

Economics, Not Arms, to Shape U.S.-China Relationship

By William D. Hartung

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While all eyes are on Iraq, the United States is quietly promoting a new arms race in Asia.

Example number one of this new arms push is a campaign to pressure the parliament of Taiwan to approve the purchase of \$10 billion in U.S. armaments. After Taiwan's elected representatives recently turned down the package for the 70th time, they were roundly criticized by Stephen Young, the top U.S. official in Taipei. "We believe that Taiwan is not responding appropriately to the steady buildup of the military across the Taiwan Strait," asserted Young. He suggested that the failure to buy more U.S. arms -- from submarines to Patriot missiles - "causes Taiwan's friend, the United States, to question whether our security partner here is serious about maintaining a capable defense."

Looming in the background of the Taiwan deal is a campaign to label China as America's next big military threat. China's recent decision to increase its military budget by 18% may sound ominous, but it must be seen in the context how low Beijing's spending is compared with the United States. The U.S. military budget is now running at \$440 billion per year, not counting the costs of the wars in Iraq and Afghanistan. That is more than five times China's \$84 billion level. Meanwhile, U.S. regional allies Australia, Taiwan, Japan, and South Korea account together for an additional \$82 billion in annual military spending. And the U.S. has plans to sell India tens of billions of dollars worth of nuclear technology and combat aircraft.

Given this spending imbalance, it would take China three decades or more of massive annual increases to catch up with spending by the U.S. and its allies. And that's assuming that China's potential adversaries stand still - which they assuredly will not.

Potential U.S. arms deals in Asia include the \$10 billion deal with Taiwan (if Taipei finally succumbs to U.S. arm twisting), access to the top-of-the-line F-22 combat aircraft for Japan, and a new tranche of U.S. fighter planes for South Korea.

Why the rush to pour U.S. arms into the region?

The answer is one part ideology and one part greed. Hard-line elements within the administration and among its allies at the Heritage Foundation and other right-wing think tanks have been busily working to portray China as the ultimate "rogue state" -- a more economically vibrant version of the old Soviet Union.

This threat-mongering bears little resemblance to reality, but if deals can be struck with Iran and North Korea in the next five to ten years the U.S. will be "running out of enemies," as Colin Powell said at the end of the Cold War. Even if tensions with these

two states linger, they are hardly adequate to justify a military budget that is approaching half a trillion dollars per year. Hence the need to puff up the Chinese “threat.”

The ideological drive to demonize China conveniently coincides with the interests of the military-industrial complex. One day the war in Iraq will end, and arms makers and their allies in the Pentagon and on Capitol Hill will be searching for new rationales to keep weapons factories running full speed ahead. An F-22 sale to Japan may help bail out Lockheed Martin, which has seen Air Force orders drop from an original target of 750 planes to 180 or less, even as the plane’s cost goes up and its performance goes down. Aircraft sales to South Korea and India could help Boeing and/or Lockheed Martin stretch production runs for their current generation fighter planes. And the controversial arms package for Taiwan will be a boon to U.S. ship and missile makers.

A different dynamic is possible. Whatever the rhetoric may be, Taiwan has large and lucrative investments in China, as does South Korea. China is the biggest market for Boeing’s main civilian product, airliners. And there is a strong current among non-military U.S. businesses to see China as a potential market, not a looming menace. Growing trade relations, underpinned by cultural and diplomatic interchanges, offer the best hope of heading off the plans of the “get China” crowd.

Fostering a relationship between the U.S. and China in which both sides move towards greater pursuit of human rights, economic justice, and environmental responsibility will be difficult under any circumstances. But it may be next to impossible in the context of a new arms race in Asia.

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