

I dive back into the Defence Update, desperately seeking answers. I shake my head. Only three pages ... that can't be right? The tone is reassuring. Australia does have 'a Defence posture for the times'. Important niche capabilities will be needed to support the global war against terror but otherwise the changes are not large. Some rebalancing of capabilities and priorities, that is all. There will be no fundamental change to the size, structure and role of the ADF established in the Defence 2000 White Paper.

I berate myself. Of course, the big decisions are only made in Defence White Papers. They come out about every seven years. And we all know defence capabilities cannot be changed over night. But wait, wasn't the last White Paper all about the defence of Australia and operations in the more immediate Asia-Pacific? Sure, East Timor was there and some of the new transnational challenges, but the bottom line was to maintain 'an integrated and balanced joint force'.

But what does a 'capability edge' mean in the face of a terrorist threat. Asymmetry means just that, people don't fight on your terms. And if we really think rogue states are going to get ballistic missiles (it is certainly cheaper than an invasion force!) what's the point of a maritime strategy to defend the sea-air-land gap to the north?

So what are we trying to do? Stop the new challenges before they grow? That crusade is already dragging us in coalition to the far reaches of the globe. But if those movements are fundamentalist, can you really bomb them out of existence? Might not significant pre-emptive action turn moderates into radicals and radicals into martyrs?

The terrorist training camps in Afghanistan were one thing — real and immediate. How much further can the action go without fermenting the very forces we are trying to eliminate? And what risks are there for the nation's regional stature and influence if perceived as riding too closely on the coat tails of America? For Australia, one

thing is certain. It's about specialist capabilities, not integrated forces.

But if those global tasks are only an add-on, are we getting the security of our immediate neighbourhood right? Yep, we did manage East Timor and the ADF did a pretty professional job — but there was very little left in the cupboard at the end. The potential demands on personnel numbers and logistics are mind-boggling. High technology seldom rates. And rebuilding nations isn't a short-term task. When you're the biggest fish in the local strategic pond, you can't really walk away.

Hey, and let's not forget the average digger in all this. Soldier one minute, social worker the next, increasingly caught amid unfamiliar communities — sometimes friendly, often indifferent, occasionally hostile. Even at patrol level, the decisions can be very weighty. The cameraman on that nearby fencepost threatening to beam any false move to the world within moments.

Whatever happened to the comfortable divisions between strategic, operational and tactical decision making? 'We care for our people', the motto proclaims. Let's pray we're preparing them properly for this.

I slump back into my chair. Some adjustments at the margin. I don't think so, Minister. The Update calls it as it is: the world is different. The battlefield is different. The ADF is being stretched to the far boundaries of the conflict spectrum. There are no longer geographic pegs to shape our capability ambitions. Terrorism, missiles and the new interventionist agenda are all compressing strategic time. The dollars to do everything simply aren't there.

I stare unseeing at the flickering images. Choices must be made for the future, and soon. 2007 ... the next White Paper? ... that's a bridge too far. I shake my head. My beer lies flat, half finished on the table.

The strategic value of Taiwan

Hisahiko Okazaki

What is strategy?

To discuss the strategic importance of Taiwan is a delicate task. It is in itself delicate to discuss any strategy openly. Strategy is based on the calculation of naked national interests. It is irrelevant to current norms or ethics of international conduct. Even if not unethical, it could be discourteous. 'He is neither rich nor promising. Therefore, I wouldn't think of marrying

him'. Any lady has the right to think so. But it is definitely impolite to explicitly say so.

When one refrains from discussing strategy, however, quite often, one forgets the importance of strategic thinking. After the Russo-Japanese War, strategy was neither taught nor discussed in Japanese military education because it was considered to be top secret. The Japanese military taught only battlefield

strategy or campaigning — what is now referred to as the operational level of war. Gradually nobody talked about grand strategy and they lost the memory of the vital role played by the Anglo-Japanese alliance. This led to the belief that it was only the tremendous Japanese fighting spirit that won the war. Thus, all the military leaders in Japan eventually became strategic idiots. That is a bitter reflection of the wartime Japan after the disastrous defeat.

In modern diplomacy as well, diplomats quite often concentrate on producing ‘position papers’ for briefing prime ministers and foreign ministers on current affairs. These papers concentrate on bilateral courtesy and public reactions, and they stop thinking about anything beyond.

I cannot help but gain the impression that recent American policy concerning Taiwan has also been fossilised in such ‘position papers’, which do not provide us with any clues as to their underlying philosophy or strategy. Let me quote from a recent statement by Mr. Richard Haas¹, Director of the Policy Planning Staff at the US State Department, which is not a particularly bad example at all, but rather a typical one:

The United States is committed to its ‘one China’ policy, as well as to longstanding obligations under the Taiwan Relations Act. We do not support Taiwan’s independence. We have an abiding interest, above all else, in the peaceful resolution of cross-Straits differences.

It is impossible to explain this remark in the light of American strategic thinking, although it can be explained by Chinese strategic thinking. Instead, it is absolutely explainable from the background of the past Sino-American diplomatic exchanges.

The American position was first expressed in the US–China Communiqué² of 1972. It has been confirmed and gradually modified over and over again between the two countries for the past thirty years. In that process, the Chinese have modified the expression, inch-by-inch, in their favour. The US, while explaining to itself and to third parties, ‘No substantial change from what the US had already said’, has repeatedly made unilateral concessions to China for the reason of ‘common defense against the Soviet threat’, or to prevent deterioration in the Sino-American relationship, or to make a presidential visit successful.

In that process, the American position has moved from an objective reflection of the situation at the time of Shanghai Communiqué which stated:

The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China.

The American position is now American support of the ‘One China’ policy and non-support of

independence for Taiwan. This is the result of the accumulation of ‘no change in the fundamental posture’ and ‘no unnecessary friction with China’. It is definitely impossible to explain by the philosophy or strategic thinking of the US concerning the long-term peace and stability of Asia.

Now, let us turn to the strategic value of Taiwan. Strategy requires long-term thinking and taking account of all possible contingencies. One of the recommended approaches is to consider extreme cases first in discussing strategy and then examine more realistic conditions. If you start with current affairs, it is hard to have a long-term vision. A typical example is the post-war debate on Japanese defence. ‘In case of a war’ is the most basic assumption for any strategist. But in post-World War II Japan you have to overcome various arguments, such as ‘peaceful solutions should be sought first’, or ‘why do you believe current international relations are so grave’? After all this, you will have ended up with no time to discuss strategy and never reach an appropriate defence strategy.

We could even define effective strategists as those who always have extreme cases in mind. Just as religious or moral philosophers ponder the question of life and death, even in their normal life, strategists also need to think almost unnecessarily broadly and deeply. Let us start thinking about the extreme case where China has succeeded in getting full control of Taiwan.

As to the method of annexation of Taiwan we may exclude the direct use of force. Such a scenario would mean a Sino-American war without necessarily resulting in the successful Chinese annexation of Taiwan. Quite likely, a Chinese annexation of Taiwan would be the result of political and psychological pressure. Certainly, the threat of force would have to be behind it, but it would take a form in which the US at that time would find it difficult to convince domestic American opinion that it was necessary to intervene. Also, it may not take a direct form of annexation at first, but begin with a Hong Kong style ‘one nation - two systems’ intermediate stage before gradually proceeding to full annexation. Whatever the method, we are presuming the extreme case of China getting complete control of Taiwan.

The impact of a Chinese Annexation of Taiwan

The first concern of Japan in such an eventuality would be over its sealanes of communications in East Asia. This is a natural reaction for Japan, which is unable to self-supply its supplies of food and other vital raw materials.

During the Cold War, Japan felt it was the northern and eastern sealanes that were most vulnerable to the

constant threat of Soviet submarines and long-range bombers. On the other hand, the southwestern sealanes, which were and are the most important for Japan, remained quite safe. This was because of Taiwan's geopolitical position during the Cold War.

China lacks access to deep oceanic waters, particularly on its East China Sea coastline where China's important naval bases and industrial capacity are located. Therefore, Chinese submarines have to sail on the surface for a considerable distance and dive near the Ryukyu Archipelagoes in order to operate in the Pacific. As a result, Chinese submarines are presently not a serious threat. In contrast, Taiwan's east coast directly faces the deepest seas in the Pacific. If China controlled Taiwan, China could utilise Taiwanese ports for its submarines to operate freely throughout the Western Pacific.

The question of sealanes is even more serious in the South China Sea. China claims extensive territorial waters in that area. Possession of Taiwan would mean control of the northern entrance of the South China Sea. The larger part of the South China Sea would then become a kind of Chinese 'inner waters'. If China claims exclusive jurisdictions there, the only safe sealane for Japan in Asia in an emergency would be the passage through the Lombok Strait in Indonesia and along the east coast of the Philippines.

What is vital to Japan's interests, however, is not limited to the question of oil routes to the Middle East, because in an extreme case, Japanese ships could reach the Arabian Gulf by going around the south of Australia.

What is more important is the political impact of China's annexation of Taiwan on Southeast Asian countries - which have been major Japanese economic strongholds. Among Southeast Asian countries, Vietnam, Cambodia, Laos, and Brunei have no access to the sea except through the South China Sea. Most Thai and Malaysian ports also face the South China Sea. Therefore, these countries have a vital interest in the South China Sea.

In the 1980s, Thai Prime Minister Chatchai Choonhavan once expressed concern about China's advance to the South China Sea and openly proposed Thai-Japanese joint naval exercises. Japan responded with silence as usual. This negative reaction gradually induced Thailand to other alternatives, that is, some form of strategic accommodation with China. The entire control of the regional nations' outlet to the sea would be one of China's most useful tools for 'Finlandising' these nations. Finlandisation of South East Asian nations by China would undermine Japan's vital interests.

There exists a still more important question. The ethnic Chinese populations in Southeast Asia, which China often terms 'overseas Chinese', have long been divided into pro-Beijing, pro-Taiwan, and neutral groups. However, China's control of Taiwan would

make this division disappear. This may happen even under an interim period of 'one state — two systems', short of complete Chinese control of Taiwan.

Southeast Asian governments used to govern their ethnic Chinese minorities by, in part, utilising this division. What might happen if this policy tool was no longer available? In the past, China, while showing strong interest in the defence of 'overseas Chinese' interests, has generally been extremely cautious in considering the effects a Chinese intervention might generate. As China's Finlandisation of Southeast Asian governments proceeded, China would have a freer hand. Also, the local ethnic Chinese would feel freer to resist the existing discriminatory policy of their national governments.

In Indonesia, the ethnic Chinese control much of the economy. With background support from China their political influence would also increase. In Malaysia, China might show more sympathy toward the local Chinese who have always complained of racism by the local governments.

The posture of Singapore may also change. Singapore has traditionally maintained a policy of independence from China's influences, having achieved a unique law-abiding society and high standards of living. It has, however, quite often showed pro-Chinese gestures, reflecting its racial affinity. Singapore's fundamental geopolitical situation is that of a predominantly ethnic Chinese island in a sea of the Malay races. Singapore has had to be cautious not to offend its neighbours. If Chinese influence extends to the South China Sea and Southeast Asia, Singapore might find it no longer necessary to play such a low-key role in the region. If Singapore swayed to more of a pro-China stance, Chinese control of the South China Sea would be complete with Taiwan in the north and Singapore in the south.

Finally, any scenario in which China gains control of Taiwan means that the US did not, or could not, intervene for one reason or another. This means, in turn, the collapse of American credibility. It is predictable under such circumstance that the entire public opinion of Southeast Asian countries could be swayed toward a pro-China stance.

The Historical Significance

Such a development would mean a return to the status quo ante of 1965. Before that time, Southeast Asia had been under the threat of communist insurgencies since the end of the Second World War. Prince Sihanouk of Cambodia was definitely pro-Beijing. Indonesia was on the eve of a communist takeover. There was the Beijing-Phnom Penh-Jakarta axis against the US. Many Southeast Asian nations appeared resigned to an eventual communist takeover. In 1965, the American Marine Corps landed on Vietnamese soil. Although the American campaign in Vietnam eventually failed,

America's act gave Southeast Asian nations the courage and the time to resist the communists. In September 1965, the communist coup in Indonesia failed. Southeast Asian nations formed ASEAN in 1967. This was the beginning of the present stability and prosperity of Southeast Asia. In short, an American withdrawal from Taiwan would annihilate all American regional efforts since 1965, including the tremendous sacrifices made during the Vietnam War.

The threat posed by China to international order has often been debated. Those who deny the threat usually forecast Chinese economic and military power in the future and draw a conclusion that China cannot possibly match the US in strength in the coming decades. They may be right. However, if China annexed an industrially advanced and prosperous Taiwan, controlled the entire region of Southeast Asia, and extended its influence as far as the West Pacific and the Indian Ocean, China would be a formidable challenger to American hegemony.

This would be historically significant. China has always been the greatest land empire in the world in the past thousand years. It was weakened in modern times mainly because it lost all of its hinterlands to Western imperialism from the 17th to the 19th century. The Russians took Siberia. West European powers governed South and Southeast Asia. Japan and the US controlled China's exit to the Pacific by colonising Taiwan and the Philippines. Therefore, Chinese annexation of Taiwan, and the eventual increase of Chinese influence on Southeast Asia, may well mean the revival of the Chinese worldwide empire.

In the past half century Japan has spent tremendous efforts and resources to establish economic relations with Southeast Asian nations. As stated above, however, Japan did not respond to their security needs and concentrated on trade and investment. This made Japanese influence in the region shallow and vulnerable. A loss of influence in Southeast Asia would be a huge blow to the Japanese economy.

What are the Strategic Implications?

As noted above, the outcome of Chinese annexation of Taiwan would be far-reaching. America and Japan should always bear in mind the wider strategic importance of Taiwan. It may be, however, more important for China to recognise it.

The public normally ignores such strategic values until they face a real crisis. However, one can never underestimate the reaction of the public when they suddenly recognise strategic implications.

China has achieved a great diplomatic success. Since the Shanghai Communiqué, China has been successful in making American diplomacy retreat a long way from its original words. The US has by

degrees committed itself to a 'one China' policy which was not intended at the time the communiqué was signed. But China should be prepared for America's reaction when China really tries to make 'one China' come true. Such a reaction would not be limited to the United States. Japan and Southeast Asian nations might also react sharply when faced with this strategic truth (even allowing for China having already achieved a degree of 'Finlandisation'). China may claim the ethical and nationalistic right to annex Taiwan, quoting the history of humiliation from one hundred years ago. China may argue for its legal right, quoting all of America's verbal commitments to 'one China' as well as various principles of current international law. Facing strategic reality, however, these arguments may suddenly become powerless.

In the past four centuries, no challenger has successfully defeated Anglo-American hegemony. The Spanish and the Dutch lost their empires, the French lost India and Canada, the Germans lost half of their territory, the Japanese lost their empire, and finally, the Russians lost all their gains since Peter the Great. China is almost the only remaining empire in the world, possessing Tibet, Xinjiang (Uigur), Mongolia, etc. If China challenged Anglo-American hegemony unsuccessfully, it is quite predictable that China too would lose its empire.

China may conceive the annexation of Taiwan to be merely an achievement of the final goal of Chinese nationalism. It may, however, be the beginning of a deadly, perhaps fatal, confrontation with a world hegemon.

Ambassador Hisahiko Okazaki, a graduate of Tokyo and Cambridge Universities, is the Director of the Okazaki Institute in Tokyo. During a long and distinguished diplomatic career he was Director-General for Foreign Relations at the Japanese Defence Agency, Japan's Ambassador to Thailand and Saudi Arabia, and Minister at the Japanese Embassy in Washington.

He is also a Visiting Scholar at the Center for Strategic and International Studies in Washington DC, Harvard University and the Rand Corporation. Ambassador Okazaki is a regular columnist in various leading Japanese newspapers. This article was originally produced for the US-Japan-Taiwan Trilateral Strategic Dialogue, Tokyo Round, 02 March 2003 and is reproduced courtesy of the Okazaki Institute in Tokyo.

Endnotes

1. Richard N. Haas, 'China and the Future of US-China Relations', remarks to the National Committee on US-China Relations, New York, 5 December 2002.

2. Excerpt from 'Managing the Issue: Key is Better US Relations with China', Report of an Independent Task Force, Sponsored by the Council on Foreign Relations, 1995, p. 44.