

A Chinese Invasion of Taiwan Could Have a Big Impact on How Americans Live and Work

October 11, 2021 - You may have heard that China has been threatening a Taiwan invasion and thought, "So what?" But the reality is that if China does invade Taiwan, could have a huge impact on how American's live even if we don't get directly involved in the invasion... and that's a big "if." Here are some things that everyone should consider.

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If you've been in a store that sells home electronics lately, you may have noticed a lot of bare shelves. This isn't being caused solely by the supply-chain issues that have been in the news lately. A lot of it has to do with a shortage of semiconductor chips. That shortage is already having a huge impact on American manufacturers. All US auto manufacturers have been severely impacted. GM has gone so far as to close virtually all of its production lines in the United States. A Chinese invasion of Taiwan would make these issues a lot worse (and have an obvious negative impact on employment prospects and opportunities right here too).

That's because Taiwan now supplies the United States with more than 20% of the semiconductors we use. In fact, the United States only produces 12% of the world's semiconductors. Even mainland China does better than that; at 15%. But it gets worse.

Taiwan is also strategically located at the north end of the South China Sea. That's an area that China has laid claim to and which they are trying to control. It's also an area that more than 70% of the world's sea trade passes through.

On the Semiconductor front alone, Taiwan and Korea supply 42% of the semiconductors used here. If China were to control both Taiwan and the South China Sea, they could place a strangle-hold on American technology manufacturers. That means that virtually anything containing semiconductors... ovens, cars, computers, phones, toys, etc... would be in even shorter supply than they are now.

Semiconductors are only one product, albeit a huge product. A Chinese invasion of Taiwan has the potential to impact hundreds of other items that we import as well; whether they come from Taiwan or just transit through the South China Sea. Either way, such an invasion by China would have an enormous impact on the US economy and daily lives of most Americans, so the United States should be doing everything in its power to prevent it. But we're not.

In fact, the US Government's response to most of the saber rattling by China has been largely to ignore it. That's a mistake. China's economy is currently in a shambles. Their largest real estate investment firm is in default and failing, with fears of a total collapse of the real estate market there. And the country is now rationing electrical power nationwide because of production issues and fuel shortages. Their communist leaders are actively looking for ways to distract an increasingly agitated populace. An invasion of Taiwan would do that.

It isn't clear what the US response to such an invasion would be. Getting involved militarily could be quite dangerous. But not getting involved militarily would put the United States and many of our allies in an equally precarious position. The real problem is that the entire western world has allowed itself to become economically dependent on the despotic, genocidal communist Chinese regime. And it looks very much like those chickens are about to come home to roost.

As individuals, the best advice we can probably give is that you need to prepare for the worst, and hope for the best. All the time knowing that what's going on in China is likely to impact all of us personally in a very real way.

by Jim Malmberg

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