



U.S. SENATOR for ALASKA
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A Test of Will: Why Taiwan Matters

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(AS PREPARED)

I. Introduction (SLIDE 1)

Thank you, everybody. I really want to thank AEI for having me here today. I've been an admirer of this organization for many, many years. Arthur Brooks is a good friend of mine. And now Robert Doar, Kori Schake, Dan Blumenthal. It's a great team.

Dan, I've admired your work for many years. You've been a great leader on China policy. We have a lot of work to do and I look forward to doing that together.

Today, I'm here to talk about a particular aspect of the China threat, and I know one that is close to your heart and AEI's. That is, the intensifying Chinese Communist Party threat to Taiwan and why it matters. And to be clear, the threat is increasing.

Another issue I want to be clear on is that I will be talking today about the Chinese Communist Party and Xi Jinping. And that's where my focus is, not on the Chinese people themselves who have a proud history, heritage, and as we've seen over the last several weeks, are very courageous. Most of them simply want more freedom.

In March of 2021, in a Senate Armed Services Committee hearing, I asked then INDOPACOM Commander Admiral Phil Davidson how much time he thought we had with regard to a potential Communist Party/PLA invasion of Taiwan. You might remember the answer because it made news all over the world. He said, "I think the threat of an invasion of Taiwan is manifest during this decade. In fact, in the next six years." That was almost two years ago.

His successor, Admiral John Aquilino, has confirmed these concerns.

The Chairman of the Joint Chiefs of Staff, Director of National Intelligence, the CNO of the Navy, and even the Secretary of State, have been recently ringing alarm bells, too.

(SLIDE 2: FATIGUES)

On the heels of the 20th National Congress of the Chinese Communist Party, Xi Jinping has emerged as the ultimate supreme leader, surprising the assessment of even seasoned China hands with his audacity. He's packed the Politburo Standing Committee with loyalists, promoted party

stalwarts with military, intelligence and technology backgrounds, and positioned the Central Military Commission to preside over the conquest of Taiwan.

Chairman Xi and his comrades may look ridiculous in military fatigues. But the message he delivered with this recent photo was clear – China is preparing for war.

Americans and the rest of the world should take his threats seriously.

I know that our eyes are on Ukraine, something that we should stay focused on. Defeating authoritarian aggression in Europe is essential to deterring it in Asia. But we can't lose sight of the threat to Taiwan and what is at stake.

So, today I want to lay out what a takeover of this island democracy by the CCP and the PLA could mean for vital American interests and security, and what we should do to deter it.

II. West Berlin (SLIDE 3: BERLIN AIRLIFT)

But I'd like to begin my remarks by focusing on a different era and different region of the world.

In 1948, the Soviets cut West Berlin off from food and fuel. The United States and our allies, led by a powerful American military, responded with the Berlin airlift. The allies flew in supplies around the clock, day and night, for almost a year. At the height of the airlift, an allied supply flight was landing in West Berlin literally every minute. We saved West Berlin from absorption into the tyrannical Soviet orbit.

Think about that: Americans rallied our military and other institutions of government. And at home, even our citizens somehow knew that the stakes mattered in Berlin. Americans look back on the Berlin airlift as a point of pride for our freedom-loving nation.

Years later, President Kennedy came into office initially viewing the defense of Berlin as an irritant in U.S.-Soviet relations. But following his visit there in 1963, where he famously declared himself a Berliner, he recognized Berlin as “an asset, not a liability, in the wider struggle for Europe” and global freedom.

The United States defended the city and people of West Berlin during the 20th Century because we understood that this city and its citizens stood on the frontline of the struggle between the American-led free world and a powerful, expansionist authoritarian regime.

The same is true of Taiwan today. Taiwan is the 21st Century's West Berlin.

III. History of Taiwan Policy (SLIDE 4: MEMOIRS)

Now, it's not as if American political leaders have disregarded the critical importance of Taiwan. To the contrary, starting in particular with President Eisenhower, there has been a long-standing bipartisan American consensus focused on the security of Taiwan.

I have recently been re-reading President Eisenhower's excellent memoirs. The importance of Taiwan and the significant time and energy that President Eisenhower devoted to its defense are weaved throughout the pages of his memoirs.

This focus, of course, extended beyond the Executive Branch, to Congress.

At the darkest time for Taiwan, when the U.S. switched diplomatic recognition from Taipei to Beijing, it was Congressional leaders like Senators Barry Goldwater and Bob Dole – as well as Democrats like Representative Lester Wolff, who worked on a bipartisan basis to give us the Taiwan Relations Act.

The Taiwan Relations Act is one of the most remarkable pieces of foreign policy legislation Congress has ever passed. A President of the United States – Jimmy Carter – wanted to abandon a long-standing ally, Taiwan. And Congress said, “No.” In the process, America’s legislative body did several critical things beyond simply providing the basis for “unofficial” relations. Among them:

- Congress committed the U.S. to consider any use of force against Taiwan a threat to peace and security and a “grave” concern to the United States.
- Congress declared that the U.S. decision to switch diplomatic relations from Taipei to Beijing rested on the expectation that Taiwan’s future would be determined by peaceful means.
- Congress committed the U.S. to providing Taiwan the means to defend itself and for the U.S. to maintain its own capacity to help.

With this remarkable legislation, Congress laid down the law and policy on Taiwan for generations – including up until today. By the way, this bill had the support of a young Senator named Joe Biden who joined 84 of his colleagues to vote for the Taiwan Relations Act of 1979.

These stalwart supporters of Taiwan, Republicans and Democrats, understood that the stakes were about more than just the island itself. They encompassed the issues of American leadership in Asia and our commitment, like we demonstrated in Berlin, to prevent a communist power on the march from devouring an outpost of freedom, this time in the Pacific.

IV. Personal History (SLIDE 5: SHIP AND C-17)

Given this history, it is not surprising that the fate of Taiwan has been weaved in and out of the careers and professions of countless Americans, including my own.

Twenty-seven years ago, I was a young Marine infantry officer deployed to the Taiwan Strait as part of a Marine Amphibious Ready Group and two U.S. carrier strike groups, all in response to the Chinese Communist Party’s aggressive military provocations on the eve of Presidential elections in Taiwan. “The Third Taiwan Strait Crisis,” this period from 1995-1996 is now called.

This was an important and decisive demonstration of American commitment and resolve to an emerging democracy and partner that is still remembered in the region today by everyone.

Many years later on a CODEL to Taiwan led by Senator John McCain, I was asked by the newly elected president, Tsai Ing-wen, whether I had ever been to Taiwan. It was a question that kind of stumped me. I took a minute to answer and finally said, “Well yes, Madam President. I have been to Taiwan before. But never on land!”

Later, I was part of another demonstration of American commitment and resolve when I led a CODEL to Taiwan with Democratic Senators Tammy Duckworth and Chris Coons to provide vaccines – close to a million – for the Taiwanese people. We did this in the face of the Chinese Communist Party’s aggressive attempts to prevent the citizens of Taiwan from receiving this life-saving medicine from Western countries.

And finally, for me, Taiwan has become a bookend of my Marine Corps career, where I currently serve as a Senior Colonel at Marine Forces Pacific Command under the INDOPACOM Commander. Here, the issue of a military crisis in the Taiwan Strait is a determined, daily focus of our military leaders in this critical Area of Responsibility. And I will tell you from personal experience, these leaders are doing an exceptional job.

As I mentioned, my first trip to Taiwan as a U.S. Senator was on a CODEL in 2016. I’ll never forget getting on the bus and being briefed by a State Department official from our de facto embassy there, AIT (the American Institute in Taiwan).

“Welcome to Taiwan,” he said. “A vibrant Democracy of 24 million people, with one of the most innovative economies in the world. A hub of trade and cutting-edge technology, and the only reason this incredible place exists on the map as such is because of the sacrifice and commitment of America – our military, our government, and our people – to its survival. All Americans should be very proud of this!”

Wow! What a powerful greeting!

V. A Test of Will: Why Taiwan Matters (SLIDE 6: ECONOMY)

So, American commitment and resolve on Taiwan have been part of our law, heritage, trade, economics and military deployments for decades. But too few Americans know this history and the reasons for this commitment. We need to rebuild this understanding to ready ourselves for the test of wills that is approaching.

This starts with political leaders doing a better job of explaining to the American people collectively why Taiwan matters. In this regard, one question that I don’t believe has been asked or analyzed enough is what the world would look like and how American interests would be impacted by a PLA/CCP takeover of Taiwan.

This is why over the last several weeks, I have asked different U.S. government agencies – many of the three letter variety – and some think tanks and military commanders to help me think through this important, but little studied question.

Perhaps it’s “little studied” because it is a difficult and depressing assignment to contemplate – the CCP/PLA launch a massive multi-pronged violent military invasion of Taiwan, and U.S. forces either do not get there in time, do nothing to prevent it, or are “defeated” by the PLA in their attempt to defend Taiwan. None of this is something you want to contemplate. Nevertheless, I believe it is our job as leaders to help our fellow Americans understand the ramifications of precisely this scenario today, in order to better prevent it from taking place in the future.

A. A Devastating Blow to the U.S. and Global Economy

A successful PLA invasion and takeover of Taiwan would be a massive blow to the commanding heights of the technology that powers our digital age. Taiwan dominates the production of the world's most advanced semiconductors.

Secure supplies of advanced computer chips today are as important to our economy and that of our allies as the supply of oil has been for decades. Suddenly being deprived of them would have a devastating impact on the U.S. and global economies, negatively impacting millions of good-paying jobs.

Just look at the impact of the current chip shortage. According to the Commerce Department, in 2021 alone, it cost the U.S. economy \$240 billion – including 7.7 million fewer cars being produced in 2021 because of the current low-end chip shortage we now have. Those shortages continue, as anyone who has visited a car dealership understands. But this isn't just an inconvenience for those in the market for a new car. It has meant the loss of thousands of good manufacturing jobs in the U.S.

Imagine what would happen if the home to 92% of the world's most advanced semiconductor production – Taiwan – was taken off line. It would cost us multiple times more than \$240 billion. All in all, a military conflict over Taiwan launched by Xi Jinping would cost the global economy – according to assessments the State Department shared last week with our European allies – \$2.5 trillion. And this sum does not quantify the huge strategic advantage the CCP would gain if it seized the crown jewels of the global economy which they want – the fabrication of the world's most advanced computer chips.

Ukraine has lost more than a third of its GDP as a result of Russia's invasion. Taiwan's economy is four times as large. It's America's 8th largest trading partner. Conflict over Taiwan – including the likely massive international sanctions regime against China that would ensue – would hurt us right here at home, and for many years – much more than Ukraine.

It would also present extraordinary challenges to the U.S. ability to defend not only our interests abroad, but our own homeland, for this reason: Advanced microchips from Taiwan feed directly into our ability to develop and sustain our most sophisticated military weapons, the F-35, and radars and missile defenses, just to name a few. This translates to greater risk to the men and women we send to fight for us, whether in the Taiwan Strait, or the Middle East.

B. A Geostrategic Loss in a Vital Area of the World (SLIDE 7: ISLAND CHAIN)

Second, there is Taiwan's geostrategic value that, of course, would be shattered by a successful PLA invasion of the island.

In his memoirs, President Eisenhower devotes pages and pages to Taiwan. At one point, he says, "If the capture of (Taiwan's) offshore islands should, in fact, lead to the loss of (Taiwan), the future security of Japan, the Philippines, Thailand, Vietnam and even Okinawa would be placed in jeopardy and the United States' vital interests would suffer severely."

Last year, Assistant Secretary of Defense for Indo-Pacific Security Affairs, Ely Ratner (who I think is doing a fantastic job), made essentially the same point in his testimony before the Senate Foreign Relations Committee. Critics wrung him up for it. Apparently, calling Taiwan “a critical node within the first island chain” and an “anchor (of) a network of U.S. allies and partners,” as Assistant Secretary Ratner did, risks offending Beijing’s sensibilities.

But Secretary Ratner – and Eisenhower – were correct. Taiwan in the CCP’s hands breaks China out of the constraints of the first island chain – a line running from Japan through Taiwan and the Philippines to the Straits of Malacca.

A CCP takeover of Taiwan has the potential to push the U.S. further east into the Pacific, to what’s called the *second* island chain. This includes American territories in Guam and the Northern Mariana Islands, as well as compact country, Palau.

These aren’t just points on a grand strategist’s map. Residents in Guam and Mariana Islands are American citizens. They send representatives to Congress. Guam has an enormous U.S. military presence, with tens of thousands of service members and their families. With the first island chain broken, these Americans will come under direct threat from an emboldened China with a massive and growing military.

And it is highly unlikely that the CCP will stop at Taiwan. If history teaches us anything, it is that the appetite of an aggressive authoritarian regime on the march increases with each meal. For decades, the CCP has focused almost exclusively on building a military with the objective of conquering Taiwan.

(SLIDE 8: BALANCE)

Take a look at what Taiwan is facing across the Strait – in China’s Eastern and Southern theaters. It’s a very depressing picture.

With a violent military takeover of Taiwan complete, the CCP will turn to another objective Eisenhower talks about: Pushing the U.S. out of the Pacific altogether and possibly invading or blackmailing other democracies in the region with its massive military power.

Again, that Chinese military force has been focused on Taiwan. With a successful invasion of Taiwan, it’s very unlikely that force just stays put. It will be pressing throughout the region.

The PLA Navy already has a base in Djibouti, and it’s scouting out locations for others around the world from Africa to South Asia. According to the 2023 DoD China Military Power Report released last week, some seventeen countries are under consideration as locations for PLA military logistics facilities! They can do some of this ambitious buildout without taking Taiwan, but with Taiwan, the effort will be supercharged.

C. America’s Commitment to Our Allies in Asia Would be Questioned

President Eisenhower was also deeply concerned about the impact a successful CCP invasion of Taiwan would have on American alliances and our ability to credibly meet our defense treaty obligations to them. That concern continues today.

Japan, in particular, is too big and has too much history with China to simply make accommodations with the CCP. But it might feel the need to aggressively re-arm and perhaps to acquire its own nuclear capabilities. Presently, Japan is working closely with the U.S. on defense issues and has plans to devote 2% of its GDP to defense spending. That is something I have encouraged. A military takeover of Taiwan by the CCP, however, could result in Japan questioning the U.S. commitment to its defense, sparking a more go-it-alone approach to its defense, which I believe would not be in our interest nor that of Japan.

South Korea might also make adjustments. Having watched a successful military takeover of Taiwan by the CCP, our allies in the Republic of Korea could lose faith in the value of America's extended nuclear deterrence on the peninsula.

Australia, after more than 100 years of "mateship" with the U.S., might also have to reevaluate its security interests in the region. Same with countries in Southeast Asia, including allies like the Philippines and Thailand. Southeast Asia has dealt with a hegemonic China before. Its response was not the 19th Century European one. They did not seek to balance Chinese empires, but instead had to make the most of their fate as weaker neighbors.

Of course, it's always hard to predict the future. But there is little doubt that a Chinese Communist takeover of Taiwan would call into question American alliance commitments by our treaty allies. It could cause some countries to build up their own military capabilities, including nuclear deterrence, or choose a much more accommodating, Middle Kingdom posture toward their powerful, aggressive neighbor.

This should concern all Americans. The questioning of our Pacific network of alliances that undergird the security of the American homeland by balancing and deterring dangers far from our shore would make Americans less safe.

D. Xi's Authoritarian Model Would Gain a Global Boost

Finally, a Chinese Communist takeover of Taiwan would give a global boost to the CCP's model of authoritarian governance that Xi has been offering the world.

In the 1930s, during a time of global upheaval – of which there are striking parallels today – many around the world thought the future lay with fascism. Such a future was alluring to millions. Democracy can be messy. Disagreement, sometimes ferocious disagreement, is the hallmark of representative government. And because of the transparency inherent in democratic governance, it is there for all the world to see – the good, the bad, and the ugly.

The United States, along with other democracies across the globe, ultimately prevailed against the rise of fascism during World War II. It did so by force of arms, but also by appeal to the universal and immutable desire for freedom and self-governance.

But a military takeover of Taiwan in the current global climate could lead many to believe that, as Xi Jinping has put it himself, the CCP's totalitarian vision offers a "new choice" for humanity, one that relies on techno-authoritarian control rather than self-governance.

We cannot be blind to those implications or the extraordinary new legitimacy the CCP would gain at home and abroad. And with that would come new forms of CCP aggression throughout the world.

(SLIDE 9: WHY TAIWAN MATTERS UNCLASSIFIED)

The next slide has a summary of a number of these issues of why Taiwan matters. This was actually taken from a J-2 slide deck out at INDOPACOM. It's a good summary of the issues we've just talked about and why these issues matter so much to the security of the United States and the security of our allies.

The authoritarian world order that the CCP is offering is not what Xi bills it. Look at its manifestations today: Concentration camps for Uighurs, repression in Hong Kong, prison for peaceful dissidents, no freedom of religion, speech, or assembly, mass censorship and social control, pandemic lockdowns approximating house arrest for millions of citizens guilty of no crime, a cult of personality around a leader who brooks no dissent. In a world order built on CCP power and values, freedom would be unsafe everywhere, including in the United States.

In sum, take a hard look at some of the key reasons why Taiwan matters.

VI. To Deter Aggression, STAND with Taiwan

My purpose today was to paint a picture of what the U.S. and the world would look like in the aftermath of a violent CCP military takeover of Taiwan. However, I don't want to just leave it here. The question, of course, is what is the best way to prevent this? **(SLIDE 10: DETERRENCE)**.

To be clear: No one in America wants a war in the Taiwan Strait. And if one is launched, the United States won't be the aggressor. It will clearly be Xi and the CCP who start such a conflict.

So, enhancing deterrence should be a top priority of U.S. policy. In my view, there are three critical layers of deterrence related to a potential Taiwan conflict.

The first, of course, is making sure Taiwan has the capability to defend itself, that they are acquiring the weapons they need, as well as advancing overall military readiness. We are working on this literally, as we speak, in the NDAA and other legislation in the Senate. The ability to have weapons, the ability to defend themselves, the ability, as we are seeing in Ukraine with an inspiring example of heroic people, to make sure a large aggressive country does not easily swallow up a smaller one. That's the first level of deterrence.

By the way, before I continue, I want to say, we really need the Administration to weigh in here with appropriators on the \$10 billion the NDAA authorizes in Foreign Military Financing (FMF) for Taiwan. We're only going to get this done in partnership between Congress and the Administration. We need the Biden Administration to step forward and be clear they want this funding.

The second level of deterrence is America's capability and readiness to defend Taiwan militarily should the President decide to do so. Over several decades, through many different crises in the Taiwan Strait, this layer of deterrence, where the United States has shown up with significant

military force, has proven to be decisive in keeping the Taiwanese people free. Our deep network of allies in the region augments this second level of deterrence.

But we shouldn't take this for granted. Indeed, for two years in a row, the Biden Administration has put forward budget requests that cut our military and shrink our Navy. The old men in their silly fatigues I highlighted at the beginning of this speech are emboldened by such weakness. My highest priority as a U.S. Senator is to reverse this dangerous, irresponsible trend in American military readiness and lethality.

Remarkably, the third level of deterrence is rarely discussed. Yet, it could be more powerful than the first and second levels. This involves employing the instruments of American power beyond our military, such as our global economic and financial strengths, to deter the CCP from an invasion.

The Communist Party leadership in China should understand that we are prepared to backstop any military response with debilitating economic sanctions – far beyond what has been imposed on Russia.

This is why I introduced the STAND with Taiwan Act and filed it as an amendment to this year's National Defense Authorization Act. **(SLIDE 11: STAND WITH TAIWAN)**

The STAND with Taiwan Act will put the CCP and its military on notice that no corner of its economy will be left untouched by sanctions, from finance to trade to its industrial capacity. And we'll go after the party members and officials themselves responsible for aggression, casting a wide net.

On CODELS from London, to Brussels, to the Netherlands, to Japan and Korea, I have been pitching this idea to our allies. Imagine what we could do with this amount of global GDP to be ready in terms of deterrence to sanction the Chinese Communist Party and critical sectors of China's economy if they invade Taiwan. I think it can have an enormous deterrent effect.

One of the lessons that we learned from the brutal Russian invasion of Ukraine is that comprehensive economic and financial sanctions have the best chance of deterring a conflict when they are clearly articulated and ready to go before the conflict begins. At the end of the day, Xi Jinping – like all dictators – cares most about his own welfare and the welfare of the cronies who keep him in power. He has to know that if he moves to militarily conquer Taiwan, he and the economy that supports him would face devastating consequences. And that's what this legislation is focused on doing.

VII. Conclusion

With the invasion of Ukraine, it is clear that we have entered a new era of authoritarian aggression – led by Putin and Xi – like we saw in the 1930s. For nearly a century, American presidents have seen Asia and Europe as theaters that, if under hostile control, would put U.S. national security at extreme risk. Generations of Americans fought and died so that East Asia and Europe would not fall under the dictatorial control of U.S. adversaries. Both of these theaters are at risk today.

The free world cannot be neutral in this contest between freedom and authoritarianism, especially in the Indo-Pacific region. American alliances, power, and ingenuity helped build a world that provided more freedom and prosperity to more people than ever before. In fact, United States democracy, bolstered by a strong military, has done more to liberate humankind from oppression and tyranny – literally hundreds of millions of people – than any other force in human history.

The Chinese Communist Party has clear plans to reverse all of this. It knows exactly what it wants to accomplish: To make the world safe for its tyrannical government, to profit off the export of its authoritarian model to other countries, to separate America from our democratic allies, and to erode U.S. leadership. A world governed by Xi Jinping's totalitarian vision would be a world unsafe for America and our friends.

That's why Taiwan is so central to the future of the free world. It is a thriving, prosperous Chinese democracy that holds free elections with power bounded by the rule of law. For that reason, it threatens the CCP's central premise that one man ruling in perpetuity by crushing all dissent knows what is best for 1.4 billion people.

The Chinese Communist Party has already crushed Hong Kong, once a bastion of liberty, and the free world barely raised its voice in protest. Should America and the world stand by as China does something similar to Taiwan – a peaceful democracy of 24 million people – that would not simply undermine the security of the Western Pacific, as the Taiwan Relations Act says, but would undermine America's role in the world and the values we as Americans have infused into it. And it would deeply and adversely affect concrete American national security and economic interests.

I want to thank Dan and all our friends at the American Enterprise Institute who believe in peace through strength for giving me the opportunity to talk about this important issue. And I look forward to answering any questions or learning from all of you on this very important topic for our country, for Asia, and for the world. Thank you very much.

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