

Testimony before the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party  
February 11, 2026, Washington, DC

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## **China Gaslights the World About Taiwan**

My name is Shirley Kan, independent specialist who mainly worked for Congress at CRS. I am pleased to testify at this hearing, especially because "gaslighting" is the term I used in an article to point out that the Communist Party of China (CPC) is gaslighting the world about Taiwan. Why is this point important? The CPC's distortion of reality is dangerous political warfare. It uses an abusive pattern of misleading propaganda and controlling behavior to make Taiwan, foreign countries, media, and the UN change their histories, perceptions, and reality.

What is the bottom line up front? China is not preparing to potentially attack Taiwan just because it has the Taipei 101 skyscraper that a superman just climbed. China is not coveting Taiwan because TSMC dominates advanced semiconductor chips. The CPC, even before General-Secretary Xi Jinping, has built up power to take Taiwan since the early 1990s.

It is critical for the US, our allies, and Taiwan to counter the CPC's political warfare. This means showing that Xi Jinping's dream of "national rejuvenation," with its requirement to annex Taiwan, will become a nightmare. However, there are issues about the Trump Administration's and Taiwan's responses, giving leverage to Xi.

Deterrence in the Indo-Pacific focuses on the first island chain. However, the unspoken point is that a chain is only as strong as its weakest link. Another unspoken point is that the CPC could coerce Taiwan and other countries, but the coercion is not very effective. Big and small countries have stood strong, especially together in a coalition or with US leadership and support.

Some in Taiwan are complacent by citing Xi Jinping's purge of top military generals in January. Taiwan's military culture is risk-averse. Its opposition parties are undermining deterrence by blocking President Lai Ching-te's special budget in the legislature. The main opposition party, Kuomintang, or KMT, even helps the CPC's propaganda.

I have two questions for the KMT about its ulterior goals for Taiwan and the US.

- (1) Does K.M.T. secretly stand for "Kill Me in Taiwan?" Is it the "Kill Me in Taiwan" Party?
- (2) Will the KMT meet a challenge to write its national defense strategy?

## **Coercion is Part of Continuum of Threats**

China's coercion of Taiwan is not a less threatening condition instead of an attack. Taiwan's politicians are misleading their people to assume that they have a comforting peacetime instead of wartime. China is carrying out one continuum of threats from political warfare to blockades to invasion of nearby zones to attack in attempted annexation of Taiwan.

Words matter, and no one should be fooled. First, the bland, benign term of "gray zone" belies China's threats that include violence and war. Instead, INDOPACOM's Commander, Admiral Samuel Paparo, the Philippines' chief of staff, and other military leaders call such actions "ICAD," which stands for illegal, coercive, aggressive, and deceptive behavior.

Second, China's coercion against Taiwan is not a contained campaign short of war. In the CPC's political warfare, there is no clear gap between peacetime and wartime. The CPC uses economic, information, legal, and political pressure to compel Taiwan into forced unification, destroying the Republic of China (ROC), Taiwan's national name, founded before the PRC.

Third, and relatedly, China's deterrence is not a defensive posture against possible *de jure* independence. For China, deterrence also means compellence for a hostile objective.

## **Big Lie and 2027**

I want to highlight one Big Lie that is more than diplomatic annoyance. China has prepared internationally to justify its potential use of force against Taiwan. China tells an egregious lie in order to isolate Taiwan and keep foreign countries out of the scenario. Beijing's lawfare has distorted UN General Assembly Resolution 2758 of 1971. For years, I have called for countering this fake news by simply telling the truth. Resolution 2758 did not settle Taiwan's status as part of China. That resolution never even mentioned Taiwan.

China even uses the US warning of the People's Liberation Army (PLA)'s possible attack in 2027. In 2021, then-INDOPACOM Commander, Admiral Phil Davidson, testified to the Senate Armed Services Committee that China accelerated its plan to attack Taiwan in the next six years. The Pentagon's report to Congress on China's military power (December 2025) warned that the PLA is making steady progress toward the goal to fight and win a war on Taiwan by the end of 2027. Palau's President Whipps has explained how China warns countries like Palau to abandon Taiwan, saying "2027 is coming soon, and soon you won't have a partner, and if you don't denounce Taiwan and join us now, you'll be left out in the cold."

Today's INDOPACOM Commander is more urgent in his warnings. Last year, Admiral Paparo said the PLA has not been simply training to attack Taiwan. The PLA has carried out rehearsals. Also, he has called for speed in strengthening deterrence. Last month, he warned of

drastic changes in warfare and of forces that can strike foreign leaders. I have a point about decapitation. Taiwan's President and Vice President should not appear at the same place.

Still, Paparo has stressed not to fixate on the date of August 1, 2027 (100th anniversary of the PLA's founding in 1927). He said that there could be a "war of necessity" on that date, but there could be a "war of choice" between now and August 1, 2027, or after that day. Defense must be ready now, in 2027, and in 2028. On August 2, 2027, the PLA will still build up.

## **Congressional Role**

**Clarity.** In this context, the Congressional role is critical in oversight of the President and attention to Taiwan. Congress could convey with bipartisanship and clarity the continued commitment to Taiwan in face of both coercion and force under the Taiwan Relations Act (TRA). Congressional Delegations counter the narrative that Washington abandons allies and partners, especially in the absence of Cabinet-rank official visits to Taipei. Contrary to a misconception that there is no US role in China's coercion in contrast to an attack, the TRA stipulates for the US capacity to resist any resort to force or other forms of coercion. But this US role does not apply to threats against Taiwan's offshore islands of Kinmen and Matsu (close to the mainland).

**Decisions.** Today, Administration officials talk less about China's nature as an adversary to the US and our allies and partners. There is global uncertainty about the President's policies from day to day and his departures from past approaches under successive Presidents, whether the disruptions are welcome or not. Is Trump a statesman, peace-maker, or madman?

I want to highlight that the TRA does not permit the President to decide alone to deal with coercion and force that threaten Taiwan. The TRA's Section 3(c) directs the President to inform Congress promptly of any threat to Taiwan's security, or social or economic system, as well as any related danger to US interests. The TRA is clear in this legal requirement: "the President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger." But in 1996, President Clinton failed to comply with Section 3(c) even while sending two aircraft carriers near Taiwan.

**Arms Sales.** Members might assert the congressional review of proposed arms sales. I am concerned that this President has gone back to the broken process of "freezes" in notifications to Congress of pending arms sales to Taiwan. Past Presidents Bush and Obama violated the spirit if not the letter of the TRA by withholding multiple weapon programs until notified to Congress in a so-called "package" on a single day. Presidents Trump (first term) and Biden returned to regular, routine notifications of arms sales to Taiwan. However, Trump notified Congress of eight different weapon programs totaling US\$11.1 billion on December 17.

**Strategies.** Congress is key also because Trump's strategies offer insufficient guidance and messaging for his decision-making. The National Security Strategy (NSS) of November

2025 declares that deterring a conflict over Taiwan is a priority but does not cite China as threatening that conflict. The NSS does not cite the TRA, although Trump's 2017 NSS did. The current policy is to "maintain our longstanding declaratory policy on Taiwan, meaning that the United States does not support any unilateral change to the status quo in the Taiwan Strait."

Despite the NSS' imperative to deter a conflict over Taiwan, the National Defense Strategy (NDS) of January 2026 contains no mention of Taiwan or the TRA. I want to be clear. That overt omission does not necessarily mean that US policy is departing from decades of an alliance then partnership with Taiwan. Indeed, the NDS calls for a strong denial defense along the first island chain. It includes Taiwan. The NDS also calls for our Indo-Pacific allies and partners to increase burden-sharing and to play their roles in deterring and balancing China. The NDS does cite China but promises not to confront it. Thus, the NDS raises the issue of whether the tone and call for stability, fair trade, even respect, direct presidential engagement, and avoidance of confrontation really hand over leverage to Beijing.

There is a key point that applies to Taiwan. The NDS has a clear warning that Taiwan's opposition parties should heed about accountability and avoidance of their own duty on defense. The Trump Administration is prioritizing cooperation with "model allies" that are spending as required and doing more against threats. The priorities affect arms sales, defense industrial cooperation, intelligence-sharing, and other US support.

The Pentagon's Under Secretary for Policy Elbridge Colby spoke in South Korea in late January and called for a stable relationship with China. But how can he say that the Trump Administration respects "China's proud history" with its Tiananmen Crackdown, genocide, and threats? Colby said that the strategy centers on deterrence by denial along the first island chain. But how can he not call for cross-strait peace or mention Taiwan? It has a geo-strategic position as the inter-locking piece in the Taiwan Strait, East and South China Seas, and Western Pacific.

## Taiwan's Role

**Military Budgets.** Taiwan has its role to strengthen self-defense and increase deterrence against China's threat. First, there has been a need, not just over years but over decades, for Taiwan to increase its military budget. In 2005, 21 years ago, Taiwan stated its goal to increase the military budget to 3% of GDP but has not done so. As one consistent indicator, I have looked at the budget for Taiwan's Ministry of National Defense (MND). In 1996, 30 years ago, that budget was US\$9.5 billion, making up 3.4% of GDP. That budget has gone through ups and downs under presidents of both the Democratic Progressive Party (DPP) and KMT, increasing to US\$15 billion in 2025 but with a steady decline to 1.7% of GDP. For 2026, the proposed budget for MND would increase to US\$18 billion, or 1.9% of GDP. (There are different ways to discuss defense spending, and it is only one indicator of military power, will to fight, priority in the total budget, and comparison with other countries.)

Taiwan aims to spend more on defense like NATO countries toward the goal of 3.5% of GDP. However, I argue that the real comparisons for Taiwan are not NATO countries but South Korea and Israel, which are other advanced countries that face existential threats as does Taiwan. The 2025 budget for South Korea's Ministry of National Defense totaled US\$42 billion and 2.3% of GDP, higher than Taiwan's US\$15 billion and 1.7% of GDP.

Last year (2025), President Lai of the DPP proposed to increase defense expenditures, asserting bigger and broader spending of US\$30 billion, or 3.3% of GDP. This defense spending adds the military budget with those for veterans, coast guard, etc. President Lai also proposed a special budget of US\$40 billion, mainly to acquire US arms. However, at the end of January in the legislature, the opposition parties advanced their version of the special budget that cut it to only US\$12.7 billion, after blocking Lai's proposal nine times. (Opposition legislators have a 11-vote advantage in the 113-seat legislature.)

**Kowtow.** Just after opposing Lai's special budget, KMT Vice Chairman Hsiao Hsu-tsen flew to Beijing in early February. Moreover, he even agreed with General Secretary Xi Jinping's so-called "national rejuvenation." Pleased with the KMT, CPC Politburo Standing Committee Member Wang Huning granted an audience to the vice chairman. However, the problem is that the CPC's "national rejuvenation" means annexation of Taiwan and annihilation of the ROC.

**Lessons.** Taiwan's opposition KMT has failed to learn lessons from its own history and Ukraine. War is not a dirty word, but weakness is. Weakness invites aggression from a bully.

First, US officials including Members of Congress were frustrated with Taiwan's failure to pass a special budget for defense in 2005-2006, 20 years ago. But this time is different due to the Trump Administration's new approaches to security and the PLA's increased threat.

Second, Taiwan's KMT has not learned the lesson of 1938 that dealt with Nazi Germany. Appeasement fails to bring peace, and weakness is suicidal and leads to tragedy.

Third, the KMT should know better than anyone about the CPC's operations through a United Front to isolate Taiwan and to divide and conquer its people. The KMT has failed to learn lessons from its own bloodiest history of more than 100 years in confronting and losing to the CPC only to retreat to Taiwan. Now, the KMT is reviving with the CPC what is essentially their Third United Front that started in 2005. (The First KMT-CPC United Front started in 1924 to fight against warlords and cooperate for national unification. Their Second United Front commenced in 1936 to fight against Japan.)

Fourth, Taiwan has a stronger economy oriented toward the US and away from China. Why would the opposition turn Taiwan's economy back to dependence on China that only increased its potential to weaponize trade?

In 2025, for the first time in 26 years, Taiwan exported more to the US than to China. The United States is Taiwan's biggest market, making up 31% of Taiwan's exports at US\$198 billion, versus Taiwan's exports to China and Hong Kong that take up 26.6% of total exports.

Fifth, Taiwan's politicians should help defense that also helps investment, innovation, and industry. Defense budgets are not only investments in the military but also in labor and industry. Why does the KMT want to block Taiwan's companies and economy with its advanced technology, and block Taiwan's industrial capacity or military-industrial collaboration?

In the US and other countries, private companies are driving innovation to help defense. Taiwan's opposition is ignoring today's fast-changing technology. The opposition is blocking Taiwan's top technology companies to gain from defense funding.

Taiwan should expand military contracting for local companies, such as for supplies, logistics, and technology. Taiwan's opposition parties need to allow lessons from the private sector to go to defense, in order to avoid wasting time and money. Companies produce faster than militaries. Taiwan can supercharge its defense industrial base.

Ukraine has a lesson. By 2025, former Google Executive Eric Schmidt provided technology to help Ukraine fight Russia with a new weapon: A.I. drones that hit targets without human pilots the whole way. Ukraine's defense has meant that weapons producers, militaries, governments, intelligence, venture capitalists, and engineers work together with A.I. and human use of drones. Now, Ukraine plans to produce 20 million drones a year. If Ukraine can transform its defense industry, why can't Taiwan?

## **Concluding Main Points**

In conclusion, the US can counter China's political warfare with our information operation as part of our strategy to compete. Our kind of information operation means: (1) not using fake news and disinformation, (2) leading a strong coalition of global allies and partners, and (3) together with allies and partners, use US leadership to correct China's false narrative. The key is to tell the truth that UN Resolution 2758 did not settle Taiwan's status.

Nonetheless, at the end of the day, it is Taiwan's duty to maintain its self-defense, as stipulated in the TRA. I am confident that many in the US urge Taiwan's ruling and opposition political parties to work together to protect their people's prosperity and peace. Such integration of efforts within Taiwan and among Taiwan, the US, and our allies and partners is critical as we proactively prepare for warnings in the timeline. August 1, 2027 will be the 100th anniversary of the PLA's founding. Autumn of 2027 will be the CPC's 21st Congress. The CPC, including through use of the PLA, could increase pressure on Taiwan in advance of its presidential and legislative elections in January 2028. There could be a volatile period between those elections and the next presidential inauguration in May 2028 in Taipei.