

# Pentagon's 'Broken Nest' strategy for Taiwan

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Pentagon plans for destruction of Taiwan chip facility.

In the midst of a growing economic attack on the People's Republic of China (PRC) by the Biden Administration, an Oct. 12th [article](#) in the tech newsletter gizmodo.com carried the extraordinary title "Taiwan Official Explains with Extreme Calm Why the U.S. Doesn't Need to Blow Up TSMC if China Invades". TSMC refers to the Taiwan Semiconductor Manufacturing Company, the world's leading manufacturer of equipment to create the most powerful computer semiconductors, known as "chips":

*The country's defense minister Chiu Kuo-cheng reportedly said 'there is no such plot' for the U.S. to start dropping bombs on TSMC factories if the country were invaded.*

*National Security Bureau Director-General] Chen further tried to tamp down on fears the U.S. is going to sap Taiwan's top chipmaking minds from the country, calling those **wargaming** plans "just scenarios" while adding "If they understood TSMC's ecosystem better, they would realize that it's not as simple as they think. That's why Intel can't catch up with TSMC.*

Despite these assurances from Taiwan's officials, the Pentagon is indeed discussing proposals to destroy TSMC facilities on the island and to whisk away its research workers off the island.

The U.S. Army War College Quarterly published a Nov. 2021 [article](#) titled "Broken Nest: Deterring China from Invading Taiwan". The authors call on the Taiwan government to threaten to destroy the TSMC facilities in a Dr. Strangelove-like scenario:

*The challenge, of course, is to make such a threat credible to Chinese decisionmakers. They must absolutely believe Taiwan's semiconductor industry would be destroyed in the event of an invasion. If China suspects Taipei would not follow through on such a threat, then deterrence will fail. **An automatic***

***mechanism might be designed, which would be triggered once an invasion was confirmed.*** In addition, Taiwan's leaders could make it known now they will not allow these industries to fall into the hands of an adversary. The United States and its allies could support this endeavor by announcing plans to give refuge to highly skilled Taiwanese working in this sector, creating contingency plans with Taipei for the rapid evacuation and processing of the human capital that operates the physical semiconductor foundries.

Imagine working in a facility ringed with explosives. Taiwan is within the Pacific Rim's "Ring of Fire", subject to frequent [earthquakes](#), including a 6.8 one this year. Could not one of these accidentally trigger the "automatic mechanism"?

In January 2018, a nuclear attack [false alarm](#) created panic on the Hawaiian island of Oahu. Could not such a mistake trigger the destruction of the TSMC facility while its researchers and staff are working?

But a PRC "capture" of the TSMC computer chip factory is not really what the warmakers at the Pentagon, the Washington politicians or their Wall Street patrons are concerned about. Since TSMC's main customers are companies within the PRC, U.S. imperialism seeks to squelch the amazing technical and scientific advances made by socialist China by any means. For them, the destruction of this remarkable research facility is a small price to pay. Certainly, it is telling the Taiwan leadership if they are not willing to turn their island into a "porcupine" of U.S. weaponry, if they are not ready to blow up their own facilities at the behest of Intel, Texas Instruments and the rest of Silicon Valley and of course the Wall Street banks, the U.S. will do it for them.

### **Semiconductors: the nexus of U.S. imperialism's economic war with China**

That is only part of the Biden strategy to prevent China's scientific and technical

development. This last summer, Biden pushed through the \$52 billion “CHIPS and Science Act”, subsidizing Intel and other computer monopolies building new facilities matching those in Taiwan and, most importantly and explicitly, keeping U.S. imperialism ahead of the PRC in computer chip development.

The Act’s political and corporate sponsors promised thousands of new jobs. But it did not take long for that pledge to be broken, as an October Time magazine [article](#) revealed:

*When a group of semiconductor companies, including Intel Corp., lobbied Congress to pass the \$52 billion chip-stimulus bill earlier this year—one of the biggest federal investments in a private industry—they argued in part that the subsidies and tax breaks would protect American jobs.*

*But now just months before the funding applications open, the nation’s largest semiconductor company is reportedly planning a major reduction in its workforce—yet could still receive billions in federal subsidies. Thousands of Intel employees are expected to be laid off later this month to cut costs amid a steep decline in demand for PC processors, according to Bloomberg. Some divisions, including sales and marketing, could lose 20% of their staff.*

*Even so, the reported job cuts come at an awkward time for Intel, given that the company lobbied heavily for the subsidies and committed \$20 billion to build a manufacturing mega-site on the outskirts of Columbus, Ohio earlier this year. The move also puts Intel chief executive Pat Gelsinger—who received a \$179 million compensation package last year—in a difficult position. In December, he lobbied Congress to pass the funding, co-signing a letter to lawmakers that said federal subsidies would be “supporting millions of jobs for Americans.”*

## **Biden, not China, disrupts international semiconductor industry**

Not yet satisfied with this corporate boondoggle, Biden on Oct. 7th [announced](#) through his Commerce Department stern measures to outlaw U.S. and foreign semiconductor companies from doing any business with China.

Wall Street has responded with ecstatic glee, with, for example, [benziga.com](#), a Wall Street newswire, headlining an October 26th article: “China’s Semiconductor Industry ‘Decapitated Overnight’: What ‘Annihilation Looks Like’.” U.S. imperialism’s standard bearer, the New York Times, published an Oct. 20th opinion piece titled “Biden Just Clobbered China’s Chip Industry.”

Biden himself could not restrain himself from getting in on the act, with Bloomberg.com, after an interview, headlining an article with: “Biden Crows About Chips Bill, Says Xi ‘Concerned’ About US Plans”.

China’s government has [responded](#) to the U.S. new restrictions:

*Liu Pengyu, a spokesman for the Chinese Embassy in Washington, said the United States was trying “to use its technological prowess as an advantage to hobble and suppress the development of emerging markets and developing countries.”*

*“The U.S. probably hopes that China and the rest of the developing world will forever stay at the lower end of the industrial chain,” he added.*

China is not the only one objecting to Biden’s international extortion scheme. An opinion [piece](#) from the Oct. 20 New York Times describes the international network for creating new computer chips:

*A typical chip might be designed with blueprints from the Japanese-owned, U.K.-based company called Arm, by a team of engineers in California and Israel, using design software from the United States. When a design is complete, it’s sent to a facility in Taiwan, which buys ultrapure silicon wafers and specialized gasses from*



*Japan. The design is carved into silicon using some of the world's most precise machinery, which can etch, deposit and measure layers of materials a few atoms thick. These tools are produced primarily by five companies, one Dutch, one Japanese and three Californian, without which advanced chips are basically impossible to make. Then the chip is packaged and tested, often in Southeast Asia, before being sent to China for assembly into a phone or computer.*

An Oct. 27 New York Times [article](#) describes the impact of Biden's anti-China campaign on the smaller companies in the computer industry and its workers here:

*The Biden administration delivered its own blow this month with sweeping restrictions aimed at hobbling China from using U.S. technology related to chips. The measures restrict sales of some advanced chips to Chinese customers and prevent U.S. companies from helping China develop some kinds of chips.*

*Lam Research, which produces tools that etch silicon wafers to make chips, estimated that the China limitations would reduce its 2023 revenue by \$2 billion to \$2.5 billion. "We lost some very profitable customers in the China region, and that's going to persist," Doug Bettinger, Lam's chief financial officer, said during an earnings call last week.*

*Applied Materials, the biggest maker of chip manufacturing tools, also said sales would suffer because of the restrictions. On Wednesday, another maker of chip manufacturing tools, KLA, said its revenue next year was likely to shrink by \$600 million to \$900 million as it reduces equipment sales and services to some customers in China.*

**'Wargaming' Biden: Hands off Taiwan! It does not belong to you!**

On Taiwan itself, whose main trading partner is the PRC, and with companies there

facing these same U.S. restrictions, there is deep concern, as expressed in an Oct. 19th Euronews [article](#):

*The new rules require U.S. companies to cease supplying Chinese chipmakers with equipment to make relatively advanced chips, though Washington has granted some non-Chinese companies operating in China one-year licenses.”*

*“The difficulty this time will be a very big challenge,” Nicky Lu, chairman of Taiwan chip design firm Etron Technology Inc, told reporters ahead of the event. “No one will escape the impact.”*

*Frank Huang, chairman of Powerchip Semiconductor Manufacturing Corp, said the sector was caught in a difficult situation.*

*“We do business on both sides of the Strait. So we can’t listen to the U.S. and not do any business with mainland China. Then what would everyone eat?” Huang said. “Our industry’s position is to maintain our competitiveness.”*

Ideally, semiconductor development could help make the world’s population far more prosperous. But once again U.S. imperialism through its political and military minions demonstrates its only goal is its own hegemony, not the welfare of the workers and oppressed here and abroad.

Taiwan is part of Socialist China. Our class has a duty to prevent the U.S. from interfering in the internal affairs of China as it resolves this issue. And it has the right to maintain normal commercial and trade relations with the rest of the world.

Source: [Fighting Words](#)

