

## **Selling F-16s to Taiwan Is Bad Business**

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On the surface, the Trump administration's proposal to sell F-16 fighter jets to Taiwan seems to make sense. It makes money for American companies, helps an ally provide for its own defense, and provides a check on a rising China. But a closer look reveals that it will prolong the trade war, do little to help Taiwan defend itself, and raise the risk of war. And that is a deal the United States can do without.

News of the deal surfaced in mid-August, when the State Department notified Congress of its intention to sell 66 of the jets for roughly \$8 billion. That followed close on the heels of agreements made in recent months to ship Taiwan 108 M1A2 Abrams tanks and 250 Stinger missiles worth \$2.2 billion. The primary justification for these deals is the defense of Taiwan from China, to which the United States committed itself in the 1979 Taiwan Relations Act.

Let's start with the trade war. Trump started slapping tariffs on Chinese imports to the United States in March 2018, based on his assumption that trade wars were "easy to win." Unfortunately, Trump has found his counterpart, Xi Jinping, to be a much tougher customer than he expected. Rather than sitting down at the negotiating table, China has responded with its own tariffs.

The trade war has already cost both countries and the global economy dearly. In the U.S., the bond market has hit its lowest level since 2007 and economic confidence among small U.S. companies fell to the lowest level since November 2012. U.S. factory activity, dependent on Chinese suppliers, also fell for the first time in three years. Things are not better in China, where the yuan has hit an 11-year low and economic growth has fallen to its lowest level in 27 years.

In short, the timing of the arms sales to Taiwan could not be worse. At best the deal will serve to prolong the trade war by aggravating Chinese leaders, who virulently oppose all U.S. arms sales to the nation they consider part of China. At worst, such actions (along with American moves China sees as aggressive, like the sanctions against telecom giant Huawei) may cause China to escalate the dispute and perhaps make it impossible to resolve. China's announcement that it would sanction any company involved with the sale is evidence of how seriously it takes it. Despite opposing previous sales, China has never taken such a step before.

A smarter move would have been to use the arms sales as leverage to broker a deal. Both the Bush and Obama administrations denied Taiwan's request for new F-16's out of concern for Chinese reactions. The Trump administration could have used China's unhappiness about a potential F-16 deal to encourage Chinese concessions on another issue.

Even if the trade war were not an issue, however, the strategic benefits of selling F-16s to Taiwan are dubious at best. It is true that the F-16s will help Taiwan respond to potential Chinese violations of its airspace or sovereign waters. But the truth is that the most important thing Taiwan is buying isn't tanks, missiles, or fighters. The most important thing Taiwan is buying is the confidence that the United States remains committed to intervening on Taiwan's behalf if China ever does invade. As one Taiwanese defense official recently told a group of American scholars, "...when you sell us the latest fighters, it lets China know America would intervene on our behalf in a conflict."

The reality is that a few more F-16s won't change the balance of power between Taiwan and China. So instead of providing for Taiwan's defense from China, what the F-16 deal will do is give Taiwan the confidence to act in ways that aggravate China and encourage China to act more aggressively in turn. Worse, by raising tensions between the two nations, the F-16 deal also increases the possibility of a conflict breaking out, one that could drag the United States into a costly and dangerous war on the other side of the world with a nuclear-armed superpower.

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