

Beijing's 'anger' collides with reality

Written by Taipei Times Editorial
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Boeing executives last week seemed worried that a US arms sale to Taiwan — and Beijing's subsequent threat of sanctions against manufacturers involved in the deal — would cost it billions of dollars in commercial aircraft sales. Even worse, if China followed through with its threat to deny the US aviation giant access to its lucrative market, it could quickly translate into a windfall for Boeing's main competitor, Airbus.

Then Eurocopter, a European company, announced it was selling Taiwan three EC225 helicopters — the latest model in the Super Puma family — for US\$111 million, with an option for 17 more. While a representative from Eurocopter in Paris said in correspondence with the Taipei Times that the EC225 was a civilian helicopter used for search and rescue operations, and although it is believed that the firm had previously sold helicopters to the National Police Agency's Civil Defense Headquarters, there is no hiding the fact that the latest sale was made to the Air Force, which makes this an arms sale.

Now, the copter sale is relatively small compared with the US\$6.4 billion package proposed by Washington, but symbolically its impact could be just as important, given that it is the first military sale from a European company to Taiwan in almost two decades — an indirect embargo that has lasted almost as long as Europe's embargo on arms sales to Beijing imposed after the Tiananmen Square Massacre in 1989.

In retaliation, and given Beijing's propensity for lashing out at anyone who dares treat Taiwan as a sovereign country, one would expect that threats of sanctions against Eurocopter and its parent, the European Aeronautic Defence and Space Co (EADS), would soon follow. But here's the catch — EADS also happens to own Airbus. And one thing is certain: If China is to meet its civilian aviation needs in the next decade, it will have little choice but to purchase its aircraft from either Boeing or Airbus. No other aircraft manufacturer has the means and economy of scale to produce the types and quantities of aircraft that China will need. China, a relative newcomer in the production of civilian aircraft, is years, if not decades, away from developing the domestic capabilities to produce aircraft in large quantities.

Beijing, therefore, finds itself in a bind, wanting to punish the two giants over sales to Taiwan, but unable to do so. This could explain why it has yet to make any public expression of anger at Eurocopter.

In recent years, the world has treated China as if it were indispensable. Over the weekend, George Gilder argued in the Wall Street Journal that it was folly for the US to "antagonize" China (as if it were not "antagonizing" the US).

What Boeing and Airbus could soon show us, however, is that when a concerted effort is made by the giants of this world, and when Beijing is denied the opportunity to play one against the other, it is possible to act according to our moral — and even economic — predispositions without first having to consult Chinese emperor Hu Jintao (胡锦涛) and his court. In fact, it is even

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possible to do so and to survive to tell the story.

What is Beijing going to do — not buy aircraft? Maybe, for once, its rulers will just shut up and let the world be.

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