanding the war and threatening the CCP's hold on power. US credibility as the leader of the anti-hegemonic coalition against China is at stake—and with it, the fate of the Indo-Pacific region and the world. The definition of success in the basic strategy is a return to the status quo antebellum at as low a cost as possible.

HEDGING STRATEGY

The Russian Threat

The United States must retain a reserve of capabilities to support a hedging strategy against the possible exogenous contingencies. To deter Russian aggression in Europe, the NATO Alliance remains vital. The United States must tend to its longtime democratic allies. When NATO speaks with one voice on the importance of preserving the rules-based international system, it is a powerful message to potential malign actors worldwide who consider undermining it. The United States must build consensus and continue its military presence in Europe to train with its allies and reassure them of the US commitment to a strong, free, and prosperous Europe. To deter Russian adventurism, NATO should continue to move its forces east, and make those moves permanent. This process began following the first Russian invasion of Ukraine in 2014. In “2017 four multinational battalion-size battlegroups were created in Estonia, Latvia, Lithuania, and Poland” led by the United Kingdom, Canada, Germany, and the United States, respectively.⁹¹ Following Russia's invasion of Ukraine in February 2022, “four more multinational battlegroups in Bulgaria, Hungary, Romania, and Slovakia were established.”⁹² This brings the total



President Biden signed the Instruments of Ratification giving the United States' approval for Finland and Sweden's membership in NATO alongside Vice President Harris and the Swedish and Finnish Ambassadors to the United States. Source: White House Twitter.

number of multinational battlegroups to eight, extending all along NATO's eastern flank—from the Baltic Sea in the north to the Black Sea in the south.⁹³ The recent addition of twenty thousand US forces brought the total in Europe to one hundred thousand.⁹⁴ This number is sustainable without significantly weakening the US Indo-Pacific posture. The United States should move a division of forces permanently to the Baltic States with the requisite logistics and air forces to support it, as the Baltics present the most vulnerable part of NATO to Russian attack. The recent overtures from Sweden and Finland about joining NATO have been welcomed, and those two nations appear fast-tracked for membership. Both bring substantial military capabilities to the Alliance—particularly in the Arctic theater, where Russia has a substantial operational advantage over the United States due to its number of icebreakers. Fragile democracies under pressure from Russia, like Ukraine and Georgia, should receive increased lethal military assistance from the United States and increased military assistance from NATO's European members. This has already started to happen in the case of Ukraine, but it needs to be accelerated. Both nations are still dependent largely on old Russian-made military equipment. This equipment is less capable than modern US/NATO hardware, reduces

compatibility with NATO, and places Ukraine and Georgia in a situation in which they are either dependent on former Warsaw Pact nations for parts or must develop them on their own. The United States and NATO should immediately begin transitioning them both to US/NATO equipment. Training exercises and security cooperation should also increase with both partners. The United States should restate that it is adhering to the 1994 Budapest Memorandum on Security Assurances and expects Russia to do the same.

There is pervasive misapprehension within NATO, and among partner nations in Europe, about what a US shift to the Indo-Pacific will mean. The United States must give public assurances and have a cohesive messaging plan to calm these fears. Behind the scenes, not publicly, the United States should push its NATO allies to get serious about their defense budgets. The average defense spending of NATO's European members (and Canada) was only 1.77 percent of GDP, roughly half the United States' expenditure.⁹⁵ Only ten NATO members in Europe meet the agreed-upon spending level of 2 percent of GDP.⁹⁶ With those low levels of investment, despite the GDP and population advantage that NATO allies in Europe have over Russia, NATO will not be able to deal

with a Russian attack on a member state without substantial US forces moving to Europe. Funding increases to 2 percent alone will not make NATO capable of defending against a Russian attack. NATO allies' investments must be in capabilities that complement the ones the United States already provides. This scenario would not be an issue if the United States could do this sequentially after establishing unchallenged hegemony in the Indo-Pacific. That is unlikely to happen. The scenario the United States must prevent is a Russian attack in Europe and a simultaneous Chinese attack on Taiwan.

In addition to the military tools at its disposal, the United States also has powerful economic ones. Office of Foreign Assets Control (OFAC) economic sanctions can target the Russian economy and specific individuals with ties to Putin and his regime via the list of Specially Designated Nationals (SDN). The United States and its allies can also pressure the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to deny access to Russia, and the United States can impose export controls on Russia. Sanctions are just one part of the equation. Crude-oil and natural-gas revenue comprised approximately 43 percent, on average, of the Russian government's total annual revenue between 2011 and 2020, and 52 percent of its exports in 2019.⁹⁷ Brent crude-oil price averages around \$89 per barrel in early 2022. Three years ago, pre-pandemic, it was \$60. The difference between \$89 and \$60 a barrel of oil for Russia is a 12-percent reduction in GDP, and a 17-percent reduction in exports. As the world's largest oil producer, the United States can significantly affect oil prices through increased production. The United States can also influence its Persian Gulf allies like Saudi Arabia, Kuwait, and the United Arab Emirates to do the same. The NATO allies are currently overly dependent on Russia for their energy needs; this provides Russia with both money and leverage. NATO and the EU must wean themselves off Russian fossil fuels through a long-term sustainable green/renewable-energy policy. In the near term, the United States, and its allies and partners, can and should meet their oil, natural gas, and coal needs. The United States should not hesitate to use energy for leverage against Russia.

As the weakest of the three world powers, Russia's ability to seriously challenge the US-led, rules-based international system is negligible if the United States and its NATO allies remain united

and demonstrate resolve to use their power to deter Russian aggression. Despite how odious the Putin regime is, the United States has no realistic ability to replace it. Diplomatically, the United States should seek to triangulate with Russia to isolate China in a manner similar to the strategy President Nixon and Henry Kissinger used with their "China Opening" against the Soviet Union. The United States must prevent the formation of a Russia-China anti-democratic block. It can do this by cooperating where there are shared interests, and competing where there are differences. Areas for cooperation include the International Space Station (ISS), the Arctic, and some cooperation on counterterrorism. The United States should also move forward with Russia on negotiating arms-control agreements like the renewal of the New Strategic Arms Reduction Treaty (START) and the Strategic Stability Dialogue. The United States will continue to compete with Russia in the gray zone. The United States should not recognize Russian annexations in Ukraine or Georgian Ossetia. It should continue to support anti-corruption reforms in both countries, the rule of law, and the creation of functioning civil societies. Although the United States will continue to arm and train Ukraine and Georgia, it should delay NATO membership for those two countries. Because it is locked in competition with China in the Indo-Pacific, it is not in the United States interest to unnecessarily provoke the Russians and push them closer to China. The United States' publicly stated position should be that it still welcomes NATO's expansion, and that Russia does not have a veto on whom NATO admits. In an ideal world, the United States would push for NATO membership for both nations, and it would contribute the most significant portion of a NATO force to the defense of both. Unfortunately, NATO allies struggle to increase their defense spending to meet current, let alone expanded, security obligations. The United States is facing declining defense budgets, relative to inflation, over the next decade. Because of these facts, expanding NATO to include Ukraine and Georgia while both are occupied partially by Russian forces or proxies is not executable. This limbo for Ukraine and Georgia NATO membership is essentially the current de facto policy. The United States and its allies must ensure Ukrainian and Georgian independence is maintained, to avoid showing weakness to China and giving it a "green light" for an invasion of Taiwan. However, the shape of Ukraine's and Georgia's relationship with the United States, NATO, and Russia can be acceptable if it is akin to that of Finland during the Cold War—

but not if it is like Belarus' relationship with all three today.

The United States should message to Russia that China achieving its goal as the regional hegemon in the Indo-Pacific is not in Russia's interest. A China unchallenged in the world's most vital area will eclipse Russia, leaving it as the subordinate member in a Sino-Russo alliance or potentially vulnerable to Chinese revisionism. The PRC has retaken Tibet, disputed territory along the Indian border, Macau, Hong Kong, and disputed territory in the South China Sea. China has not forgotten the Amur Annexations by Russia in 1858–1860, and is determined to undo the Century of Humiliation that Russia helped perpetuate against it. The Soviet Union and China nearly went to war over border clashes in 1969. East Siberia is sparsely populated compared to the area across the Chinese border, and increasingly sees large-scale Chinese seasonal migration for work. It is rich in resources that China's growing economy needs. The actual total population of Chinese citizens living there is unknown, but is a cause for concern to the Kremlin.

If these preemptive efforts fail and Russia threatens the sovereignty of its neighbors, interferes in US elections, or tries to upset the international apple cart, the United States should use the identified tools at its disposal against it. The United States and its NATO allies should move additional units east to Russia's frontier in a show of force. While accurate, US leaders referring to Putin as a thug but taking no punitive actions to deter him accomplishes nothing. The United States should "speak softly and carry a big stick" with Russia, punishing Russian bad behavior while reciprocating constructive engagement.

Iran

The United States should do everything up to military strikes to prevent Iran from getting nuclear weapons, including cyberattacks and covert operations, alone or in conjunction with Israel and the Gulf States. The previous sanctions regime was effective, and the United States should reinstate it. The United States and its allies need to align their Iran policies. Iran is a rogue state and the world's leading sponsor of terrorism. The United States and its allies should disabuse themselves of the notion that Iran can be brought into the fold, and abandon plans to reinvigorate the Joint Comprehensive Plan of Action (JCPOA). Instead, they should concentrate

China has not forgotten the Amur Annexations by Russia in 1858–1860, and is determined to undo the Century of Humiliation that Russia helped perpetuate against it.

on isolating and containing the regime. The United States can no longer sustain the significant force presence that it has had in the Persian Gulf for the last twenty years and still deter China. The Gulf States have improved their military capabilities with US assistance, and will have to bear most of the burden of deterring a conventional attack by Iran. The progress made with the Abraham Accords has laid the foundation for increased cooperation between them and Israel to work together against their common foe. The United States should continue to deploy carrier battle groups (CVBG) and amphibious ready groups (ARG) with embarked Marine Expeditionary Units (MEU) to the area to maintain presence and conduct training with partners. The United States should make it clear to Iran that it will defend its allies against an Iranian nuclear strike. The goal is to deter Iran from using nuclear weapons and prevent Saudi Arabia from acquiring nuclear weapons in response to an Iranian bomb. The threat of massive US retaliation and nuclear retaliation from less stable states in the Gulf should provide double deterrence against an Iranian first strike.

North Korea

US sanctions against North Korea should remain in force, and expand as needed. North Korea is now a confirmed nuclear power, but its conventional forces are at a disadvantage compared to those of South Korea. South Korea is vastly superior in population, GDP, military equipment, and training. The US-South Korean alliance and US forces in South Korea make it unambiguous that the United States will defend against a conventional or nuclear North Korean attack. North Korean missiles cannot reach the United States yet, so Pyongyang knows the United States can destroy the regime. China also has a motive to restrain its ally and prevent itself from being dragged into the wrong war at the wrong time. China also has a vested interest in only conducting nuclear diplomacy with the United States. If Japan and South Korea feel that North Korea is conducting



Soldiers with the Delaware Army National Guard finish loading a vehicle during a food distribution mission at Sussex Central High School in Georgetown, Delaware, May 18, 2020. Source: Delaware National Guard Photo.

rogue nuclear brinksmanship, they may decide to go nuclear, complicating China's nuclear-threat scenario. China's ability to influence North Korean behavior seems questionable, but this is a potential area of cooperation between the United States and China in the Indo-Pacific.

Counterterrorism

During the twenty-year war on terror, the United States developed outstanding counterterrorism (CT) capabilities within DoD, the Intelligence Community (IC), the Department of Justice (DOJ), and the Department of Homeland Security (DHS). As it shifts focus away from CT to strategic competition, the United States must ensure that SOCOM receives the funding necessary to maintain an effective offensive CT capability. The IC and other Cabinet-level departments must also maintain appropriate defensive capabilities. The United States has degraded organizations like al-Qaeda and the Islamic State of Iraq and al-Sham (ISIS), but has not destroyed them. The United States' focus needs to be on preventing an NBC attack on the homeland, which has become more difficult now that its forward presence is reduced. Because of this, the United States has less access to human

intelligence. If an attack occurs, the response must be quick and forceful. Much has been discussed in the press about over-the-horizon targeting following the withdrawal from Afghanistan. In truth, the United States now has little ability to strike into Afghanistan if it again becomes a base for exporting terrorism. The Central Asian states have denied basing rights, and Pakistan may not permit overflight. Punitive strikes need to be precisely that—strikes. The United States must avoid attempting regime changes or nation building that will take precious resources from the Indo-Pacific.

Future Pandemics

One of the critical lessons learned from fighting the COVID-19 pandemic was the importance of Defense Support to Civil Authorities (DSCA) to the effort. US Navy hospital ships provided additional bed spaces, and National Guard troops ran rapid-testing and vaccination sites. In case of another natural pandemic or bioweapon attack, they must both be prepared to do so again. Despite the tragic loss of life, the pandemic provided the United States with an opportunity to successfully practice "vaccine diplomacy" through the rapid development and fielding of COVID-19 vaccines that saved millions

of lives worldwide. This was a source of increased international goodwill toward the United States, and was in stark contrast to China's role in causing the pandemic and lack of transparency about it.

Humanitarian Assistance/Disaster Relief and Climate Change

The US Navy and US Marine Corps are correct in their efforts to reshape themselves for a blue-water confrontation against the PLAN in the Indo-Pacific. However, they should maintain their amphibious ARG/MEU capability to respond to HADR crises around the globe. The potential increase in demand for HADR because of climate change, though a challenge that potentially pulls resources from the Indo-Pacific defense perimeter, also poses a corresponding opportunity for the United States to improve its relative strategic position against China. China remains the world's largest polluter and producer of greenhouse gases, a fact that is unlikely to change as it strives to maintain its economic growth rate. In contrast, US emissions have declined by a more extensive total magnitude than those of any other country over the last decade. As the adverse effects of climate change worsen, the contrast between US-led efforts to halt it and Chinese responsibility for worsening it will position the United States to increase its influence.

Rising sea levels present a challenge to the island-centric US strategy in the Indo-Pacific region. Additionally, the climate-change migration patterns stressing the United States' southern border pose similar strategic challenges for China. North Korea was also one of the countries the National Intelligence Estimate (NIE) identified as critically vulnerable to climate change and unprepared to deal with it. If North Korea experiences flooding, famine, or drought, China will be inundated with refugees. Sub-Saharan Africa, South Asia, and Latin America—all regions where China is attempting to increase influence—will see as many as “143 million people displaced by 2050” if climate change stays on its present predicted course.⁹⁸ The role China's pollution plays in this crisis is unlikely to be lost on the leaders in these regions, and the United States needs to highlight that, to increase its influence at the expense of China.

As a further hedge against climate change, the United States should pursue alternate fuel sources, but it cannot do this at the expense of economic growth when facing China's higher growth rate.

The United States should continue its natural-gas production—the primary cause of its emissions reduction—and oil production, but begin to move domestic energy production to zero-emissions nuclear power. A US energy grid run by more nuclear power will allow the United States to weaponize its oil and gas production against its adversaries. The United States is the premier developer of nuclear technology, and the United States, Australia, and Canada produce roughly 50 percent of the world's uranium. The United States should continue the development of other alternate power sources. China controls much of the world's processing capacity for cobalt, lithium, and other minerals needed for electric-vehicle batteries, as well as rare-earth minerals used in wind turbines, electric-vehicle motors, and advanced weaponry.⁹⁹ The United States needs to secure alternative sources for these critical materials to reduce dependence on China and eliminate China's near-monopoly on this economic sector. Close allies Australia and Canada are second and sixth in world cobalt reserves, and both the United States and Australia rank in the top five of lithium reserves. The United States should increase its lithium mining and explore alternative rare-earth-element sources.

RISKS, CRITICISMS, ALTERNATIVES

Risks

The primary risk in this strategy is that China views increased US military cooperation with Taiwan and a US-backed effort at increased international recognition of Taiwan as direct challenges to Chinese sovereignty and the territorial integrity of the “One China.” This increased cooperation—combined with the US effort, already ongoing with the Quad and AUKUS, to build a US-led coalition to contain China and prevent it from going to war with Taiwan—could instead cause rapid escalation toward open hostilities. The United States' goal is not to provoke China into war, but rather to preserve the rules-based international system and its leadership role within it. To do that, the United States must contain China to prevent Chinese domination of the Indo-Pacific. It does that by deterring China's most likely, and internationally defensible, move to break the US defense perimeter—the absorption of Taiwan. If the United States fails to deter, it must fight to deny in a limited engagement. China may not “play along,” and the United States could find itself instead dragged into

a broader war in Asia that it does not want—the proverbial “wrong war, in the wrong place, at the wrong time.” Another US withdrawal, like that in Afghanistan, could destroy its credibility in the Indo-Pacific region and make containment of China that much more difficult, if not impossible. Additionally, increased unofficial recognition, further international cooperation, and a more explicit US security guarantee could result in the Pan-Green Coalition winning a supermajority in Taiwan and embolden it to declare independence unilaterally, further antagonizing China.

Although concerned with increased Chinese aggression, all the nations of the region have strong trade ties to China, as do US companies. These connections will not easily be decoupled.

Criticisms

The attempt to form a coalition both against China and tied to Taiwan’s freedom, akin to a watered-down NATO in the form of the Quad Plus, might be unrealistic, and fails to recognize that the disparate nations of the Indo-Pacific lack the shared interest of resisting the Soviet Union that underwrote the NATO Alliance. Although concerned with increased Chinese aggression, all the nations of the region have strong trade ties to China, as do US companies. These connections will not easily be decoupled. Many Indo-Pacific nations will be reluctant to be dragged into a US-China conflict over Taiwan, even if Japan and Australia have already indicated they would fight alongside the United States and Taiwan. Even among US treaty allies, there remains mistrust between Japan, South Korea, and the Philippines that complicates attempts at forming a multilateral alliance, or even a coalition, between them.

Further complicating things is the question of the United States’ dedication to multilateralism and the credibility of any US security guarantee, stated or implied. This strategy identifies the United States and Taiwan’s entrance into the multilateral CFTTP as one of the elements of binding the anti-China coalition together. Will the current member states agree to US and Taiwanese membership after the

United States collapsed the more comprehensive TPP by withdrawing? Can they reach an agreement with the United States for favorable terms, and is the US government willing and able to build the necessary domestic consensus to approve entry? The kind of “horse trading” on Capitol Hill such a deal will take appears to have vanished from the halls of Congress. Will any US politician risk alienating the base to bring it back?

Regarding US credibility questions, the tepid US response to Russia’s seizure of Crimea in 2014 did not go unnoticed by China. The US response to Russia’s latest attack on Ukraine has been much stronger than 2014’s, but it remains to be seen whether it will be enough to change Russia’s behavior. China also watched the US unilateral abandonment of Afghanistan, which stunned its NATO allies who were there fighting alongside it and depended on US logistical support to operate. If the United States lacks the fortitude to defend its allies against a non-state actor like the Taliban, how does it convince a disparate group of nations in the Indo-Pacific to risk China’s wrath? How does the United States convince them to align with it to protect Taiwan as the first “domino” in China’s quest for regional hegemony? This strategy has tried to lay out that path. Unless the United States can reach bipartisan consensus on the strategy and stick to it consistently as administrations change, it may have damaged its credibility beyond repair.

Alternatives

The most straightforward alternative is for the United States to maintain the status quo. It does not try to expand its unilateral alliances with its allies into a multilateral one, nor grow the Quad into a Quad Plus. It makes no significant effort to increase Taiwan’s legitimacy globally by pushing for Taipei to be included in all international organizations for which it is eligible, or for membership in the CFTTP. This strategy has the advantage of not increasing tensions with China and hopefully reducing the chance of a military confrontation that escalates beyond what either power wants. One of the three possible futures examined in the proposed strategy predicted a China that slows in growth and stagnates. If this environment develops, then the status quo may continue to serve US interests. A China that does not surpass the United States may be reluctant to move against Taiwan—and, if it does, the United States may be able to stop it with its current array of forces and alliances. Or it may not.

The other future environments examined are less favorable to a status quo approach. A China dealing with internal unrest could make the CCP more prone to military action against Taiwan, to distract its populace from domestic troubles. The status quo will not prepare the United States for an unstable and unpredictable China. Nor will the status quo position the United States for success if the future environment sees a stable China outgrow it in wealth and power. If that happens and the United States has not strengthened its position via the steps laid out in this strategy paper, it will be unable

to stop China from forcibly absorbing Taiwan. China will have broken through the defense perimeter of the first island chain, and will use Taiwan to extend its reach into the second island chain where the US territories of Guam, American Samoa, and the Northern Marianas all lay. The fall of Taiwan to China will shatter US credibility and, with it, any realistic chance the United States can contain China and keep it from establishing the regional hegemony it seeks.

Conclusion

Our line of defense is a natural one and can be maintained with a minimum of military effort and expense. It envisions no attack against anyone, nor does it provide the bastions essential for offensive operations, but properly maintained, would be an invincible defense against aggression. The holding of this littoral defense line in the western Pacific is entirely dependent upon holding all segments thereof; for any major breach of that line by an unfriendly power would render vulnerable to determined attack every other major segment.¹⁰⁰

Many states would like to see the US-led, rules-based global system ended. China alone possesses the power to potentially do it and provide its authoritarian framework in its place. That is China's goal. It has been executing its strategy to make it a reality for the last forty years. The United States cannot allow that to happen. It alone can lead the free world to ensure it does not. The short-term goal of this strategy is to improve the bilateral security relationship between the United States and Taiwan, identify the shared interests between Taiwan and the Quad, the AUKUS and NATO alliances, and develop closer alignment with all three. The long-term goal is nothing less than preserving the post-World War II global system that has brought unprecedented peace, prosperity, and freedom to millions around the world.

To do this, the United States must contain China. It accomplishes this first by deterring a Chinese invasion of Taiwan. If that fails, it must deny China's bid to extend its rule there. For three important reasons, Taiwan is the linchpin in the US frontline defense in the first island chain. First, it sits in the geographic center of the first island chain between US allies Japan and the Philippines. If China takes Taiwan, it opens the door through the perimeter fence into the Pacific. China's long-range missiles positioned on Taiwan would be able to hit Guam and the Northern Marianas, and the PLAN could potentially threaten Hawaii itself. If China can operate behind US lines, and with little territory

available in the second island chain to form a secondary defensive position, the geographic element of the US containment strategy is critically undermined.

Second, Taiwan would significantly increase China's economic and technological position. It has a highly educated and productive workforce, and would substantially increase China's GDP. Most critically, Taiwan's TSMC possesses a near monopoly on the world's semiconductor market, so if China conquered Taiwan, it would control nearly 80 percent of global semiconductor production.¹⁰¹ The United States and the free world need to reduce their supply chains with China. They cannot allow a Chinese monopoly on the semiconductors needed to power the increasingly digital world. Such a development would give China dangerous economic leverage over any who challenge it.

Finally, and most importantly, is what Taiwan symbolizes. As a free, prosperous, multiparty democracy that is "Chinese" in language, culture, and history, Taiwan is a direct affront to the legitimacy of the authoritarian PRC, and destroys the "big lie" that China can only prosper under totalitarianism. China understands that as a recognized part of "China," Taiwan presents its least risky option to test US resolve in the Indo-Pacific. A move against a UN member nation, let alone a US ally, presents a clear-cut violation of international law that cannot be ignored. An attack on Taiwan would intimidate the nations of the Indo-Pacific, while also allowing them to politely ignore it as an "internal Chinese matter" if they know what is in their own best interests. Whether they choose to do so or not will depend on how the United States reacts. China, and every other country in the region, knows the United States has no treaty alliance with Taiwan due to the "One China" Policy. This policy gives the United States a legalistic "out" to abandon Taiwan in the event of a Chinese invasion, even though there is an understood, implicit US guarantee to defend it. Abandoning Taiwan is

precisely the choice China wants the United States to make. The United States must not make it.

If the United States were to allow a democratic nation of twenty-four million people like Taiwan to be crushed, it would lose its credibility with the nations with which it needs to align to contain China. No other nation can be the balancer against China, not even India. If the United States demonstrates that it lacks resolve over Taiwan, the nations of the Indo-Pacific will not seriously consider joining with it against China and risking the consequences. They know that China will punish them economically or militarily if they do so. They will not have confidence that the United States will do anything to assist them. The ramifications will not be limited to the Indo-Pacific region. In the eyes of the world, the

United States will have lost its moral authority to lead the liberal world order and stand against the human-rights abuses of China and the rogue states that support it.

A delegitimized United States would present China the opportunity to achieve hegemony in the Indo-Pacific. Whoever leads the Indo-Pacific controls the most populous, economically powerful region of the globe for the foreseeable future. That country will be the one that decides the future of the international system. Will it be an oppressive Chinese version of George Orwell's *1984*, or a revitalized version of the rules-based liberal global system under US leadership? The US strategy in this paper is designed to ensure that it is the latter.

About the author



Colonel John "Buss" Barranco was the 2021-22 senior US Marine Corps fellow at the Atlantic Council's Scowcroft Center for Strategy and Security. Col Barranco is currently assigned to the Naval Discharge Review Board.

Barranco was deployed on the USS Peleliu with the Fifteenth Marine Expeditionary Unit security operations center when the September 11, 2001 attacks occurred, conducting the initial marine action in support of Operation Enduring Freedom. Following that, Barranco reported to Marine Aviation Weapons and Tactics Squadron One in Yuma, Arizona for duty as an Super Cobra instructor pilot. During his tenure there, he deployed to Iraq in 2003 for Operation Iraqi Freedom as an augment member of Marine Light Attack Helicopter Squadron 269. Later, he was assigned to

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Barranco then served as the Homeland Defense Division Joint Operations/Theater Security branch chief from June 2013 to May 2015. From May 2015 until February 2016, he was the executive officer to the commander of US Southern Command. Barranco was then reassigned to Headquarters Marine Corps Aviation, serving as the Aviation Expeditionary Enablers branch head from February 2016 until August 2016, and as the Aviation Programs and Weapons Requirements branch head from August 2016 until July 2017. He commanded the Expeditionary Warfare Training Group, Atlantic from July 2017 to July 2019. Barranco subsequently served as Aviation Plans, Policies, Programs and Budget branch head at the Headquarters Marine Corps for Aviation from July 2019 until July 2021.

Barranco was commissioned through the United States Naval Academy, graduating with a Bachelor of Science in history. Barranco is a graduate of the US Marine Corps Weapons and Tactics Instructor Course and a distinguished graduate of the Eisenhower School for National Security and Resource Strategy at National Defense University. His personal decorations include the Defense Superior Service Medal, two Legions of Merit, a Bronze Star, the Defense Meritorious Service Medal, two Meritorious Service Medals, two individual Air Medals, one with Combat V, the Strike/Flight Air Medal 20th award, three Navy/Marine Corps Commendation Medals, and two Navy/Marine Corps Achievement Medals.

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