

EDITOR

Thomas Fleming

EXECUTIVE EDITOR

Scott P. Richert

SENIOR EDITOR, BOOKS

Chilton Williamson, Jr.

ASSOCIATE EDITOR

Aaron D. Wolf

DESIGNER

Melanie Anderson

INTERIOR ARTIST

George McCartney, Jr.

CONTRIBUTING EDITORS

Katherine Dalton, George Garrett,
Paul Gottfried, James O. Tate, Clyde Wilson

CORRESPONDING EDITORS

Wayne Allensworth, Janet Scott Barlow,
Bill Kauffman, Donald Livingston,
Roger D. McGrath, William Mills,
William Murchison, Andrei Navrozov

POLITICAL EDITOR

Samuel Francis

FILM EDITOR

George McCartney

FOREIGN-AFFAIRS EDITOR

Srdja Trifkovic

LEGAL-AFFAIRS EDITOR

Stephen B. Presser

RELIGION EDITOR

Harold O.J. Brown

CIRCULATION MANAGER

Cindy Link

PUBLISHER

The Rockford Institute

A publication of The Rockford Institute.
Editorial and Advertising Offices:
928 North Main Street, Rockford, IL 61103.
Website: www.chroniclesmagazine.org
Editorial Phone: (815) 964-5054.
Advertising Phone: (815) 964-5813.
Subscription Department: P.O. Box 800,
Mount Morris, IL 61054. Call 1-800-877-5459.

Copyright © 2005 by The Rockford Institute.
All rights reserved.

Chronicles: A Magazine of American Culture
(ISSN 0887-5731) is published monthly for
\$39.99 (foreign subscriptions add \$12 for
surface delivery, \$48 for Air Mail) per year by
The Rockford Institute, 928 North Main Street,
Rockford, IL 61103-7061. Preferred periodical
postage paid at Rockford, IL, and additional
mailing offices. POSTMASTER: Send address
changes to *Chronicles*, P.O. Box 800, Mount
Morris, IL 61054.

The views expressed in *Chronicles* are the
authors' alone and do not necessarily reflect the
views of The Rockford Institute or of its directors.
Unsolicited manuscripts cannot be returned
unless accompanied by a self-addressed stamped
envelope.

Chronicles

Vol. 29, No. 2 February 2005
Printed in the United States of America

On Helping Taiwan

In his article "Out on a Limb: America's Pledge to Defend Taiwan" (*Vital Signs*, December), Ted Galen Carpenter does not discuss whether it is in America's national interest for Taiwan to fall under the control of the Beijing regime. Instead, he argues that our Asian allies may not support our defense of the island. To Carpenter, this makes the situation so "perilous" that the United States should cut and run before anything happens.

The successful military conquest of Taiwan by China would send shock waves through Asia. Taiwan is a prosperous democratic country that has been governing herself for over half a century. She sits across strategic sea-lanes, and her offshore economic zone encompasses potentially rich oil and mineral deposits. She is the center of global computer-chip manufacturing.

Carpenter works for the libertarian Cato Institute, a group that purports to cherish freedom. How can he accept the idea of a free people being brought under the heel of an aggressive dictatorship by armed force? He admits that "younger Taiwanese . . . regard the mainland as an alien place and have little enthusiasm for reunification" but cites this as a justification for Beijing to move quickly to subjugate Taiwan before the spirit of liberty grows any stronger.

The rise of China will force other states either to form a coalition to contain Beijing or to board the Chinese "bandwagon" in hopes of gaining some spoils as an accomplice.

Singapore has attempted to draw American attention toward Southeast Asia by offering the use of her new Changi Naval Station, which includes a pier built to accommodate aircraft carriers. Tokyo has worked to reenergize the U.S.-Japan alliance to counter China. While North Korea provides the cover for cooperation on missile defense, Beijing is clearly the real concern. Japan, South Korea, and Australia have sent troops to Iraq, not because they have any direct interests there, but because they value their alliance with the United States and responded to American leadership. If there were a crisis much closer to home, they would again respond to Washington's call.

Of course, our allies hope that no crisis will occur. The *status quo* of a *de facto* independent Taiwan serves everyone's immediate interests. China is threatening violence but does not have the means to invade. Carpenter cites a recent "D-Day-style" exercise by Chinese forces, but the units involved were very small compared with what it would take to invade Taiwan. On the actual D Day of 1944, it took a massive logistic effort to move Allied forces to Normandy across only 25 miles of water with complete control of the air and sea. Chinese forces would have to cross 100 miles of open water in the face of the U.S. Navy and against the most experienced air force in the world. It would be the Marianas Turkey Shoot, not D Day.

If American allies show lukewarm concern for Taiwan, it is because Washington has not staked out its own position with clarity. Deterrence is the best way to maintain peace, but it is weakened by ambiguous statements like those that too often emanate from the State Department. Pyongyang's attack on Seoul in 1950 and Iraq's invasion of Kuwait in 1990 were both examples of dictators mistakenly believing no response would meet their aggression.

Washington should proclaim its support for Taiwan while the military balance is in its favor. Otherwise, allies may well be tempted to board the Chinese bandwagon. No coalition is possible without American leadership. An American retreat from long-standing commitments would send a signal that the balance of power has already shifted in Beijing's favor, and not just in the Taiwan Strait.

— William R. Hawkins
Washington, D.C.

Mr. Carpenter Replies:

Many of the criticisms expressed by Bill Hawkins have little to do with the thrust of my article. The point that I emphasized was that, if the United States decided to defend Taiwan from an attack by the People's Republic of China, she would probably have to do so alone. I did not focus on the question of whether the United States should defend Taiwan (although I have done so elsewhere). Nor did I dis-

cuss what a defense of Taiwan might cost America in blood and treasure—which would likely be far greater than Hawkins’ rosy scenario of a U.S.-executed “turkey shoot” in the Taiwan Strait.

His principal response to the central thesis of my article is the curious argument that Washington’s East Asian allies would eagerly support a more confrontational U.S. policy toward China: “If American allies show lukewarm concern for Taiwan, it is because Washington has not staked out its own position with clarity.” That view is dangerously misguided. The lack of support from East Asian nations for U.S. policy regarding Taiwan is the result of their growing economic and political ties to China, not because of an absence of U.S. resolve. Those countries understand that China is fast emerging as the leading power in the region, and they see no gain for themselves in antagonizing Beijing.

Hawkins’ argument also is reminiscent of the illusion that advocates of a hawkish policy toward Iraq embraced during the Clinton administration. They were confident that, if the United States adopted a clear, hard-line policy toward Saddam Hussein, such countries as France, Germany, Russia, and India would fall in line and support Washington. Yet, when George W. Bush pursued such a policy, those countries stood on the sidelines and denounced U.S. actions. Bill Hawkins and others who argue that East Asian nations would support a strong, explicitly pro-Taiwan policy by the United States are indulging in another comforting delusion.

Hawkins cites evidence that many of the East Asian allies want to strengthen their alliances with Washington. That is true, but it simply highlights their self-serving and free-riding behavior. They want the best of both worlds—a fruitful and ever-expanding relationship with the PRC combined with a U.S.-provided military insurance policy in the event that China turns aggressively expansionist and pursues goals beyond retaking Taiwan. That is a terrific deal for them, since the United States incurs the bulk of the costs and risks of those security arrangements. Whether it is a good deal for the United States is another question.

It is, of course, a sad prospect that a free and democratic Taiwan might someday be conquered by an authoritarian PRC. But while Taiwan has some economic and moral importance, her continued *de facto* independence is not essential to

America’s survival. When less-than-vital American interests are at stake, wise policymakers must do a cost-benefit calculation. The prospect of defending Taiwan—without allied support—against a China that will certainly become stronger militarily in the years ahead is a sobering one. It certainly does not suggest a situation in which the benefits clearly outweigh the costs.

On Beslan

Srdja Trifkovic’s conclusion to his piece on the Beslan tragedy (“After Beslan,” *The American Interest*, November) hits the mark precisely. Orthodox Christians have had it proved to them over and over again that the West will prefer the friendship of the Mohammedan to ours, unless we volunteer to forsake our convictions and identity to become second-class Westerners. At one time, this meant subjection to the pope. Today, it consists in subjection to the New World Order. It is ironic that the honest traveler cannot help but notice that what is left of Christian Europe—a living Christian Europe, not inanimate cultural monuments—remains in the Orthodox Eastern Europe so long despised by the once-triumphant West, at one time declared dead by communism but now haltingly yet demonstrably coming to life again despite malicious opposition from secularists and Muslims and uncomprehending interference from non-Orthodox Christians. If you wish to know where the hope of the world lies, look East.

—Fr. Steven Allen
Rector of St. Spyridon Church
St. Clair Shores, MI

Nothing, including the 1182 massacre of thousands of Roman Catholics in Constantinople under the Byzantine emperor Andronicus, justifies the sack of Constantinople by the crusaders in 1204. However, contrary to Srdja Trifkovic’s “After Beslan,” this was not what led to Muslim incursion into Europe. The Muslims never made it into Eastern Europe until they were permitted to cross the Dardanelles in 1348 by John Cantacuzemus in exchange for their aid in his successful civil war to become Byzantine emperor. This was almost a century and a half after the Fourth Crusade. The Byzantines had two-and-a-half centuries to re-

cover from the Fourth Crusade before the Ottomans finally took Constantinople in 1453, but, by that time, the Muslims were already very well established in Eastern Europe, thanks, in part, to John Cantacuzemus.

—Joe Porreca
West Seneca, NY

Dr. Trifkovic Replies:

I am not sure just how much hope there is when we look East. “The West” has just triumphed in the Ukraine, following a massive joint European-American disinformation and manipulation campaign. Its goal is to turn the country into a mirror image of its westernmost third, a Russophobic condominium of Washington’s global hegemonists and the European Union’s postnational Christophobes.

Huntington’s civilizational blocks continue to determine Western attitudes. The identity of the Eastern European Christians is deemed irrelevant, at best, or a removable obstacle, at worst. After so many decades of suffering, their survival—let alone revival—is scarcely imagined except on Western terms, as a faithful imitation of, and absorption in, the postnational, post-Christian nightmare that surrounds us.

In 1204, the English, French, and Germans were all “*Frankoi*” who demanded compliance. They fatally wounded Byzantium, which was the main cause of its weakened condition when the Muslim onslaught came. Even on the eve of its final collapse, the precondition for any Western help was submission in Florence. Eight hundred years later, when it comes to liquidating the last European remnant of living Christianity, any gap between the Sorosite left and the Wolfowitzian imperial “right,” between the United States and Europe, and between Europe “old” and “new,” disappears almost completely.

This is the only crusade that the Muslims can support with glee. It is worse than a crime; it is a mistake.

To Subscribe:
(800) 877-5459

The Bush Economic Agenda

Energized by his election as if it were a landslide, President George W. Bush proposes to spend his “political capital” on an ambitious economic agenda headed by reform of Social Security and the U.S. Tax Code. The President’s candor in acknowledging that the deficits and tax cuts of his first term—the “Wall Street Relief and Bush Reelection Acts”—will make it harder to achieve his new agenda raises questions about the qualifications Team Bush brings to the task of cutting through these two Gordian knots. President Bush did not secure a mandate for these goals from the electorate; opinion polls show that the public prefers a reduction of deficits over a reform of Social Security and taxation.

The reduction of the federal budget deficit should be the first priority of the economic agenda. Bush has proposed to halve the federal deficit by pushing social-welfare spending off onto the already beleaguered budgets of the states and delaying the modernization of defense rather than rescinding any of his tax cuts or addressing the generous agricultural and corporate-welfare payoffs and other political pork that rewarded donors of his first-term victory. *Déjà vu* of another Texan, Lyndon Johnson, he is still vacillating between “guns and butter” by opting for both.

The Bush plan for Social Security would offer younger workers the option of establishing “privatized” individual accounts funded from employee Social Security contributions. This proposal has the commendable effect of beginning the conversion to a real retirement and disability savings scheme, directly addressing the chronic U.S. savings deficit and reducing the unfunded \$3.7 billion actuarial liability that characterizes Social Security as a New Deal “Ponzi scheme” that gratuitously redistributes income from current workers to current retirees. Bush has limited the scope of reform, however, by insisting that there will be no reductions in benefits nor increases in payroll taxes. By comparison, Plan Two of the President’s Commission to Strengthen Social Security included cost-of-living adjustment of benefits rather than the current wage indexing, which, along with

partial privatization, would resolve the pending crisis.

The tax-reform goals Bush has outlined include deferring taxes on all saving for investment until consumed and fundamentally simplifying the tax code—possibly by means of a consumption-based tax—while making permanent his first-term tax cuts. The “complications” to which he has referred arise from the fact that *both* Social Security reform and fundamental tax reform will cause transitional losses in tax revenues that have already been spent on the tax cuts he proposes to make permanent. Also, his tax cuts for dividends and capital gains were steps toward the flat income tax, not a consumption tax; *only* a consumption tax—such as a National Sales Tax or a Business Transaction (value-added) Tax—would provide the urgently needed border-adjusted taxation that could rescue the drowning manufacturing sector by leveling the playing field with other industrialized countries that impose value-added taxation. The Commission on Tax Reform that the President intends to appoint must be allowed to address the border-adjusted taxation issue honestly. The Commerce Department’s “Manufacturing in America” game plan declined to recognize the problem, much less to address it.

Unaddressed in the President’s plans for economic reform are runaway Medicare and Medicaid entitlements, which similarly redistribute income from current workers to current retirees’ and indigents’ healthcare and have an unfunded liability several times that of the Social Security obligations. Bush proposes curbs on class-action and malpractice suits, as well as his tax-exempt healthcare savings accounts, to help rein in healthcare inflation. These structural improvements, however, will be at the very least offset by his addition of prescription benefits to runaway “first dollar” to “the-sky-is-the-limit” Medicare entitlements.

Also conspicuously missing from the Bush agenda is anything that could arrest the decline of the devalued dollar, much less strengthen it. (See “Diagnosing the Diminishing Dollar,” p. 42.) The excess of cheap money being supplied by the Federal Reserve, acting as the lackey of

Wall Street, undermines saving for investment, funds excessive borrowing for consumption, and invites speculation that threatens an eventual collapse of market values. The closing of the saving deficit, the federal deficit, and the trade deficit all require financial discipline, not the quick fix of easy money, which will only exacerbate economic problems in the future.

An appropriate economic agenda for the next four years must take into account the reality that the United States has been on a consumption binge increasingly funded by foreign savings, an imbalance that threatens not only the United States but the entire world economy. Solutions such as Social Security privatization and consumption-based taxation can contribute to increased saving and to restoring sound U.S. economic growth. However, border-adjusted taxation is probably the most important reform needed to balance the unsustainable trade deficit in goods that transfers ownership and mortgages of U.S. productive assets to foreign investors to fund the excesses of U.S. consumers. A respected currency is a far greater force for U.S. influence than spending on unwarranted military adventures—which, when added to bloated domestic spending, demands excessive federal revenues.

The President should be supported by his Republican Congress in legislating his priorities for economic reform, provided such legislation is accompanied by the curtailing of federal spending and the levying of the taxation required to close the federal deficit. Republicans can expect bitter Democratic opposition to Social Security privatization but could get cooperation on border-adjusted tax reform. The President can best serve his agenda by encouraging his Republican Congress to provide the legislation they are better staffed to create and by using his “bully pulpit” to sell these reforms to the electorate, while exercising critical and frugal oversight of which bills to sign and which to veto. c

