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TAIWAN, THE PRC, AND THE TAIWAN SECURITY ENHANCEMENT ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON ASIA AND THE PACIFIC

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

SEPTEMBER 15, 1999

Serial No. 106–61

Printed for the use of the Committee on International Relations

U.S. GOVERNMENT PRINTING OFFICE
60–545 CC WASHINGTON : 1999

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CONTENTS

WITNESSES

	Page
The Honorable Craig Thomas, A U.S. Senator from State of Wyoming and Chairman, Subcommittee on East Asian and Pacific Affairs, Senate Foreign Relations Committee	1
Dr. Susan Shirk, Deputy Assistant Secretary for East Asian and Pacific Affairs, U.S. Department of State	12
Dr. Kurt Campbell, Deputy Assistant Secretary for International Security Affairs/Asian and Pacific Affairs, U.S. Department of Defense	15
The Honorable Caspar Weinberger, Chairman, Forbes Magazine (Formerly Secretary of Defense)	24
The Honorable R. James Woolsey, Partner, Shea & Gardner (Formerly Director of Central Intelligence Agency)	27
Dr. David M. Lampton, Director, Chinese Studies, School of Advanced International States, Johns Hopkins University	31

APPENDIX

Prepared Statements

The Honorable Doug Bereuter, A U.S. Representative in Congress from the State of Nebraska	44
The Honorable Craig Thomas, A U.S. Senator in Congress from the State of Wyoming	47
The Honorable Eni Falemomavaega, a Delegate in Congress from American Samoa	50
Dr. Susan Shirk	52
Dr. Kurt Campbell	61
Dr. David M. Lampton	66

HEARING ON TAIWAN, THE PRC, AND THE TAIWAN SECURITY ENHANCEMENT ACT

Wednesday, September 15, 1999

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C.

The Subcommittee met, pursuant to call, at 1:05 p.m., in room 2172, Rayburn House Office Building, Hon. Doug Bereuter (Chairman of the Subcommittee) presiding.

Mr. BEREUTER. The Asia and the Pacific Subcommittee will come to order.

I would ask unanimous consent, in order to accommodate the schedule of our distinguished colleague from the Senate, Senator Thomas, to revise the agenda for today. We will move directly into the hearing on Taiwan. Then, my intention is to take the testimony from Senator Thomas and return to the East Timor markup, at which time the Ranking Democrat and this Member will have an opportunity for their opening statements on the Taiwan resolution.

Without objection, that will be the order.

I will hold for future minutes a full statement about the Taiwan hearing, which we are moving to directly for the moment today, and just say that the Subcommittee on Asia and the Pacific meets today to examine its security requirements of Taiwan in the face of increased tension with the People's Republic of China and receive testimony regarding the proposed Taiwan Security Enhancement Act.

I am extremely pleased to have our distinguished former House colleague, Senator Thomas, with us today. He serves as the Chairman of our counterpart subcommittee, the East Asian and Pacific Affairs Subcommittee of the Senate Foreign Relations Committee. We appreciated your involvement in our joint hearing last week on East Timor, Senator Thomas, and we appreciate your testimony today.

Your entire statement will be made part of the record, if you have a written statement. You may proceed as you wish and, again welcome back to the House side.

STATEMENT OF THE HON. CRAIG THOMAS, SENATOR FROM THE STATE OF WYOMING

Senator THOMAS. Thank you very much, Mr. Chairman. I appreciate being able to participate and particularly thank you for your holding the hearing today on Taiwan.

I appreciate the opportunity to testify, and I believe this is one of the most important foreign issue policies that we will face in this Congress. Our triangular relationship with Taiwan and the PRC is the most complex and challenging that we have in Asia. We have a compelling interest in a stable, bilateral relationship with the People's Republic, and in maintaining a close relationship with Taiwan.

Unfortunately, historic circumstances have often made those interests mutually exclusive and made the job of maintaining both the relationships simultaneously like walking on a slippery tightrope.

Beijing and Taipei both favor intervention in cross-straits relations by the United States but on their own terms. There is little, if any, support for true mediation on our part. Every one of our actions is scrutinized by each side to determine whether it is pro-Beijing or pro-Taipei, and we are condemned for our action on the losing side.

Putting the United States in the middle serves no useful purpose. The two sides tend to walk through us and talk to each other, but through us. This is a matter that needs to be resolved by the Taiwanese and the PRC in a peaceful manner without being triangulated.

As you are well aware, Mr. Chairman, this relationship has only gotten more worrisome in the past 3-months since President Lee's statement about the state-to-state relations between the PRC and Taiwan. The reaction from the PRC was predictably strident. It is unclear whether the PRC will have a reaction over and above the rhetoric, such as a movement of troops to provinces bordering the Taiwan Straits, military exercises, or, as in 1996, missile tests north and south of the islands.

This latest deterioration in cross-straits relations and more particularly its timing are very unfortunate. Recently the two sides had resumed their high level contacts after a 5-year hiatus. The PRC representative was scheduled to visit Taiwan this fall. This resumption is important because nothing is ever going to be resolved by the two sides sitting on the opposite shores of the Taiwan Straits staring glumly at each other.

Despite all these challenges, however, the United States, through both Republican and Democrat Administrations, has managed to strike a balance between the two competing interests, a balance reflected in the three U.S.-PRC joint communiques and in the Taiwan Relations Act. The communiques have enabled us to develop a workable, if sometimes bumpy, bilateral relationship with the People's Republic of China.

The Taiwan Relations Act has allowed us to continue our close and long-standing relationship with the government and the people of Taiwan. Helping to guarantee Taiwan's security has enabled it to become the economically vibrant, multiparty democracy that it is today. It isn't perfect, it isn't always tidy, but it does seem to work.

I think one of the things we really need to perfect is the idea that each of us, including the President of the United States as he goes to these countries, is saying the same thing. Sometimes we see the interpretation of the communiques being used a little differently in

one setting than in another. I think that is a difficult thing to overcome.

For that reason, Mr. Chairman, I am not supportive of S. 693, the Taiwan Security Enhancement Act, and its counterpart in the House, H.R. 1838. If these bills are enacted, I think it would threaten the delicate balance we have achieved in these relationships. Rather than enhance Taiwan's security, I believe it would actually endanger Taiwanese security by making the PRC more belligerent and destabilize the region. The bills would be interpreted by Taiwan and the PRC, and correctly so, as a significant revision of the Taiwan Relations Act and a partial repudiation of the joint communiques. By mandating the establishment of more high level military-to-military ties, in essence an official formal military relationship, the bill would be seen as a reversal of 20-years of our commitment to maintaining only unofficial ties with Taipei.

Coming at a time when relations across the Straits are already severely strained by what Beijing perceives to be Taipei's repudiation of the one-China policy, it would be read in Beijing as a major U.S. policy shift aimed at bolstering Taiwanese independence status.

In addition, the bill places Congress in the position of supporting sales of particular weapon systems to Taiwan. The Administration has already decided against furnishing Taipei with several of the systems because they do not meet the criteria set out in the Shanghai Communique of being purely defensive. By putting its prospective seal of approval on the sale of the systems, the Congress would in effect be suggesting that the President act counter, not only to the spirit, but to the letter of the communiques.

Moreover, while I am certainly not a constitutional expert, nor a defender of the constitutional prerogatives of this President, it does seem to me that several sections of the bill are constitutionally suspect, for example, section 4(b), 5(b), and 5(c). By directing that he take specific military-related action seems to me to infringe on the President's authority as Commander-in-Chief, Article II of the Constitution.

Mr. Chairman, we are all concerned about Taiwanese security. We are all in agreement with the proposition that Beijing must remember that any attempts to settle the Taiwan question with the barrel of a gun is the threat to the peace and stability of East Asia, and thus a direct threat to U.S. interests. But these bills are designed to fix something that has generally worked and in the process would make things even more difficult between us and the PRC, between the PC and Taiwan.

No one from the government in Taiwan has come to me and said they feel that the Taiwan Relations Act is in need of fixing. Our challenge, I believe, is to make it work.

Mr. Chairman, I thank you for the opportunity to share my views on this, and I am pleased you are having this hearing and we will look forward to your other witnesses.

[The prepared statement of Senator Thomas, appears in the appendix.]

Mr. BEREUTER. Chairman Thomas, thank you very much for your direct and very clear statement of your objections and concerns about the pair of bills that are pending, one of which is in part the

topic of our hearing today. We will weigh your comments very carefully, and very seriously. I know you have thought about this subject a great deal, as I have, and the reason I thought a hearing was appropriate is because the proposed legislation is in fact very significant in the changes proposes it.

I would ask my colleagues if there is anyone among you who would ask questions of Senator Thomas. I see the gentleman from Arizona. We will proceed under the 5-minute rule.

Mr. SALMON. Senator Thomas, I really appreciate your comments. I was able to go to Beijing and Tibet about 4-months ago and I recently completed a trip to Dharamshala, India, to meet with the Dalai Lama, because I have been concerned about the Tibet issue. I know we are not here to discuss that. But I think the relationship, obviously you know as well as I do that the PRC's biggest concern is Taiwan, and I think not so far behind it would probably be the Tibet issue as well. I think they are both very, very important.

I had the luxury of serving a mission for my church in Taiwan from 1977 to 1979, where I really grew to love and admire and respect the people of Taiwan and the evolving democracy in Taiwan. That having been said, I appreciate your comments immensely, because I think it is, as you said, a very delicate balance.

I for one am very frustrated about what I perceive to be downright irresponsible comments by the president of Taiwan, Lee Teng-hui, regarding the independence issue. This government, and I believe this Congress, is very, very supportive of Taiwan, as it should be, and will be on into the future. I think we have tried to be as unambiguous as we possibly can with the PRC regarding our involvement should they ever decide to become involved militarily. I think the Congress has spoken loud and clear on that even though the Administration may not have.

I think an admonition I would like to throw out yet one more time is if Taiwan expects us to stand by in the way that we have and will continue to in the future, the president of Taiwan has got to be a little bit more responsible when it comes to some of the comments that are made. I am just interested in your thoughts on that.

Senator THOMAS. I happen to agree with that. I think sometimes Taiwan has taken a little advantage of the fact that we are there, and we are there to support them, to kind of tweak the PRC, when it is probably not necessary. I was probably impressed as much as anything over the last several years in Singapore talking to the senior minister, whose admonition was, you know, we just ought to try and keep things kind of quiet for a while, for a number of years, it may even take a generational change in leadership before this problem is solved. But to try to move quickly to solve it, one side or the other, is probably not a very successful kind of a thing to do. I appreciate what you are saying and I agree.

Mr. SALMON. Ultimately I think we have adhered to a one-China policy in this country steadfastly over the years, and it is something that we have all pretty much come to accept and will go on into the future. We all hope there is a peaceful reunification, but this kind of saber rattling on either side, in my estimation, is completely irresponsible. You think it is time Congress stands up. I

know we are strong allies when it comes to Taiwan. But friends have to be plain-spoken sometimes with friends and telling them you are not being productive.

Senator THOMAS. I agree.

Mr. BEREUTER. Are there further questions for Senator Thomas? Thank you, Mr. Salmon.

Senator, as you know it is U.S. policy not to act as negotiator on Taiwan-PRC relations, and I think the question then is as follows: How does Congress, as one of our elements of the U.S. Government, appropriately influence Taiwan-PRC relations without becoming an arbiter? I am not going to ask you to respond to that, but I would say that you and I and our Democratic counterparts need to sit down quietly and discuss this. I look forward to doing that with you.

Senator THOMAS. I think that is a good idea. We ought to talk about it, we ought to kind of come to some resolution among ourselves, and each of us sort of say the same thing as we go about it.

Mr. BEREUTER. Thank you, Senator, for your time today. We appreciate your testimony. I am sorry. I didn't see a question here. The gentleman from California, Mr. Berman, is recognized for questioning.

Mr. BERMAN. Senator, it is good to have you here. Thank you, Mr. Chairman.

I know from your interest in your position in the Senate how involved you have been on this. I missed your testimony, but, in reading your prepared testimony, you say that one of the reasons you are critical of the legislation is because it proposes specific weapons systems be sold which the Administration, for whatever reason, has already decided not to sell.

Am I understanding that correctly?

Senator THOMAS. Yes.

Mr. BERMAN. You talk about specific systems. Are you talking about missile defense systems or are you talking about with more specificity than that?

Senator THOMAS. Let's see, where was that. Just a second.

Mr. BERMAN. I can also wait until the Administration is here.

Senator THOMAS. I think there are some fairly specific things—diesel powered submarines, for example, anti-submarine systems—those kind of things that are specifically laid out there.

Mr. BERMAN. Thank you.

Mr. BEREUTER. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I want to thank Senator Thomas for his statement. We certainly welcome him being here. Just one basic question I do have for the Senator. In his mind, does he know of any provisions in the current U.S.-Taiwan Relations Act that you find deficient in terms of this security relationship currently existing between the United States and Taiwan? It seems to me as you have pointed out in your testimony, it is not a lack of commitment on our part. To me there is part of our security agreement with Taiwan. But to be adding more fuel to the fire that is unnecessary, I am concerned about that issue as well. I was just wondering from the Senator if he knows of any provision under the current rela-

tionship or the act that raises a question of us lacking in our commitment to support Taiwan, if there is an emergency of such?

Senator THOMAS. It seems to me that it makes it pretty clear that our position is that we will urge whatever changes that need to take place in a peaceful way, and if they are not done peacefully, then we are prepared—even though it could be more specific in the Taiwan Relations Act, there is no question about that, you would think we have interpreted that properly that we are there, and I think the appearance of a U. S. Navy vessel in the Straits last time indicated that we do recognize that we are going to help them in case—we are going to help their defense in case of military action. So I think it is clear enough.

Mr. FALEOMAVAEGA. I thank the gentleman.

Mr. BEREUTER. Thank you. Mr. Rohrabacher.

Mr. ROHRABACHER. I will make this very quick. Senator Thomas, isn't this a right time to doing something that the Chinese communist regime will understand? How much more do they have to do before we do something that the communist Chinese in Beijing will understand that we are in this position, that we are supporting—not an independent Taiwan necessarily, but a Taiwan that is independent of threats of force and violence from the mainland? How much more does the regime in Beijing have to do before we have to do something more definitive?

Senator THOMAS. You know, I think we can be definitive, Dana, the way we are, and we can be definitive. We have the backup in this Taiwan Relations Act, in my judgment, to support what we do. I think we make that very clear. They are going to continue to do some of these things. That is just the way they operate. They are going to continue to have missiles on the Straits and so on, because that is sort of their way of sending messages. But I don't think we ought to be stampeded by that. I think we ought to continue. We know what our position is, and we simply need to be prepared to stand there.

Mr. ROHRABACHER. Because the Chairman admonished me, I will leave it at that.

Senator THOMAS. Well, let me just say, I don't see any particular reason to restate this, to do something to make this tension higher than it is now.

Mr. ROHRABACHER. I don't think America's position is clear. I think this Administration has been unclear about what our position is, and I think that perhaps then it means the Members of Congress have to be clear, and I believe that we as a body should reaffirm our commitment to that democratically elected government there in Taipei that they will not be victimized by force and violence without the United States there to help them out.

Senator THOMAS. I couldn't agree with you more, but I think we ought to do it in the way the Chairman suggests, which is kind of get together, because we have the authority to do that now. Thank you.

Mr. BEREUTER. I thank the Chairman. I do thank the gentleman from California. We are going to be returning to two additional panels shortly and will have plenty of time to discuss these very important issues. Senator Thomas, thank you very much.

Pursuant to the revised meeting notice circulated in accordance with the unanimous consent request earlier approved, we will recess the hearing on Taiwan and move to the first item on the agenda today, the markup of H. Res. 299, the resolution on East Asia Timor.

[Whereupon, at 1:20 p.m., the Subcommittee proceeded to other business.]

[Whereupon, at 1:40 p.m., the Subcommittee resumed the hearing.]

Mr. BEREUTER. We will now return to the item on the agenda, the Taiwan hearing, which we briefly recessed a few minutes ago. I did not give an opening statement. I am going to make an opening statement, turn to Mr. Lantos, and then to any other Members of the Subcommittee or Members of the Committee who wish to make a statement. I will then call Dr. Shirk to the table in a few minutes. She can come forward.

I think there should be no question of U.S. support for Taiwan. I really think that is the case. Taiwan has developed into a full-fledged, multi-party democracy that respects human rights and civil liberties. Taiwan has grown into one of the strongest and most developed economies in East Asia, and it is America's 7th largest export market. Students from Taiwan study at virtually every American college and university. I have former students back in Taiwan doing what they are supposed to be doing with their cities. These ties with Taiwan are strong and forged by mutual respect and cooperation.

Consistent with the Taiwan Relations Act, the United States provides Taiwan with the equipment and expertise to provide for its self-defense. However, the issue of Taiwanese security has assumed greater importance in recent weeks as relationships between Taipei and Beijing have become increasingly strained. In July, Taiwan's President Lee remarked that Taiwan-mainland relations should be on the basis of state-to-state relations. While these comments have proven popular among some people in Taiwan and elsewhere, including some Americans, they have drawn harsh criticism in Beijing. The Chinese Foreign Minister has labeled President Lee a troublemaker and complained that his remarks are a stumbling block in the improvement of China-U.S. Relations.

Just as disturbing, we have witnessed an increase in military tension between Taiwan and the People's Republic of China. The PRC is in the midst of a series of military exercises, including amphibious landing exercises that can be seen as provocative. Beijing also seems to have engaged in a dangerous series of probes of Taiwan's airspace. A supply ship to Taiwan's outer islands was halted, and there is an increased deployment of such offensive ballistic missiles in Fujian Province, just across the strait from Taiwan. It seems that missiles clearly are designed to threaten or act against Taiwan. Not surprisingly, many on Taiwan are alarmed by such blatant attempts at intimidation.

The question before the Subcommittee today is whether the Taiwan Relations Act continues to provide adequate security for the people of Taiwan. While the TRA has provided solid direction and consistency in our relations with Taiwan over the past 20-years, significant changes have occurred on both sides of the Taiwan

Strait since its enactment. Taiwan is far different today than it was in 1979; so, too, is the PRC. Do we need, as some Americans urge, to modify the Taiwan Relations Act, or to adjust our long-standing foreign policy position in order to reflect the changes in Taiwan? Is it time to establish deeper, more formalized military-to-military ties with Taiwan?

Certainly there are some who wish to sell a greater range of weapons systems to Taipei and to increase the quality and quantity of official contacts. But will an altered relationship actually enhance Taiwanese security? It is a very important and basic question. Most importantly, would such a change be in our national interest?

We have heard Senator Thomas' testimony already. The Subcommittee learned yesterday that the President has requested that Assistant Secretary of State Stanley Roth remain with him for the remainder of the post-APEC Summit meetings. Assistant Secretary of State Roth, who was to have been representing the position of the Administration today, was detained. Therefore, testifying in his stead will be the Deputy Assistant Secretary of State, Susan Shirk.

Dr. Shirk most recently testified before the Subcommittee in April on the occasion of the 20th anniversary of the Taiwan Relations Act. Dr. Shirk, I hope you might be able to provide the Subcommittee a summary of the weekend's bilateral discussion between the President and Chinese President Jiang Zemin, particularly on the discussions related to the security of Taiwan. I know it is a big order. You may not be able to. That is my hope.

Representing the Department of Defense is Dr. Kurt Campbell. As the Deputy Assistant Secretary for International Security Affairs, Dr. Campbell is responsible for Asian policy and specifically focuses on the defense provisions in the TRA. Dr. Campbell has testified before the Subcommittee several times. We both participated last week in an Australian-American leadership dialogue. I am pleased to have you back before the Subcommittee as well, Dr. Campbell.

On our panel of private witnesses, we are very privileged to welcome the Honorable Casper W. Weinberger, former Secretary of Defense and Chairman of Forbes Magazine. Secretary Weinberger remains a prolific commentator on a wide range of national security issues including East Asian security. Welcome, Mr. Secretary.

The Honorable R. James Woolsey also has a long, distinguished career of public service as Ambassador, an arms control negotiator, and, most recently, as President Clinton's initial Director of Central Intelligence. Director Woolsey is presently a partner at the law firm of Shea & Gardner.

Finally, Dr. David M. Lampton is Director of China Studies at the Johns Hopkins School of Advanced International Studies. Dr. Lampton is a widely published international authority on China and East Asia. It is good to see you and to hear your testimony today. I enjoyed our time together in conference in China.

Without objection, your full statements will be made part of the record, for both panels. Consistent with the practice we are going to ask for some limit on time, I would now like to turn to the distinguished Ranking Member, Mr. Lantos, and then turn to the Chairman of the Committee, Mr. Gilman, for their comments.

Mr. CHAIRMAN Mr. Lantos.

Mr. LANTOS. Mr. Chairman, I want to commend you for holding this hearing, and, since you are anxious to get our distinguished witnesses' testimony, I shall be very brief.

Whenever we deal with China and Taiwan, there is a frivolous interplay of symbolism and substance. Those of us in the Administration by virtue of the fact that they represent the government of the United States are always heavy on symbolism, and those of us in Congress who don't have the restrictions that are placed upon our governmental representatives in the executive branch prefer to deal with substance.

Let's take the words "one-China policy." Well, it depends on how you interpret one-China policy. One way of interpreting one-China policy is to say as things evolve on the mainland and China becomes a full fledged political democracy, there will be a peaceful resolution of the Taiwan-Mainland China conflict by these two democratic societies merging into one-China.

Yet at the same time it is sort of self-evident that Taiwan is very much a country. As a matter of fact, Taiwan is a model of what we had hoped destitute, dictatorial, underdeveloped societies will develop into. Taiwan is developed, prosperous, and democratic. What more can you ask for? And the support that Taiwan enjoys in the Congress and among the American people is a reflection of the admiration the American people have for these incredible achievements.

My first visit to Taiwan was many decades ago when Taiwan was destitute, dictatorial and undemocratic. Recent visits to Taiwan demonstrate to anybody that it is a democratic, prosperous, market-oriented, pro-American society.

So it is important not to be confused by this frivolous interplay of substance and symbolism which confuses and permeates the dialogue we have, both among ourselves and with the Administration on the subject of Taiwan and China.

I would like to say a word about President Lee, who precipitated, or he is claimed to have precipitated, the most recent crisis.

Awhile back, President Lee was offered an honorary doctorate from Cornell University, his alma mater, where he received a Ph.D. in agricultural economics, and our Administration decided to deny him a visa to visit his alma mater. When I found out about it, I literally went through the roof and I introduced a resolution which went through the Subcommittee, the Full Committee, and then the House, and I believe unanimously was approved. President Lee visited Cornell, received his degree, and the world is still spinning around.

Now, this was a crisis that was not of President Lee's making. As a distinguished graduate of a distinguished American university, he was offered an opportunity to give a speech, and he took full advantage of it.

The current crisis is, to some extent, of his making, and while I think he stated in terms of substance a reality, it, nevertheless, is important for President Lee and our friends in Taiwan to clearly understand that if they want to continue to enjoy the support they receive from the Congress and from the Administration, they have

to display a degree of self-imposed responsibility, which was clearly not present in this instance.

So I think it is critical for all of us at all times in this very nebulous, amorphous, difficult to define situation, where Taiwan is clearly a country with its own foreign policy, with its own internal democratic political system, and with its enormous economic success, to show some degree of restraint in stating things which, while true, may not necessarily serve any cause by publicly being repeated.

At a more fundamental level, it is extremely important for us to realize that our commitment to Taiwan's security is unshakeable, and the people in Beijing better clearly understand this. We are committed to Taiwan's territorial integrity. We are committed for the people of Taiwan to continue to be able to live in a free, open, democratic society. This is a fundamental commitment which no degree of trashing the American embassy in Beijing will undo.

My hope is that this eventual one-China evolution, namely the merger of two democratic entities, will unfold at least in the lifetime of some of us, but we are committed, without any reservation, to insisting, irrevocably, that changes in the relations between Taiwan and mainland China be undertaken by peaceful, democratic dialog, and military threats have no room whatever. They are unacceptable, and they are counterproductive.

Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Mr. Lantos. The Chairman of the Committee, Mr. Gilman, is recognized.

Mr. GILMAN. Thank you, Mr. Chairman. I want to commend the Chairman for holding what I consider to be a very timely hearing with regard to the situation across the Taiwan Strait and H.R. 1838, the Taiwan Security Enhancement Act, that was introduced in the House by Mr. Delay.

Many of us in the Congress are increasingly concerned about China's military modernization, by its refusal to renounce the use of force against Taiwan, about its overwrought saber rattling and the deleterious effect it has on regional stability. Our nation should without question continue to steadfastly continue to meet its security commitments to Taipei as stipulated in the 1979 Taiwan Relations Act.

Some analysts have characterized our nation's Taiwan policy as a strategic ambiguity. Any failure to provide for Taiwan's legitimate defense needs could lead to Beijing's misunderstanding of America's interests, could foster misperceptions of Taiwanese vulnerability, could increase the likelihood of Chinese miscalculation. It could lead to conflict with our Nation over its adventurism. Ensuring and enhancing Taiwan's ability to defend itself increases the prospects for continued peace and stability in Northeast Asia and supports our own national interests.

Accordingly, Mr. Chairman, I fully support this legislation's efforts to enhance Taiwan's self-defense capability, and I look forward to the testimony of our distinguished witnesses. I am cosponsor of the bill, it has an impressive array of bipartisan supporters, and I hope that we can consider it before our Committee at an early date.

Thank you, Mr. Chairman, for bringing this issue before us at this timely moment.

Mr. BEREUTER. Thank you for your timely statement. We will place your entire remarks in the record, but I also would like the cooperation to trying to move to our witnesses and questions. We will go to the Democratic side, Mr. Ackerman from New York.

Mr. ACKERMAN. Thank you, Mr. Chairman. The Taiwan Relations Act for 20 years has provided the framework for our relations with Taiwan.

TRA along with our 5 mutual defense treaties in the region has also contributed to the peace, stability, and security of East Asia. Clearly the TRA envisions that the United States will continue to play a role in Taiwan security as Taiwan and the People's Republic of China pursue a resolution to the question of reunification. Against this policy backdrop, we find ourselves again in the midst of a serious tension across the Taiwan Strait. President Lee Teng-hui's suggestion that cross-strait relations should be conducted as a special "state-to-state relationship" and the predictable outrage from the People's Republic of China has again raised tensions in the region and heightened concern that the PRC might respond militarily. On this question the United States must be clear. Only peaceful means should be used to resolve the dispute between the PRC and Taiwan. But the United States must be equally clear that we will respond to armed aggression against Taiwan.

Mr. Chairman, I would urge the PRC not to overreact to President Lee's statements and to review them in the contact of Taiwan's domestic political debate, the audience for which they were mainly intended. Similarly, Mr. Chairman, I would urge caution among our colleagues as we examine the Taiwan Security Enhancement Act.

I support the U.S. obligation to, as is written, provide Taiwan with arms of a defensive character, but I have also always believed that it was a better strategy not to tell your adversary exactly what you were going to do. I think strategic ambiguity has served us reasonably well in East Asia. I believe that the listing in the statute of specific weapon systems that we will provide to Taiwan is profoundly bad policy. China's continued refusal to renounce the use of force as a solution to reunification requires the United States to have a more vigorous military exchange with Taiwan, and the Congress should be involved to a greater extent in the review of Taiwan's defense needs. I hope the Administration will take that admonition to heart.

I thank you, Mr. Chairman, and I look forward to the distinguished witnesses who will be brought before us.

Mr. BEREUTER. Thank you. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I would like to submit my statement, and I would like to associate myself with the statement made by the distinguished Minority Member of the Subcommittee, Mr. Lantos.

[The information referred appears in the appendix.]

Mr. BEREUTER. Thank you. The gentleman from California.

Mr. ROHRABACHER. I will try to be brief, Mr. Chairman. I don't think strategic ambiguity serves this country well at all. I think the communist Chinese regime in Beijing needs to know exactly where we are coming from. And, in case they have not surmised

it, the United States of America will not tolerate the use of force or violence against Taiwan by the People's Republic of China in Beijing. And if they use force or violence against Taiwan, which is a democratically elected government in Taiwan, the United States will use military force and the people of our country will support that use of military force in order to back up those people who believe in democracy and are trying to have an elected government on the island of Taiwan. There should be no ambiguity about that, and all of our treaty obligations with Taiwan and the People's Republic of China permit us to sell defensive weapons to the people of Taiwan so they can defend themselves. There should be no ambiguity or misunderstanding about that.

We assert our right through treaty obligation and international rights as a country to sell defensive weapons to the people of Taiwan in order to deter military action against them by a communist dictatorship on the mainland of China. There is no moral equivalency between democratically elected governments and dictatorship, there is no strategic ambiguity about our position or what position the people of the United States will support when it comes to combating that type of aggression.

Unfortunately, I noticed in a recent meeting between our President and the leader of the People's Republic of China, the day before that meeting communist China held large military landing drills on the coastal areas directly opposite Taiwan and where thousands of PLA and militia personnel simulated landing on a well-defended coastal area. This is the type of coercion that you get from bullies, and either we stand strong and let the bullies know where we are coming from, we may have to face some type of action that we would not have to face otherwise if we were strong and put forth a determined position.

With that I thank the Chairman.

Mr. BEREUTER. I thank the gentleman. Dr. Shirk and Dr. Campbell, would you come to the table. The distinguished witnesses from the Administration were introduced just a few minutes ago. I would like to call upon Dr. Shirk first. You may proceed as you wish.

STATEMENT OF DR. SUSAN SHIRK, DEPUTY ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS

Dr. SHIRK. Thank you very much, Mr. Chairman. It is a pleasure to be here with you and the Committee Members again to talk about Taiwan security and how to best enhance it.

I will submit my written statement for the record. I would like to give a brief summary here highlighting two aspects: First of all, what the Administration has done in response to the increase in cross-strait tension since July as guided by the Taiwan Relations Act. Second, I would like to address the central question that you raised in your own introductory remarks which is: will this proposed legislation, clearly intended to enhance the security of Taiwan, actually do that or will it have the opposite effect? I will express the Administration position that indeed we believe it would have a detrimental rather than enhancing effect.

Let me start off by saying that since the increase in cross-strait tension in July, the United States has responded with consistent

public and private statements in an effort to calm tensions and encourage a peaceful resolution of the dispute. All of our public and private statements have been steady and consistent and designed to make clear that our own policies are unchanged. That means that our own one-China policy is unchanged, that we have an abiding interest that there be a peaceful approach by both sides to resolving differences, and that we believe that face-to-face dialog is the best way for those differences to be peacefully resolved.

We have made these three pillars of our policy very, very clear, both in our private communications with the two sides and in our public statements as well. The President articulated this in a telephone conversation with Jiang Zemin and in a White House press conference. We sent Richard Bush and Stanley Roth, both former employees of this Committee, to both sides to listen to the leaders, to reiterate U.S. policies and to urge both sides to undertake flexible statesman-like efforts in order to preserve the possibility of dialog, which we believe is the best means for peaceful resolution.

When President Clinton met President Jiang in Auckland last week, the message again was very clear and consistent. The Secretary of State also met with her counterpart at the same time and sent the same message. In other words, we made clear our continued commitment to a one-China policy, our insistence on the peaceful resolution of differences and on the value of dialogue.

The President and the Secretary urged China to avoid any militarization of the dispute that might risk accidents or miscalculations. President Clinton told President Jiang that there would be grave consequences here in the U.S. if China resorted to military force. The message was clear and consistent.

Now, where does this leave us today? There has been no sign of imminent hostilities, but as a number of Committee Members have noted, PRC military activity has been somewhat elevated since July, and the rhetoric is quite bellicose. The risk of accident or miscalculation and escalation remains. The visit of Wang Daohan to Taiwan that I think we all hope will happen has not been officially canceled, but the PRC has said that retraction of President Lee's state-to-state formulation is a precondition for that visit to occur. We certainly hope that the two sides can find a way for this meeting to take place. It is precisely when tensions are high that dialogue is most needed.

In the meantime we have also been reminding the two sides that they need to take steps to reduce the risk of accidents as their Air Forces continue their activities over the Strait.

Now, this is the context in which we must consider the proposals included in the Taiwan Security Enhancement Act.

I recognize that the authors of this bill and the Members who support it believe that this legislation will help us honor our commitment to the people of Taiwan that we all feel very strongly about. Nonetheless, Mr. Chairman, and I say it with all due respect to the supporters of this bill, the Administration believes that this legislation could have serious unintended negative consequences that could weaken Taiwan security and impinge on our own security interests in the region. These consequences arise because this legislation will be interpreted by Taiwan and by the PRC as a significant revision of the Taiwan Relations Act, which has success-

fully governed the U.S. role in cross-strait issues for 20 years. It will be seen as an effort to reverse our commitment to an unofficial relationship and to recreate in its place a formal military relationship with Taiwan.

Several provisions of the bill lead to this perception. For example, the mandate of operational communication links between the military headquarters of Taiwan and the United States in Hawaii, a linkage more indicative of formal military ties than an unofficial relationship; also the requirement that the Secretary of Defense permit the travel of flag rank officers to Taiwan. Avoiding such senior military travel has helped this and previous Administrations of both parties to have successful working-level contacts while avoiding the cloak of officiality that could be a hindrance to effective exchange.

Equally troubling is the specific authorization that the U.S. provide ballistic missile defense. As you know, Mr. Chairman, this Administration as a matter of policy does not preclude the provision of TMD to Taiwan in the future, but to make this determination now, as the bill suggests we should, when the systems are still under development and not even yet available to U.S. forces certainly is more symbolism than substance. It is certainly premature.

By nature, providing these systems to Taiwan would be a decision with significant implications for Taiwan security, regional security, and the security of the United States. That decision will need to be made, as we make all decisions about arms transfers to Taiwan, on the basis of Taiwan's actual defensive needs and the context of regional security at that time.

We are also talking with the PRC about its own missile deployments in a very direct way, and we are telling the PRC that its interests would be best advanced by a decision to check or scale back its own missile deployments opposite Taiwan.

While I can't tell you how successful we will be, and certainly this is an effort that has to be undertaken over a period of time, I can assure you that enactment of the language in this proposed legislation will reduce the incentives for the PRC to show restraint and make it harder rather than easier for us to succeed.

Mr. Chairman, the bill also puts Congress on record as endorsing the sales of specific weapons, as Members have previously noted, including several which the Administration has denied because they didn't meet the criteria of strictly defensive weaponry in the TRA.

We see a danger that the bill could be the first step in a process whereby Congress would attempt to mandate specific arms sales, thereby abrogating the longstanding and effective arms sale process that now exists.

We also believe, and I can get into this in response to questions if you would like, that certain elements of the bill raise constitutional concerns having to do with the President's authority as Commander in Chief.

So as we consider the potentially serious problems with the proposed legislation, Mr. Chairman, I think we really need to step back and say. "Do we need this act? Has the Taiwan Relations Act failed in assisting Taiwan in its own security and stability?" And

it seems to me that the track record of four Administrations says no. In fact, it has been a very impressive success.

It has been a great success in creating a stable, secure environment for Taiwan to develop into the kind of strong market economy and democracy that it is today. It is creating a context for extensive economic ties between the two sides which certainly are a force for peace to develop. And it has created a shared prosperity between the PRC and Taiwan. And of course that has all been possible in part because Taiwan has been able, with the support of the United States under the TRA, to strengthen its self-defense capability. The United States has provided a wide range of defensive military equipment to Taiwan, as is detailed in my written testimony.

The TRA has worked. Taiwan has never had a stronger defense capability as it has today. Because of the success of the TRA, we believe that the Taiwan Security Enhancement Act is not needed and that it will produce no benefits for Taiwan security and in fact, especially given the context of a tense relationship across the Strait today, could aggravate cross-strait problems and be detrimental to Taiwan security.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Shirk appears in the appendix.]

Mr. BEREUTER. Thank you, Dr. Shirk. Dr. Campbell, you may proceed.

STATEMENT OF DR. KURT CAMPBELL, DEPUTY ASSISTANT SECRETARY FOR ASIA AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF DEFENSE

Dr. CAMPBELL. Thank you, Mr. Bereuter, and thank you for inviting us to speak about your very important proceedings about cross-strait relations. Let me associate myself with both Dr. Shirk's and the remarks made by Senator Thomas made earlier today.

I would like to say a couple of words about the issue that you were talking about before this hearing convened about East Timor because I think it is extraordinarily important, and we will talk with you about this later today and later this week.

As you know, Mr. Chairman, late last night the United Nations Security Council approved an Australian-led force to go into East Timor almost immediately. As we speak, Australian troops in Darwin are preparing to move to East Timor in the next day or so. They have come to us and explained in significant detail the nature of their involvement. It is the largest involvement of Australian armed forces since the Second World War.

When they talk about it, they talk about it in terms of the greatest national security challenge that they have faced in 50 years. They talk about it like they talk about Coral Sea.

They have come to us and spoken to us about some specific, unique potential contributions that they hope that the United States would be prepared to make in the realm of logistics, tactical transport, and some other areas associated with their force. I want to say from my perspective as we look back over the last 50 years, every single time we have asked Australians for assistance in security challenges, they have been there for us. This is the first time that they have come to us and said that they need some help. I

think their request is appropriate. The way that I define ally means we need to be there for them.

The Department will be up to describe carefully what we think are prudent steps that we are prepared to take to support our friends in Australia in Timor.

Mr. BEREUTER. Dr. Campbell, I think you are going to be able to expect a positive bipartisan response.

Dr. CAMPBELL. We appreciate that and so do the Australians, Mr. Chairman.

Let me say a few words about the subject before us today.

First of all, I would judge, and I think that most observers would judge, the Taiwan Relations Act as the most important and significant incidence of legislative leadership in foreign policy in our history. I think it has been enormously successful in sustaining not only peace and stability across the dynamic Taiwan Strait, but in securing American leadership in that region. I think that leadership has a critical ingredient in peace and stability.

If you look at the Taiwan Relations Act in its entirety, it gives us every necessary legal authority to do our job. Over the last several years, succeeding and successive Administrations have taken every advantage of this authority. I think, as Dr. Shirk has indicated, by the provision of defensive weaponry and other forms of dialog we have made clear our commitment to the maintenance of peace and stability.

It underscores three key commitments that the United States stands by. Not only is the Taiwan Relations Act the law of our land, it is also excellent policy and we follow it not only because it is the law but because we think that it is in our national interest.

The first requirement of the Taiwan Relations Act is for us to continually judge the security environment of the Taiwan Relations Act, to consult with Congress and also to inform friends in Taiwan. We have obviously been involved with that over the last several weeks and months, as Dr. Shirk indicated.

The second is to provide appropriate defensive weaponry where necessary to Taiwan. As I indicated, this Administration and previous Administrations have stood up and provided what we think are appropriate, prudent but also extensive military sales to Taiwan to meet their legitimate defensive needs.

Third, of course, what is often forgotten or overlooked in the Taiwan Relations Act is the request and requirement that the United States maintain forces available to respond should there be a challenge to the peaceful status quo. And if you listen and look carefully at the provisions of the East Asian strategy report and the statements of the President of the United States, we have for several years maintained 100,000 forces for deployment to the Asian Pacific region to be able to respond to potential challenges like this.

When we look at the situation on the ground and in the air and on the water in the Taiwan Strait over the last several months, I think we see a couple of areas of concern when it comes to the People's Republic of China and the People's Liberation Army. I will put them in three categories. First, generally speaking, in terms of deployments and procurements—and I think what we have seen of course over the last several years are China's decisions to purchase

sophisticated weaponry from Russia and also developing their own high-tech capabilities—China is becoming a more modern military. We have to watch that closely into the next century.

The second areas are both exercises which are provocative on occasion and also activities. Here I think the activities that we have seen both by the Taiwan Air Force and the PLA Air Force over the last several weeks and months have been provocative and unhelpful, and we are very concerned that these activities have the potential for causing an accident or an unintended event. It is not clear whether that would trigger a larger confrontation. My own sense is that is unlikely. However, those kinds of activities are imprudent and they send the wrong messages.

Third is the area that I am most troubled about is that in the last year or so we have begun to see a change in the strategic thinking not only in the PLA but among much of the intelligentsia about strategic issues. You see increasingly in Chinese military writing and other strategic literature references to Taiwan in a very hostile way, thinking of Taiwan as a military target. I think that direction, that kind of thinking about Taiwan, sends exactly and precisely the wrong message to the people of Taipei. One of the things that we always urge in our discussions with the PLA and with the PRC is what is necessary is trying to develop dialogue and promoting confidence. These actions are sending precisely the opposite signal and, in fact, degrade confidence, undermine trust, and engender very real concern among the people of Taiwan.

Let me just say very quickly about our robust unofficial relationship. We have provided, as I said, I think very prudent but extensive hardware to Taiwan over the years in every area. We can talk about that in my answers. In my written testimony, I detail that very clearly.

In the last few years we have developed more human contacts that are prudent in the unofficial channels that we have. These are designed to build what we call software, greater dialogue on critical security challenges that Taiwan faces.

Let me just close by saying that I take very much to heart the statement that Mr. Ackerman has made and I take that to heart myself personally. I think we have to do a better job in dialogue and discussion with Congress about cross-strait dynamic situations, and I intend to myself work harder at that in the coming months.

I must say, however, that the Taiwan Relations Act has been superb legislation. I think not only is the Taiwan Security Enhancement Act unnecessary, but it also is potentially counterproductive, potentially even dangerous given the very delicate situation that we are facing in the Taiwan Straits. Frankly, I share many of the sentiments of the authors of this bill, but I also believe that we are doing what is necessary to meet the legitimate security concerns of the democratic government of Taiwan.

And with that, I think I will conclude, Mr. Chairman. And of course Dr. Shirk and myself will be happy to address any questions.

[The prepared statement of Dr. Campbell appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Campbell.

I recall in 1979, my first year in Congress, how the Carter Administration opposed the Taiwan Relations Act in many ways and how, in fact, it is the product of the initiatives of the Democratically-controlled Congress, but with strong Republican bipartisan effort. If it is to be commended, as I think it should, it has done its job remarkably well. It had a very heavy Congressional involvement despite being contrary to the views of the Administration at that time.

Now I am faced with a situation where I have the Chairman of the Subcommittee and others in the leadership, including Mr. DeLay and Mr. Cox, are sponsoring or cosponsoring the legislation. Democratic Members like Mr. Deutsch, Mr. Andrews, and Mrs. Lowey were initial cosponsors, and others have been added on both sides of the aisle, including others on this Committee such as Mr. Rohrabacher. Senator Thomas asked to come and testify today. He is not here at my request, but he is certainly entitled to present his view. He was quite candid and very specific, and his written statement even more so.

I think it is important first of all that we have this hearing. We looked carefully at the concerns expressed and at outright objections to it.

From you, Dr. Campbell, I would hope that you could give me some very specific responses to questions that I would like to provide you on sections 3, 4 and 5, which will perhaps answer some of the concerns of the authors of this legislation as quickly as possible. I will share your responses with the Subcommittee, and the Committee, and others, including the authors of the legislation. That would be helpful.

I think also it is important that we see if we can arrange for the Administration to meet with the people most interested in this subject area, including Members of this Subcommittee and Committee and the authors, in a very candid, closed classified setting so that Members can fully examine and understand the depth and details of our relationship with Taiwan now.

I do not think that has happened despite your efforts and the efforts of others on the Hill. We can do that better, and that might be helpful. All of these Members, as I am sure you are aware and would agree with me, are not intending to create serious unintended negative comments or impacts upon Taiwan security.

I would say, however, that there is a great deal of uneasiness on the Members of the House and, undoubtedly, the Senate as a result of the President's visit to China and of some statements that were made at that time.

I think also uneasiness has been triggered by the revelations of the Cox Committee, on which I serve, about the depth of the success of espionage that the Chinese conducted against the Department of Energy weapons laboratories and some of the subsequent comments that some of their officials have made about the neutron bomb and its relevance to Taiwan. All of these things together (and others) are creating some concern about Taiwan-American relations and about the potential conflict between the PRC and Taiwan.

I want to tell you what I think is behind the various levels of concern and how we might begin to approach some of those issues.

At this point, I will simply desist and not ask more specific questions.

If you have any response to what I have said, I would welcome it.

Dr. CAMPBELL. First of all, I appreciate very much the comments, Mr. Chairman. I think the most helpful thing that I can imagine is the opportunity to come up and brief Members in a highly classified environment on some of the issues that you have raised. I think that would be extraordinarily helpful. Thank you.

Dr. SHIRK. I might add that Dr. Campbell and I have been as a team talking with staff on the Hill from time to time about these issues, and we certainly would welcome the chance to talk with Members as well, in the kind of setting that you have described. That would be very constructive.

Mr. BEREUTER. Thank you. In regular order, we will proceed with the 5 minute question period. We will turn first to Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Have there been any recent communications from the People's Republic of China or Taiwan to the Administration, any real concerns about the exercises or whatever, the buildup that China has been making in the past couple of weeks or even months?

Dr. SHIRK. No, there have not been. In fact, they have gone to great pains to state publicly that they don't see any military risks inherent in the situation at the moment; that they feel quite confident that despite the rhetorical saber rattling, there is nothing extraordinary going on and no preparations for actual aggression.

Dr. CAMPBELL. I agree with that. You see, of course, where this potentially leads. Some senior officials in Taiwan say to try to reassure their public, don't worry, we see nothing of concern in the Taiwan Strait. The PRC, who is trying to send a message that they are very concerned about developments that Taiwan has taken politically, think gee, we have to make sure that we have their attention.

I think it is fair to say that we have had communications with the Taiwanese about developments. We have seen actions that are, I think as the Chairman indicated, unhelpful and provocative, and we have urged both sides to not do this in this environment and to try to get back to the table.

Most of the activities that we have seen, the exercises, the flights, some of the statements, are meant to signal in this case. I think it is fair to say that in 1996 there was a time, a couple of days here and there, where we were uncertain what exactly was about to develop. We have not seen any of those situations now, Congressman. We don't see—we have not seen any indication of anything other than an attempt to signal.

Mr. FALEOMAVAEGA. Has there been any indications from the Taiwanese officials since the introduction of this legislation in May in support of this proposed bill?

Dr. SHIRK. Not explicitly. In fact, we are, of course, always very interested in their views of whether or not our unofficial relationship under the Taiwan Relations Act is working well from their perspective. Although certain requests they have made have been denied, and some of the things that we have allowed they have cho-

sen not to buy, but by and large, what we hear from them is that they feel quite positive about our unofficial defense relationship with them.

Mr. FALEOMAVAEGA. I don't think that my question was clear. Let me try again.

Dr. CAMPBELL. I think I understand your question. Let me try to answer it.

First of all, I think what Dr. Shirk said is exactly right. Even among senior Taiwan military officials, the people that I work with the most in this context, there is I think a relatively sophisticated appreciation that their ultimate security cannot be purchased through simply the provision of weapons.

It would be fair to say that the military, like many militaries, is a relatively conservative institution. They want to be loyal to the political establishment, and I think some of the statements, some of the developments in Taiwan, some of the maneuverings have left them concerned. They are not exactly sure about the security environment. They feel the military is very strongly supportive of our unofficial relationship, and I don't think they are generally in favor of unnecessarily provocative actions or statements.

I think to the extent that they have spoken about this particular bill, what they have said is that they share many of the sentiments of the authors. With me at least they have not talked directly about the particulars.

Mr. FALEOMAVAEGA. The point that I want to make, Mr. Secretary, in the 11 years that I have been a Member of this Committee, I don't think that my position has ever changed about the security of Taiwan. But the problem here that I have is that it makes me feel like maybe we are lessening or there is some deficiency in our current relationship with Taiwan that got this proposed bill on the make.

So that is why I wanted to ask you if there has been anything that I am not aware of that has given the impression to my good friend, the gentleman from Texas, to propose the bill. Are we deficient in our current relationship with Taiwan if there is a threat tomorrow?

Dr. CAMPBELL. We don't think that there is a deficiency and in our discussions, and we have had many discussions with Taiwan officials, both civilian and military, they have not led me or others, I believe, to think that there is a deficiency.

However, as in many countries, including Asian countries, I am not sure that they would necessarily tell us if there were.

As important as our dialogues are, and I think they are legitimate and very strong, it is possible that there are other sources of communication. However, I think we feel very strongly that we have the kind of relationship that is necessary. Again, in our conversations, they have been very strongly supportive of the TRA and indeed suggested that this other legislation is unnecessary.

Mr. FALEOMAVAEGA. Some of our colleagues have asked me about this bill, but I responded by saying that I wanted to check with you and your basic position. Certainly you are more knowledgeable than I in terms of having briefings that a lot of times we are unable to accompany you, and I just wanted to get your wisdom and

understanding if there has been a problem over the past several months as to why we end up with a bill like this.

Mr. BEREUTER. I thank the gentleman from America-Samoa. He heard my discussion about some of the genesis of the uneasiness, and I think the hearing is helpful. It is going to help me make up my mind. I think a very important and closed briefing could follow.

The gentleman from California is recognized for 5 minutes.

Mr. ROHRABACHER. Dr. Campbell, let me get this straight. Your testimony to us today is that high level officials in Taiwan are telling you that they don't want these weapons and they don't want us to sell them these weapons? Is that what you are telling us?

Dr. CAMPBELL. Having been before this Committee before, I am always worried when you begin a question with "let me get this straight." usually you are about to be on the hot seat.

Mr. ROHRABACHER. You are already on the hot seat.

Dr. CAMPBELL. I really do appreciate that.

Mr. ROHRABACHER. So let's get to the question.

Dr. CAMPBELL. I will.

Let me say that our Taiwan military friends always ask for more in terms of military hardware. Always. I think they leave our meetings with two sentiments—they are partially satisfied and partially dissatisfied. My sense is that they are more partially satisfied, but again those are my discussions with them.

Mr. ROHRABACHER. It would take a real diplomat to understand what you just said.

Let's get to the question. Are you testifying that high level officials in Taiwan have told you that they don't want to buy these weapon systems?

Dr. CAMPBELL. No. I think the bill is about more than simply weapon systems. When you talk about weapon systems per se, yes, they always want more. That is a statement of fact.

Mr. ROHRABACHER. That is cool. I thought you were testifying—I don't know how I got that impression that some high level people in Taiwan didn't really want these weapons because every time I have been over there, that is what they want.

Dr. CAMPBELL. Congressman, another point, there are also times that they ask for systems that we think are important and we say yes, and then they don't buy them. And more recently, we are in an environment where we are telling them that there are things that they need to purchase because we have looked carefully at their armed forces that they are reluctant to do. When you talk about this, this is not us saying "No, no, no." It is more of a dialogue.

Mr. ROHRABACHER. Let's go to the "no, no, no" part. Aren't we saying "no, no, no" when they want to buy submarines and Aegis systems? Don't the Chinese have this missile buildup on the coastline, and they don't have a 64 to 4 advantage on the Taiwanese? And aren't we saying "no, no, no" to the elected government rather than the dictatorship?

Dr. CAMPBELL. You have raised an important issue. Let me try to handle both of them if I can.

First of all, in terms of anti-submarine warfare, we think that mission is among the most important missions that the Taiwan military faces, and we have sold an array of military equipment,

to include helicopters, ships, and airplanes that are designed to address the submarine threat. You are correct, Congressman Rohrabacher, that we have not sold submarines. However, we believe that the mission is critical, and we have provided a lot of time and a lot of effort to address this particular issue.

Now, the second point that you raise about Aegis, I can address publicly because it has been in the public. We actually agreed and urged Taiwan in 1992 to purchase Aegis. We sold licenses. We went out publicly. We worked with them on this, and they decided not to go ahead with this.

Mr. ROHRABACHER. So we are not opposed to selling Aegis systems to Taiwan?

Dr. CAMPBELL. I am not going to answer that question specifically because our policy is an ongoing discussion with the Taiwan government.

Mr. ROHRABACHER. All right. Well, I am not getting very definitive answers here. This is sort of like the strategic ambiguity right here in Congress.

Let me ask you this——

Dr. CAMPBELL. What I would suggest is that in the private session that the Chairman has spoken about, we can have a useful discussion about Aegis.

Mr. ROHRABACHER. We have had too much ambiguity in our policy. When you are dealing with a bully, the bully has to know the price he is going to pay if he starts a fight. We are giving the wrong signals with all of this ambiguity. Someone should not have to translate answers when you are talking English, and the people on the other side they have to translate into Chinese. They don't even know what the position you are talking about and what the position of the Administration is.

We have an unelected communist dictatorship with the mainland of China, and you have a country that is struggling to be democratic on Taiwan. Unfortunately, it seems to me what we have here is an Administration that is trying to base its policy on some sort of moral equivalency between the two regimes. You are condemning the two sides when it is only the communist dictatorship that is threatening military action.

Listening to your testimony, both sides this and both sides that. It is not both sides that is creating the threat of war, it is the communist Chinese belligerents and the fact is that if they had a democratic government on the mainland, they would not have a problem right now because the people of Taiwan would not be so afraid of this talk about reunification.

I will tell you, if we continue to have this strategic ambiguity that you are talking about, we are going to lead this United States of America into a conflict because the bully is not going to know what we are willing to fight for.

Mr. BEREUTER. I thank the gentleman from California for his comments.

I will interject by saying that since Nebraska is very close to the coast, I follow submarine issues. [Laughter.] Of course we do not produce any diesel submarines in the United States and have not for years. Germany and Sweden do. It is always interesting that people want the United States to sell diesel subs, and we simply

do not produce them. That might upset our nuclear-powered submarine Navy.

The gentleman from Louisiana, who is a little closer to the shore.

Mr. COOKSEY. Thank you, Mr. Chairman.

I have several questions and would prefer brief answers. In this situation it is obvious that all of the parties involved are Chinese. There is not a racial issue or ethnic issue like we have had to deal with that we have sent our people out to. But the differences are political, and they have been affected by different political models and economic models. It appears to me that a lot of the problem gets back to the fact that these differences are articulated by politicians.

Do you feel that some of the problems that are going on right now are similar to some of the problems that we have in this city? Where we have people of different political parties throwing unnecessary bombs at each other, verbal bombs? In fact this Committee met earlier this morning, and I thought I was going to have to separate the Chairman and the Ranking Member. Do you feel that some of this is just politics or the politicians?

Dr. SHIRK. I think that the problems across the Strait between the PRC and Taiwan reflect very deep rooted nationalist sentiment. It is not simply a matter of domestic politics on the two sides.

Mr. COOKSEY. There is an election going on next year between the KMT and the DPP, and I can't help but feel that is a factor.

Dr. Campbell, let me ask you a question. What have you told the people of Taiwan that they need that they in fact have not bought? I am quoting your statement from a few moments ago.

Dr. CAMPBELL. If I may, Congressman, I would like very much to give a very detailed lay down on some specific military issues that require going into some classified material. So because the Chairman has offered the opportunity for that kind of a setting, what I would like to do in that setting is first of all lay down what we think are the security challenges specifically now and what we speculate over the next 10 years, the kinds of discussions that we have had with our Taiwan friends, the kinds of communications that we have had with the PLA and the PRC about our concerns. I would like to go through very specifically what kind of defensive technologies, systems that we have provided to the Taiwanese.

Mr. COOKSEY. You will do that in another session?

Dr. CAMPBELL. I am available to come up at any time to brief in any detail on these issues.

Mr. COOKSEY. I was intrigued by the statement that you made that we have advised them to get some weapon systems and they have turned them down.

Dr. CAMPBELL. I will tell you that Taiwan is a small place. Taiwan has very real security needs. It also has a limited budget. And if you look over a period of about 10 years, first of all the amount of weaponry that has been approved is much, much larger than the actual kinds of weaponry that were purchased.

In addition, because there has been a bit of cultural change in the way that we try to interact, in the last few years we have tried to be more specific about areas that we think that Taiwan needs to change and adapt. We see some of that adaptation, but it is very slow.

Mr. COOKSEY. In Taiwan?

Dr. CAMPBELL. In Taiwan.

Mr. COOKSEY. But it is ahead of the PRC? They were both dictatorships 10 years ago, is that correct?

Dr. CAMPBELL. When you say ahead of, I think in terms of political developments. As the Congressman has indicated, Taiwan has I think one of the most remarkable and exciting democracies in the world. Their military organizations still have, I think, areas where reform and change are needed. You have a system that is still very much dominated by the Army. I think it doesn't take—yes, that is in Taiwan. It does not take a rocket scientist to understand that in the coming arena of 21st century warfare for Taiwan or as it thinks about potential challenges, it is going to be more naval and air issues, and those changes are happening.

We have had in the last number of years a number of important reforms, like Goldwater-Nichols, which changed the way that our military operations work together and work with the civilian apparatus. Taiwan has not had any of those things.

In our discussion I would like to talk about some of the politics, the military politics, not larger politics, but the military politics make this an interesting proposition.

Mr. BEREUTER. The time of the gentleman has expired. I think that I am going to try to schedule that session next week, including the prime sponsors of the legislation and the Subcommittee. I think it will be very helpful. We will try to make it the kind of environment in which we can have the optimal discussion.

Dr. CAMPBELL. We will be available next week.

Mr. BEREUTER. Thank you very much for your testimony. We appreciate your help to the Subcommittee. We now have a third distinguished panel. I ask that they come to the table. These witnesses have been introduced before, but I briefly want to mention their names again. Our third panel will consist of the Honorable Caspar Weinberger, the Honorable R. James Woolsey, and Dr. David Lampton.

Gentlemen, thank you very much for your patience. We look forward to your testimony. Your entire statements will be made a part of the record.

You may proceed as you wish. Mr. Secretary, Secretary Weinberger, we will turn first to you for your comments.

STATEMENT OF THE HONORABLE CASPAR WEINBERGER, CHAIRMAN, FORBES MAGAZINE, FORMER SECRETARY OF DEFENSE

Mr. WEINBERGER. Thank you very much. It is a great honor to testify before the Committee, and I am deeply conscious of that honor today. I had a novel and pleasant experience of hearing all of the statements made at the opening of the hearing from both sides of the aisle of the Committee, with which I found myself in full agreement. This euphoria faded a bit after the Administration witnesses, but let me try to be as helpful as I can and tell you some of the views that I have as to really why we should have a clarifying bill such as the Taiwan Security Enhancement Act.

I would like to start with a point, and incidentally I do not have a fully written out statement, just a note or two, but I would supply anything that the Committee asks for later.

I would feel that our commitments to Taiwan have not been made clear. We have fostered a policy and stayed with a policy, and I was pleased and somewhat surprised to hear the praise for the Taiwan Relations Act by the Administration witnesses, but we have fostered a policy of ambiguity. We always took the basic position that we understood what the People's Republic of China claim was. We understood their position, and we understood the Taiwanese position and that was as far as we went.

We did in the Taiwan Relations Act say that we would regard any attempt to interfere or change that relationship by force would be viewed with the greatest consequences. That carries out the policy of ambiguity because that could mean actually anything from a proper response, military response to seeking a U.N. resolution. It leaves it open, and I think it is extremely important that the People's Republic of China understand the depth and the strength of our commitment as one of the classic means of deterrence.

So I think that the act has been useful but has had a great deal of ambiguity and a great deal of difficulty. For example, when I was Secretary I had to meet with any officials from Taiwan in some country club. We were not allowed to have them in the Pentagon, and nonsense like that, which I think encourages the People's Republic of China to believe our commitment is not serious and discourages Taiwan from believing that our commitment is very serious.

So I think the clarification of that is an extremely important part of the relationship.

The ambiguity that we had relied on, to my mind, was pretty well shredded by President Clinton's visit to the People's Republic last year in which he seemed to endorse fully; rather than simply saying he understood, he seemed to endorse fully the People's Republic position on a great many items and left it in very considerable doubt as to whether or not we had any commitment of any kind of any value really left to Taiwan. The ambiguity was no longer there. We went way beyond saying we understood each other's position. We endorsed the People's Republic's position through his statements which I thought were very ill advised and probably had been made without even discussion with his own people.

But the Taiwan Security Enhancement Act that we are talking about now would really restore those commitments and would make it clear that the position that had been gravely weakened by the President's statements was going to be restored.

I cannot see how emphasizing to the People's Republic of China and to Taiwan and to the world that our commitment to Taiwan, should they be attacked, is absolute, is going to be in any way harmful to the security of Taiwan. I think that the deterrent capabilities that we have and that we should have are well-known and I think that if there is any doubt whatever that those deterrent capabilities would be exercised to the fullest, then you have encouraged the People's Republic to believe that we would have a response that would be far less than we should have, should they make any overt actions attacking or leading toward an attack of

Taiwan, including the islands of Ma-tsu, Quemoy, and one of them changed its name now, but they are the area where that sort of activity could start.

A number of people have said that the communique of August 17th, 1982, basically changed our position and strengthened our relationship with the People's Republic and weakened our relationship to Taiwan.

I would in that connection simply want to point out that a communique is just that, it is just a summary of talks. It can never change or supersede the meaning of a statute enacted by the Congress. A communique is ambiguous, but it does require us to keep on helping Taiwan maintain defensive capabilities, and it is the removal of some of that ambiguity that is essential now, now that the ambiguity we were carefully maintaining was stripped away by the President last year.

Communiques are almost always written, as you know, before the event, so that the event is held so that the communique can be issued, and consequently their value I think is somewhat degraded as a result of that.

Also there was no Defense Department participation in that communique. It appeared very suddenly on the horizon, based on the assumptions that the PRC would also remove and reduce their armaments and their forces. The PRC, of course, has not only done neither; it has moved in the opposite direction.

Then I think we have to take into consideration some of the changes that have occurred since then, and I think China's changed attitude, the People's Republic changed attitude, is important to take in mind. They now seem to be interested in offensive strengths. I made two or three trips while in office at their request. We discussed defensive capabilities, how they would defend their 1800-mile long border with the then Soviet Union. We discussed the modernization of some of their defensive weapons, and we had a very good military to military relationship.

They seemed to want at that time only to strengthen that defensive capability. Since then, they have adopted what I consider to be a very aggressive foreign policy in connection with the Spratly Islands, with dropping missiles into Taiwan waters before their election, adding and acquiring an additional nuclear and neutron bomb capability with the technology that was described and detailed in the very able Cox report. They have expressed their deep anger at our renewal of our Japanese-U.S. security pact, a purely defensive alliance. They have expressed their fury at our working with Japan and Taiwan on missile defense. They have had a heavy increase in arms and submarines facing Taiwan, and they have flown air patrols, certainly provocatively close to Taiwan, and keep doing that, and also made a certain number of noises with respect to the islands.

All of that to my mind emphasizes the need for the clarity and strength set out in the Helms-Torricelli bill, which calls for lifting restrictions on arms sales to Taiwan so you don't have to ask whether each bullet or pistol is going to be within the ban or not, and certainly for ending the ban on high level military exchanges between the two countries and for providing Taiwan with key weapons systems, including theater missile defenses that would

make it much harder for the Chinese military to use or even to threaten force against Taiwan.

I would just make one closing comment, Mr. Chairman, and that is that President Lee's statements with regard to, two equal sovereign states and a state-to-state relationship, which we have basically attacked and which we have urged him to withdraw and done a number of other things that indicated to the People's Republic and the world that we felt that he was complicating the situation, simply recognizes the facts as they are. The forces that the PRC have created in China only emphasize China's aggressive intentions to win Taiwan back and Taiwan's needs for support. President Lee supports the unification when China changes, and he has been very clear about that for a number of years. It would seem to me that is established and that our attacking President Lee for making this sort of statement by itself expresses a partiality, a support for the People's Republic, that I think is incorrect and improper. I do think that it would be far more useful if President Clinton at least many times before and certainly now, being together with the President of China in New Zealand, if he had made it quite clear that we need to have from the People's Republic a firm agreement that there will be no attack on Taiwan, that there will be no attempt to gain Taiwan by force, and that it would be quite essential that be understood by the President of China, by the Taiwanese, and by the world.

I do think that the danger is that China rather than Taiwan is going to misjudge our steadfastness if we persist not only in what was the murkiness and the ambiguity, but now if we persist in the feeling of condemning President Lee as opposed to recognizing that it is important that we make it clear that our commitment is to defend Taiwan and that has to be understood by the Chinese, and defending Taiwan would mean a great deal more than going to the United Nations for the resolution. It would mean use of appropriate force to counter whatever force the Chinese would exert.

Mr. Chairman, I appreciate very much the opportunity to be here with you, and I would be glad to answer any questions you might have.

Mr. BEREUTER. Thank you, Secretary Weinberger.

Director Woolsey, we look forward to your comments now. You proceed as you wish.

STATEMENT OF THE HONORABLE R. JAMES WOOLSEY, PARTNER, SHEA AND GARDNER, FORMER DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

Mr. WOOLSEY. Thank you, Mr. Chairman. As always, it is a pleasure to appear before you and before this Committee. I appreciate the Committee staff's indulgence in letting me speak from a few notes rather than submitting a prepared statement.

I support the Taiwan Security Enhancement Act, and I believe that under current circumstances this package is generally a reasonable one. The increase in staff at the American Institute in Taiwan, the required Presidential report on Taiwan, defense requests, reassertion of the primacy of the TRA over the 1982 communique regarding arms sales, enhancement of operational training and exercises, establishment of the secure communications channel be-

tween the United States and Taiwanese military commands, and support for certain arms sales. I would not support mandating such sales, but some indication of support seems to me to be entirely appropriate.

It does give me some pause that this list is rather detailed. I served as general counsel of the Senate Armed Services Committee for 3 years as well as serving as a Presidential appointee in both Democratic and Republican Administrations in the Navy Department, the State Department, and the intelligence community, and, frankly, I can teach this issue of Executive versus Congressional prerogatives either round or flat.

I am generally of the view that the detailed implementation is best left to the Executive and there may be one or two aspects of this bill that it would be wise to compromise on. But I am also well aware of Lord Bryce's dictum that the United States Constitution in the field of foreign policy is essentially just an invitation to struggle. And whereas here the Executive branch's policy is both, in my judgment, wrong-headed and dangerous, Congress has a duty to the country to try to correct it.

The current situation—really since last spring—I believe continues to be a dangerous one. The PRC has sent modern fighter aircraft into the Straits, it has seized a Taiwanese ship, it has fired its new ballistic missile, the DF–31, on which the United States taxpayers should perhaps receive licensing fees. This followed last spring's stage-managed damage by bussed-in crowds to attack the U.S. embassy, a massive crackdown on the threat posed by middle-aged people who like to do breathing exercises, and brutal sentencing of those who seek to organize true democracy for China.

I would submit that although the triggering incidents leading to this series of events seemed diverse, our tragic mistake in bombing the Chinese embassy in Belgrade, President Lee Teng-hui's comment about state-to-state relations being the proper basis for PRC-Taiwan negotiations, and the silent demonstration in Beijing by the Falun Gong sect, the underlying sources of the PRC's behavior are, I believe, essentially two:

First, a fear of potential political unrest stemming from economic change in China, and, second, U.S. policy itself.

First, the disestablishment of the large state-owned enterprises over the long run as sponsored by Zhu Rongji and others will bring some economic freedoms over time to China that, in my judgment, will help begin to change Chinese society and ultimately making China more conducive over time to political freedom. But in the short run, the unemployment which this disestablishment produces can lead to instability. Thus, there is a temptation for Beijing to play the nationalism card as a way of reducing the chances of that instability and enhancing Beijing's own hand.

I am glad to see support for normal trade relations between the PRC and the United States. I am sorry to have seen the Administration some months ago delay the negotiations on the WTO, especially in light of Zhu Rongji's efforts last spring to compromise with American positions. In light of some criticisms that I will offer in a moment of the Administration for being too lenient with the PRC, I would suggest that here on the WTO last spring it was too rigid. It is almost as if they were embodying the pointed line from Bishop

Cranmer's Book of Common Prayer, "we have left undone those things which we ought to have done and we have done those things which we ought not to have done."

The second determinative, I believe, of Beijing's behavior is U.S. policy. Although I do think in the above instance last spring that the Administration offered insufficient encouragement to Zhu Rongji and other reformers, nonetheless, in many other steps, several of them regarding Taiwan, the Administration in the last year or so I believe has appeased China.

Now, I don't believe there is any other word for the Administration's behavior. Until 1939, in September, that word merely meant compromising or accommodating, but since that date it now, of course, suggests undercutting a small nation's ability to resist aggression by compromising one's own principles.

When I used this word before a Senate Committee last month, the Administration's State Department spokesman James Rubin said "Woolsey is no China expert." But I would call to the Subcommittee's attention that I was not talking about Chinese behavior. I was talking about U.S. Government behavior, and I still think appeasement is the right word to use.

In effect, the Administration's policies have encouraged the most hard line of the PRC factions, particularly vis-a-vis Taiwan. In reversing its campaign criticism of the Bush Administration for being too accommodating to the "butchers of Tiananmen," the Administration has declared a strategic partnership with Beijing, a phrase that given the military source of the word "strategic," would mean to 99.9-percent of the people in the world a *de facto* military alliance, something which vastly overstates our relationship with the PRC.

The President has echoed Beijing's formulation during his visit there of the "three noes", without clearly declaring at the same time, although he has brought it up since, that it was unacceptable for the PRC to use force in the Taiwan Straits.

The Administration has subordinated relations with the regions' democracies—Japan, South Korea, and Taiwan—by acquiescing, for example, to the PRC's pressure that the President not visit Japan on his trip last year to the PRC. Traditionally, Japan is a stopover either going to or coming from Beijing for American presidents and senior officials of all sorts.

Deputy Assistant Secretary Shirk said that the President has expressed a "continued commitment" to the one-China policy, but like Secretary Weinberger, my impression is that what he has rather done is explicitly adopted the formulation of the one-China policy as set forth by the PRC, rather than doing what had been done in the past, beginning in 1972: namely, acknowledging that both governments at that time on both sides of the Strait had a one-China policy. They just disagreed on who should govern China.

I can't pin down exactly when this formulation changed to acknowledging something that two other entities were saying to adopting the formulation, but it is not a negligible change in American policy.

The President has spoken favorably of the PRC's takeover of Hong Kong as a model for relations between the PRC and Taiwan,

and that situation is not entirely comporting with the original guarantees by the PRC.

The Administration has severely restricted arms sales, even of, I think clearly, defensive weapons, to Taiwan. The Administration has, instead of apologizing once clearly for the tragic bombing of the PRC embassy in Belgrade, apologized so many times and so profusely at so many levels as, I think, to cheapen the coin of an American government apology.

Now a number of these steps have undercut what I believe was the laudable, if somewhat delayed, dispatch of the two aircraft carriers to the waters near Taiwan in the spring of 1996 at the time of the last crisis.

Mr. Chairman, I believe this is a very dangerous stance that the President and the Administration have either chosen to move to or have drifted into. It is potentially even a tragic stance.

When dictatorships see prey, such as, for example, Germany viewed Czechoslovakia in 1938, they need to be deterred in order for peace to be protected. The sort of ambiguity the Administration espouses was the heart of Britain's and France's position with respect to Germany's Eastern neighbors in the 1930's. Strategic ambiguity it was. Needless to say, that did not work very well, probably because no one was more surprised than Hitler when the indecisive Western governments that had abandoned Czechoslovakia decided to stand by Poland in 1939, and World War II began.

The ambiguity of a number of European powers' guarantees to one another by the time of August 1914 also famously contributed to the outbreak of World War I.

Taiwanese status as prey is sharpened in the PRC's eyes because of the island's democratic reforms of recent years. As a vibrant and prosperous democracy with political and economic freedom, Taiwan constitutes an affront to Beijing. It is a living, breathing proof that the self-serving nonsense put out by autocratic and dictatorial leaders in Asia and those who are sympathetic to them that democracy is inconsistent with Asian values is quite false. Taiwan is an affront to the PRC in exactly the same way that in the fall of 1989 Solidarity Poland was an affront to the U.S.S.R.

I take the Administration's points—that military sales are not everything and that good U.S.-PRC relations redound to Taiwan's benefit. I also acknowledge that President Lee Teng-Hui's recent remarks departing from the fictitious and stale but diplomatically useful old one-China formulation, have given Beijing an excuse for saber rattling. It is worth noting that one of the most skillful and successful diplomats in history, Talleyrand, once said that language was given to man to conceal thought. And however understandable President Lee's comments were in the context of Taiwan's vigorous and free political debate, I would advance the somewhat old-fashioned notion that there are some things best left unsaid by those who head governments.

But the key point is that we need to be polite and diplomatic, I believe, with Beijing, but we also need to acknowledge and reward the efforts of some in the PRC government who seek to work with us, such as the efforts of Zhu Rongji, that brought proposals this past spring on the WTO negotiations. But over the long run, it is very dangerous to meet the aggressive moves of dictatorships

against their potential prey with appeasement. Appeasement may buy you some time in the short run. Chamberlain was sure the sellout of Czechoslovakia in Munich in 1938 would bring peace in our time. It did. But his time only lasted one year.

I believe that clear, not ambiguous, American support for Taiwan's right to be protected from the use of force by Beijing is an essential part of maintaining peace in the Taiwan Straits. The Administration has turned instead to ambiguity and I would say appeasement. In the interest of peace, the Executive Branch needs to be brought up short and forced to change this very shortsighted policy. This bill in some form can help bring that about and I would urge Congress to move forward with it.

Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you very much, Director Woolsey. Now we would like to hear from Dr. David Lampton.

STATEMENT OF DR. DAVID M. LAMPTON, DIRECTOR, CHINESE STUDIES, SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY

Dr. LAMPTON. Thank you, Mr. Chairman. I appreciate the opportunity to testify before you today and share my views on the Taiwan Security Enhancement Act.

Mr. Chairman, your Subcommittee has played a major and constructive role in our relations with the PRC, Hong Kong, and Taiwan over the last years, and I want to thank you for that role and your colleagues as well.

With respect to the business at hand, however, relations with the PRC and Taiwan and the Taiwan Relations Act, the Taiwan Relations Act was passed by Congress during the Chairman's first term, 20-years ago. The TRA has contributed to stability in East Asia and fostered an environment that has both allowed the United States to develop relations with Beijing, and permit the people of Taiwan to make stunning social, economic and political progress over the last two decades, progress we all admire.

Therefore, it is with considerable forethought that I say that the proposed legislation will undo the good work of the TRA, and I must say that I agreed fully with your opening statement, Mr. Chairman, and certainly Senator Thomas'. I was quite interested to hear Congressman Lantos say that our friends sometimes have to have some self-imposed restraint. I thought those were interesting comments, and I was quite struck by Congressman Salmon's comments, having lived in Taiwan, to say that sometimes friends have to stand up with friends and give them their best judgment, even if it is not particularly welcome.

Were the proposed legislation to become law, it would make unachievable the principal objective of the TRA, which was "to help maintain the peace, security and stability in the Western Pacific."

The question came up earlier, just parenthetically, does the TRA need to be amended, and then the issue was what do people in Taiwan want in that regard, and what is the range of opinion about that? I think many people I have talked to in Taiwan are afraid to tamper with the TRA at all, afraid that might get out of control. So that is one issue. I don't know any serious person in Taiwan at least that I have talked to who wants to amend the TRA.

My areas of concern with respect to the proposed legislation fall into six broad categories. First, the TRA, in conjunction with the three communiques and other statements and correspondence, have provided a very successful framework for managing a complicated and sensitive three-way relationship. The proposed legislation is, therefore, unnecessary in my view. The 20-years since the adoption of the TRA have witnessed enormous progress on Taiwan. With respect to cross-Strait relations and security, while there are worries, and we have talked about them—the missile deployments, the landing exercises and so on—there is also progress to report.

Put bluntly, Mr. Chairman, if security were so tenuous on Taiwan and cross-Strait relations were so perilous, why is it that 40,000 Taiwan firms have contracted to invest $40 billion U.S. dollars on the mainland? Why is it that Taiwan is sourcing a large chunk of its computer components in the PRC? Indeed, one-third of the Taiwan information industry's total output is produced in plants on mainland China. Moreover, in 1997, if one includes goods exported from Taiwan through Hong Kong to the PRC, China was Taiwan's largest market, and Taiwan was China's first ranking supplier.

This legislation it seems to me also is unnecessary because considerable legislative authority proposed in the Taiwan Security Enhancement Act already exists in the TRA, particularly those provisions relating to defensive weapons sales. We can go into that more, but I think the basic point is that the President has the authority to do most of what is proposed in the weapons sales area. The operative word in the bill is to "authorize" the President, and he is already authorized.

Further, the premise that weapons sales have been inadequate is undermined by the figures on past and current arms sales and deliveries to Taiwan presented in my written testimony. These sales and/or deliveries have included F–16s, the Patriot missile, Perry and Knox class frigates, and, most recently, early warning radars. Indeed, many analysts in our defense and intelligence agencies argue that Taiwan's problem now is absorbing the weapons, training the people, and maintaining the equipment they have already acquired.

Figures provided in my written testimony show that in 1997, deliveries under foreign military were 8.5 times the 1981 level in constant dollars.

My second problem with this piece of legislation is as follows. I was part of a group that met with President Lee Teng-hui on June 24th. The American group that met with him made the point that we need to focus not simply on military prowess and hardware, but also on the incentives for Beijing to not employ coercion.

In short, I think it is a profound mistake to think that Taiwan's security is going to be principally achieved by weapons. Taiwan is too close to 1.3 billion people for that to be a feasible long-term proposition.

Conceding, and I would be the first to concede that there is an important role for deterrence, (Beijing does need to be deterred), we need to ask why has Beijing not for the most part exerted force against Taiwan during the last three decades? An important part of the answer lies in U.S. ICM military power and credibility.

But that is only part of the answer. The more comprehensive part of the explanation I believe is that there has been a balanced framework of three considerations in Beijing's mind. First, the United States must be credible and constant. I believe that in 1995–1996, Beijing launched its missiles thinking that the United States would not respond. I think they were surprised by our response. If they don't believe us, that is a real problem.

Second, however, Beijing must also believe that time is not working against eventual reunification. In short, there at least has to be some hope that the trend line isn't toward certain independence.

Third, Beijing must have a stake in a positive framework of cooperation with us and our allies in the Pacific and in Europe.

Frankly, the proposed legislation upsets the delicate balance among these three considerations by giving the PRC less of a stake in good relations with the United States and by signalling to many in China that time is eroding any possibility of reunification. Most fundamentally, I believe Beijing will initiate conflict even knowing it will lose—which I believe it will, I am certain it will lose—rather than acquiesce to an independent Taiwan.

Fourth, the proposed legislation would amount to a substantial restoration of the 1954 Mutual Defense Treaty and thereby be inconsistent with the cornerstone of the normalization agreements of December 1978. In the interests of time, I will just leave that point, but I think it would undermine the basis of normalization that was agreed to in 1978.

My fifth problem with the legislation, another area of concern, relates to the bill's provisions with respect to theater missile defense. To be talking about authorizing the provision of high altitude upper-tier anti-missile systems that have not yet gone beyond testing or the drawing board is both premature and unwise. It is premature because usually before encouraging the sale of weapons, we want to fully understand what we are proposing to transfer, both in terms of its technology and the obligations that it may impose on the United States.

The bill's provisions are unwise because if enacted, those provisions would accelerate the already worrisome growth of missiles, short range missiles in the PRC, and provide incentives for a regional arms race.

Sixth, the timing of the bill is very unfortunate, given all of the events in the context of our relations, and I will not go into that more. But this will certainly not get us on a productive track with the PRC. We have some hopes coming out of the recent meeting between Presidents Jiang and Clinton. This is not very timely.

Finally, it seems to me that at this moment in U.S.-PRC relations, Washington ought to be pursuing available opportunities that will enhance the security and the welfare of people, both in Taiwan and in the United States, as well as the PRC. I think a much better avenue, Mr. Chairman, to follow right now is to exploit the possibilities that may exist in getting not only the PRC into the WTO, but Taiwan as well. Quite frankly, as much as we all might wish it differently, I believe Taiwan will not enter the WTO until the PRC does because of Beijing's policy.

By way of concluding then, I would just say let's for the moment concentrate on the opportunities for cooperation. Let's not exacer-

bate things further. Finally, this may surprise you, given the tone of my comments to this point, but I have another principal recommendation, and that is as follows: I do think there is some ambiguity in the current structure of the three communiques and all of the various statements that have been issued and the Taiwan Relations Act. There is a possibility for miscalculation, potentially very serious miscalculation, in both Beijing and Taipei.

The Executive Branch, in my view, therefore, would be well advised to continue to reduce ambiguity, to some extent. More particularly, the Executive Branch should make it clear that not only will an attack on Taiwan not be tolerated and will encounter resistance, but Taiwan also must understand that there will be a price attached to actions that increase regional instability and show no regard for American interests. The United States should, in short, oppose unilateral actions that upset the status quo, whatever their source.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Lampton appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Lampton, and thank you, gentlemen, for your statements. I think we have had a balanced presentation by the panels together. We have certainly heard differing views on the legislation offered by Congressman DeLay and many others and by a counterpart in the Senate.

I do recall, Dr. Lampton, your last comment made me think of my visit to China with Speaker Gingrich and how he said to President Jiang that the United States will come to the defense of Taiwan if China attacks Taiwan. President Jiang, instead of giving us the usual lecture to which I had become accustomed on Taiwanese issues, said that China does not intend to attack. We then went on to more productive discussions.

When that same Congressional delegation went to Taiwan, Speaker Gingrich was equally candid with President Lee about not doing things that are provocative and that are beyond what they should reasonably expect us to tolerate on their part. President Lee offered no direct comment, but I think the message was taken.

Dr. LAMPTON. I have always had very high regard for the Speaker's trip. I thought those were very useful statements.

Mr. BEREUTER. Thank you. I think so, too, frankly. I am interested in your statement that perhaps there is ambiguity that the Administration needs to correct. Of course, this is one of the things that we can do here as a Congress, too. We obviously need to do this very carefully. I do not know of a more important matter that has come before the Subcommittee in the terms I have been here.

I would like to ask any of you gentlemen to comment on whether or not you have seen (I do not think the Administration could have answered this candidly) indication that China is using its knowledge as leverage? We now as a country understood that the President made a mistake in sending Chinese Premier Zhu Rongji home without agreeing to the WTO accession agreement. Are you seeing this in any fashion played in a larger context by the PRC? Are they trying to use this information as leverage now in any respect?

Mr. WOOLSEY. The one thing that I have seen just in the last day or two, Mr. Chairman, and just some sketchy press reports, seems

to suggest that the PRC is playing quite tough with respect to the terms of the WTO deal, not fully going along, for example, with some of the concessions that Zhu Rongji made in April.

My hunch is that they are of the view right now that we need improved relations with them more than they need improved relations with us and they will be far more hard to bargain with on the exact terms of the deal than they would have been in April.

Mr. BEREUTER. That may well be their perception, and I think that is just exactly the wrong perception for them to have. If we as a country or government somehow have contributed to that, we need to rectify that.

Mr. WEINBERGER. There was a specific incident to that about 2 days ago in which the Chinese official responsible for the foreign investment in some of these industries say there was no question whatever that foreign investment would not be permitted with respect to any ownership of any kind of systems involving the Internet or the Web or any of those things, and that was a clear step backward from what they had presumed to offer prior to the earlier negotiations on the WTO.

Dr. LAMPTON. Mr. Chairman, I think we are seeing a little kabuki from Beijing here, mixing my nationality metaphor a bit. But I think they are very highly motivated to get in WTO, and I think they are holding out the prospect of taking back some of their April 8th offer because the Administration is trying to get a few new things from Beijing to have justified its delay. My guess is that if we could accept the April 8th offer, the Chinese would stick. That is just my guess—right now that we are seeing posturing.

Also, I think we ought to be pretty confident of our position inasmuch as I think the Chinese believe they need to be in WTO. They are highly motivated for economic reasons. Their foreign direct investment is declining and they want to reassure the foreign investing communities. Also their exports have not grown nearly as rapidly as they need to sop up the unemployment that Jim Woolsey mentioned. I think we ought to recognize the Chinese want in for economic reasons. They are holding back some of their offer so that they can use it as leverage so we don't ask for any more. But I am hopeful that we can hang in there pretty much with what looked like April 8th, if that is acceptable to the Congress.

Mr. BEREUTER. I do want China to be in the WTO but under the right agreement. I have offered the idea, knowing frankly that it is not likely to happen, that Taiwan could come in ahead of time if, necessary, since they meet the requirements. I do think I certainly would approve it.

If my colleague would give me two additional minutes here, I will try to make it up to the gentleman. Is there objection?

I will just conclude by sneaking in a question. Dr. Woolsey, you mentioned the reluctance of the Administration to sell certain arms. Perhaps you heard Dr. Campbell talk about the Army dominance the lack of training, and, in fact, the lack of purchasing some weapons recommended. I would like to ask any of you if you would make comments now about the arms sales issue—the Administration's reluctance, ability, or willingness—and what the Congress should do to push for the right kind of attitude in that respect, if anything?

Mr. WOOLSEY. I imagine the Taiwanese are of a view that they made a bad mistake in going for those French frigates some years ago rather than the Aegis destroyers. Secretary Campbell said that he had classified information to give the Committee in private on that. There may be a number of issues with respect to that we out here are not knowledgeable of.

But I have thought that both our declining to permit them to buy submarines that have American subsystems on them, in light of the situation in the Taiwan Straits, has been a bad decision. They are so outnumbered in submarines, and submarines are excellent anti-submarine platforms. The chance that the Taiwanese could use diesel submarines offensively, for example to blockade the PRC, is just ludicrous.

So I have often been perplexed over the last number of years at our lack of willingness to go along with submarine sales, presumably built in other countries but with American systems on them.

Mr. BEREUTER. Just a clarification, do you wish to say the American system or the Australian system, which have the benefit of American technology, might be an adequate way of dealing with the fact that we don't produce submarines?

Mr. WOOLSEY. I think so.

Mr. BEREUTER. Any further comments?

Dr. LAMPTON. Well, it would just seem to me as a realistic statement, I can't speak for all our allies, but it is not clear to me who would want to sell Taiwan submarines, taking the heat they would probably feel they are going to take from the PRC. That is an empirical question. But our allies have frequently shown a lot less courage on weapons sales to Taiwan than we have.

Mr. WEINBERGER. I think also, Mr. Chairman, it is important to bear in mind that missile defense is something that Taiwan and the United States urgently need I thought the testimony of the Defense representative today to the California Congressman was very revealing because it is essential that they have that kind of capability. We are the ones who would be able to supply it to them, and our refusal to do so could do nothing but encourage the mainland to believe that they are going to be free to make missile attacks against a country which has no defense against them.

Mr. BEREUTER. I thank the gentleman. There are other questions. The gentleman from California, Mr. Rohrabacher, is recognized.

Mr. ROHRABACHER. First of all, my greetings to former Secretary of Defense Weinberger.

Mr. WEINBERGER. Thank you, sir.

Mr. ROHRABACHER. We worked together in the Reagan Administration. During that time, of course, there was a great evolution toward democracy on the mainland, something that President Reagan consciously fostered, and a lot of people don't take into consideration now. They forget that during the Reagan years it appeared that China was on the way toward a type of reform that we saw take place on Taiwan.

Mr. WEINBERGER. I think the real turning point there, Congressman Rohrabacher, was the death of Deng Xiaoping when I had the privilege of meeting with him several times when I was over there. He understood better I think than anyone the vital necessity and

some of the requirements of improving the relationships between the two countries. I think he apparently always had strong opposition to some of the things he was trying to do. But when he died and after he died, there still is a period of some, I think fair to say, some uncertainty as to what the future of China's policy will be. But at the moment I think it does seem to be in the hands of people who feel they can apply a military solution to Taiwan and that we will not do anything about it. That is why I think it is so essential that we not leave any ambiguity and why I think the Helms-Torricelli Act proposal, although it may not be necessary—it may be in the words of one of the witnesses today—it may not add anything new or be required. Failure to pass it would be sending another very bad signal.

Mr. ROHRABACHER. I think that what we are talking about here is that when we see the potential conflict in that region, it is that we are mistaking the fundamental cause and the fundamental reasons for the potential upheaval. The potential problem doesn't arise from the fact that there is an overabundance of sentiment for independence on the island of Taiwan. That is not the problem. The problem is a lack of democracy on the mainland of China.

Mr. WEINBERGER. That is exactly right, yes.

Mr. ROHRABACHER. If there was a democratic government on the mainland of China, there would not be this friction and this potential catastrophe and complication we are worried about.

Mr. WEINBERGER. You had it exactly right, sir. There is no possibility of Taiwan attacking the mainland, and there is no possibility of any overt actions of that kind. They want to be left alone to prosper as they have with the feeling that they will be secure against outside attack. President Lee has never supported independence. His party never has. One of the opposition parties talked about it. They have even come pretty close to abandoning that as I understand it now. But, again, the furor and the anger that the mainland greeted President Lee's very simple statement, which simply stated the facts, is again an indication to me that, as with the case of the unfortunate bombing of their embassy in Belgrade, that they are seizing any opportunity to try to get us in an apologetic, defensive mood in which we will not be as supportive of Taiwan as we should be.

Mr. ROHRABACHER. You know, when we are talking about WTO, Mr. Woolsey, I don't know why we want Al Capone to join the Chicago Chamber of Commerce. I don't know why we want the worst gangster in the world to be part of our bodies here of governing trade——

Mr. WEINBERGER. That is an extremely valid point, because once in, there are no provisions for getting anybody out. Any single member can cause a very substantial amount of difficulty, delay and ultimate damage to any policies that we may want to have. So it is not I think an organization to which people should be lightly admitted.

Mr. ROHRABACHER. I appreciate that thought. Mr. Secretary. I think, again, back to fundamentals, and, Mr. Woolsey, to be fair, you know, your remarks were based on a recognition that what we are dealing here with is not with a government by the definition of what America believes a government is. A government is a body

that has the consent of the governed, and this is not the basis of power of that small group, that clique, that holds power on the mainland of China. To the degree that we try to treat governments like Taiwan in the same way that we treat a gangster regime like on the mainland, as moral equals. We are sending out the wrong signals to the world. They wonder why those tough guys who don't believe in the democratic rights that we believe in, don't believe in the freedoms that we believe in, who have power in the mainland, no wonder they think that we are weak when we send out these kinds of signals. No wonder they push us to the limit because they perceive this as ambiguity, they perceive this lack of principle on our part as weakness.

Mr. WOOLSEY. Congressman, I see the WTO issue somewhat differently. There are, of course, countries in the WTO that are not democracies, and the political and economic freedoms tend to be connected. But they certainly don't march along hand-in-hand with one another. We do have examples of countries that have liberalized economically and then sometime later political change may take place. Taiwan is actually one example of that. Taiwan had partially free and then a free economy while it was still a dictatorship a decade or so ago, and that economic freedom tended to bring about political freedom. I think the same thing happened in South Korea.

So this is a tactical matter, as far as I am concerned. I think the question with respect to the WTO should be how hard a bargain can we drive in opening up China's economy and how much can we successfully use greater integration into the world economy to undermine the positions of those whom I think we both disfavor in Beijing, and to, relatively speaking, advance the positions of those such as Zhu Rongji, who are trying to open up the economy. I think it is a tactical question and I see it, I guess, differently than you and Secretary Weinberger.

Mr. ROHRABACHER. One last thought. You used two examples of anti-communist regimes, and you can use perhaps even Chile, as far as I know, in terms of countries that were dictatorships evolving into democracies. I don't think there are any examples of communist governments that were reformed by economic reform first. In fact, it seems that was just the opposite direction when it comes to those type of dictatorships.

Mr. WOOLSEY. That is a fair point.

Mr. ROHRABACHER. Thank you very much.

Mr. BEREUTER. I saw Dr. Lampton wanted to respond to one of your questions earlier, Mr. Rohrabacher.

Mr. ROHRABACHER. Oh.

Dr. LAMPTON. I want to say the first time I went to the PRC was in 1976. Mao had just died. If you want to see a dictatorship and authoritarian regime, that was the time and place to go. I think one has to look at the trend line, the direction of change. I think if you had all the China experts and all of the people who had been to China from 1976 and before in a room and asked would China be a major trading power, would it be in the World Bank, would it be a constructive member of the IMF, would it be a member of the comprehensive test ban treaty and all this, there wouldn't have been a person in the room or in the world that claimed to know

about China that would have thought that was remotely possible 20 years from 1976.

So I think what we have to do is not only look at what we dislike in China, and there is much to dislike, but what are the tools we have available to push it in a direction we like and what is the trend line?

Mr. ROHRABACHER. Some of us still are not happy with them being in those organizations.

Mr. BEREUTER. Thank you, gentleman. Dr. Cooksey, you have the last 7 minutes. Then we are going to adjourn.

Mr. COOKSEY. Well, thank you, Mr. Chairman. I do appreciate your testimony. It is good to have some people that come in and give direct testimony that is clear and you can understand your position. I agree with 99 percent of what you said on your positions, but I have some questions. I will tell you this, quite frankly, I was bothered by the practiced ambiguity and tendency of acquiescence that is reflected by the people that testified in front of you, but I think that is a reflection of the person that is their leader.

Would it be unreasonable for Taiwan to be admitted to the WTO simultaneously with the PRC? It is my understanding that Taiwan has met all the criteria for admission to the WTO. It is my understanding that the PRC has not, but they are working on it. I think that both of them should be.

Mr. WOOLSEY. I would have no objection to that, Congressman. I think that is reasonable.

Mr. COOKSEY. Is that a reasonable demand for Members of Congress to make, that they both be admitted simultaneously? My concern is if one is admitted before the other, one might prevent the other from coming in.

Dr. LAMPTON. I believe there is an agreement worked out between the parties that they will either enter simultaneously, or so close, you will need a photo finish to figure out who went across the line first. That is already worked out, I think. The real issue is whether or not to push for Taiwan's entry first if we can't reach agreement with the PRC. I think the world economic organizations ought to reward those who meet the criteria. That is what I think.

But if I make an objective analysis of the capacity of the PRC to leverage the body that will vote on accession, I don't think Taiwan is going to get in until the PRC does. I think our European Union friends, Pakistan, and Bangladesh will assure that Taiwan does not enter before the PRC.

I would just say in the context of this hearing and the proposed legislation, that the simultaneous entry of both of them into WTO might be a useful way to get the cross-Strait dialogue going, because they are going to have to both try to be WTO compatible in their cross-Strait economic relationship. In a kind of funny way, WTO simultaneous entry helps us at least get some discussion across the Strait.

Mr. COOKSEY. Contrary to what Dr. Shirk said, and I appreciated her brief answer, even though she disagreed with my position, and my position is that I blame most of the problem on politicians. I don't know what Dr. Campbell said. I don't know if he knows what he said. But contrary to their position, I feel the business people in these two entities and the people can work together. They are

brothers, they are cousins, they are distant relatives. I really feel like that is a proper approach, and obviously Taiwan has got $35 to $40 billion worth of investment there. I think it can work, and I think it should work.

In lieu of that, however, I really feel that at the end of this century, the time for saber rattling is over, and I think that the war of words is all we should have. If either side, whether it be Taiwan or the PRC, continues the saber rattling, then I feel we should do everything to make sure that the TRA stands as it is, and, if necessary, to reinforce it with the Taiwan Security Enhancement Act. I know that is not exactly your position, but do you feel it is unreasonable to give Taiwan defensive weapons? It is just I feel like anyone should be able to defend themselves.

Dr. LAMPTON. We are required under law. The Taiwan Relations Act requires us to provide defensive weapons, weapons of a defensive character, to help Taiwan as it assures its own security. So I don't think that is even a question.

I think when you get to submarines and particular weapons systems, you get into a kind of debate about what is an offensive weapon versus a defensive weapon. Of course, that is often in the eyes of the beholder, I guess. But I don't think anybody here on this panel, I haven't heard anyone serious even argue we shouldn't be selling weapons to Taiwan. The issues are what to sell, how much to sell, and who ought to have the final say.

Mr. WEINBERGER. It is that very question, Congressman, of what is within the Taiwan Relations Act or isn't that needs to be clarified. Because with this kind of situation, the saber rattling that you have spoken about which we believe should stop, which the People's Republic apparently doesn't believe should stop, that you are narrowing the time in which Taiwan would be able to get the kind of defensive capabilities that would stop the saber rattling. I think it is essential that we do clarify the Taiwan Relations Act with respect to what is a defensive weapon and put it much more on the basis of what are Taiwan's need to protect itself.

Mr. COOKSEY. Does this clarify it, do you think?

Mr. WEINBERGER. I think so. I haven't seen the final version, but the earlier versions I saw did.

Mr. COOKSEY. Again, thank you for appearing. I did appreciate very clear and clairvoyant testimony. It is good to know there is still someone in Washington that can present that kind of intelligent testimony. I don't know if we can get all these people together without a war, and I wish they would sit down and drink some rice wine and eat some great Chinese food and get it over with, because I think they are all good people. But I do have a problem with the current political model that is being used in the PRC, and I think it needs to be changed and that it needs to be fast forwarded to catch up with Taiwan. Then I think that a lot of this will occur. I give up minutes of my time, if I have any left, since the Chairman did.

Thank you, Mr. Chairman.

Mr. BEREUTER. I agree with the gentleman's comments about the helpfulness, clearness, and directness of the testimony provided by the third panel. Thank you very much, gentleman, for spending so much of your day here. It is very valuable to us. I appreciate it.

Thank you. The Subcommittee is adjourned.
[Whereupon, at 3:57 p.m., the Subcommittee was adjourned.]

A P P E N D I X

SEPTEMBER 15, 1999

Congress of the United States

Washington, DC 20515

"Taiwan, the PRC, and the Taiwan Security Enhancement Act"

Statement by Hon. Doug Bereuter
Chairman, Subcommittee on Asia and the Pacific

September 15, 1999

The Subcommittee on Asia and the Pacific meets today to examine the security requirements of Taiwan in the face of increased tension with the People's Republic of China and to receive testimony regarding the proposed Taiwan Security Enhancement Act.

There should be no question of U.S. support for Taiwan. Taiwan has developed into a full-fledged multi-party democracy that respects human rights and civil liberties. Taiwan has grown into one of the strongest and most developed economies in East Asia and it is America's seventh largest export market. Students from Taiwan study at virtually every American college and university. These ties to Taiwan are strong, and forged by mutual respect and cooperation.

Consistent with the Taiwan Relations Act, the United States provides Taiwan with the equipment and expertise to provide for its self-defense. However, the issue of Taiwan's security has assumed greater importance in recent weeks as relations between Taipei and Beijing have become increasingly strained. In July, President Lee remarked that Taiwan-mainland relations must be on the basis of "state-to-state relations." While these comments have proven popular among some people in Taiwan and elsewhere, including some Americans, they have drawn harsh criticism in Beijing. The Chinese Foreign Ministry has labeled President Lee a "troublemaker" and complained that his remarks are a "stumbling block in the improvement to China-U.S. relations."

Just as disturbing, we have witnessed an increase in military tension between Taiwan and the People's Republic of China. The PRC is in the midst of a series of military exercises that can be seen as provocative, including amphibious landing exercises. Beijing also seems to have engaged in a dangerous series of probes of Taiwan's airspace. A supply ship to Taiwan's outer islands was halted. And, there is an increased deployment of such offensive ballistic missiles in Fujian province just across the strait from Taiwan. These missiles clearly are designed to threaten or act against Taiwan. Not surprisingly, many on Taiwan are alarmed by such blatant attempts at intimidation.

The question before the Subcommittee today is whether the Taiwan Relations Act continues to provide adequate security for the people of Taiwan. While the TRA has helped provide solid direction and consistency in our relations with Taiwan over the past twenty years,

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there have been significant changes on both sides of the Taiwan Strait since its enactment. Taiwan is far different than it was in 1979; so to is the PRC. Do we need, as some Americans urge, to modify the Taiwan Relations Act or adjust our longstanding foreign policy position in order to reflect the changes in Taiwan? Is it time to establish deeper, more formalized military-to-military ties with Taiwan? Certainly there are some who wish to sell a greater range of weapons systems to Taipei, and increase the quality and quantity of official contacts. But will an altered relationship actually enhance Taiwan's security? Most importantly, would such a change be in our national interest?

In exploring these issues, we are fortunate to have a truly exceptional group of witnesses. Senator Craig Thomas (R-WY), Chairman of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, felt so strongly about this issue that he asked to be allowed to present his views to our Subcommittee. This is the second time in a week that Senator Thomas has made the trip to the Committee, as he recently participated in a remarkable hearing on Indonesia. Senator, welcome to the Committee. He is most sincerely welcomed back home in the U.S. House of Representatives and before this counterpart Subcommittee.

The Subcommittee learned yesterday that the President had requested Assistant Secretary of State Stanley Roth remain with him for the remainder of his post-APEC Summit meetings. Assistant Secretary of State Stanley Roth, who was to have represented the Administration at today's hearing, was detained by the President APEC summit. Testifying in his stead will be Deputy Assistant Secretary of State Susan Shirk. Dr. Shirk most recently testified before the Subcommittee in April, on the occasion of the twentieth anniversary of the Taiwan Relations Act. Dr. Shirk, I hope you might be able to provide the Subcommittee with a summary of this weekend's bilateral discussions between the President and Jiang Zemin, particularly as the discussions related to the security of Taiwan.

Representing the Department of Defense is Dr. Kurt Campbell. As the Deputy Assistant Secretary for International Security Affairs, Dr. Campbell is responsible for Asia policy and specifically focuses on the defense provisions in the TRA. Dr. Campbell has testified before the Subcommittee several times before, and we participated a few weeks ago in an Australian-American Leadership Dialogue. We are pleased to have you back before the Subcommittee.

In our private of private witnesses, we are very privileged to welcome the Honorable Caspar W. Weinberger, former Secretary of Defense and Chairman of Forbes Magazine. Secretary Weinberger remains a prolific commentator on a wide range of national security issues, including East Asian security. Welcome, Mr. Secretary.

The Honorable R. James Woolsey has a long and distinguished career of public service as an ambassador, an arms control negotiator, and, most recently, as President Clinton's initial Director of Central Intelligence. Director Woolsey is presently a partner at the law firm of Shea & Gardner.

Lastly, Dr. David M. Lampton is Director of China Studies at the Johns Hopkins School of Advanced International Studies. Dr. Lampton is a widely published international authority on China and East Asia. It's good to have your testimony today.

Without objection, your full written statements will be included in the record. Consistent with the practice of the Subcommittee, the Chair would request that witnesses limit their remarks to approximately 10 minutes. This will leave ample time for questions and answers on this important issue.

CRAIG THOMAS
WYOMING

United States Senate
WASHINGTON, DC 20510–5003

**STATEMENT OF SENATOR CRAIG THOMAS, CHAIRMAN
SENATE SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS
BEFORE THE HOUSE SUBCOMMITTEE ON ASIA AND THE PACIFIC
ON TAIWAN, THE PEOPLE'S REPUBLIC OF CHINA, AND THE TAIWAN SECURITY
ENHANCEMENT ACT
SEPTEMBER 15, 1999**

Good afternoon Mr. Chairman. Thank you for convening this hearing today on Taiwan, the People's Republic of China (PRC), and H.R. 1838 -- the Taiwan Security Enhancement Act. I appreciate this opportunity to testify before your Subcommittee on what I believe is one of the most important foreign policy issues we will face this Congress. In keeping with the admonition that I give to witnesses appearing before me, I will keep my statement short.

Our triangular relationship with Taiwan and the PRC is the most complex and challenging that we have in Asia. We have a compelling interest in a stable bilateral relationship with the PRC, the most populous country in the world and a fast-emerging economic and political power. In addition, we also have a compelling interest in maintaining a close relationship with Taiwan, a long-term ally, trading partner, and a bastion of democracy in a region of the world not known for its adherence to democratic ideals.

Unfortunately, historical circumstances have often made those interests mutually exclusive, and made the job of maintaining both those relationships simultaneously like walking on a slippery tightrope. Like any three-way relationship where two of the parties are antagonistic, we often find ourselves caught in the middle between the other parties. Beijing and Taipei both favor intervention in cross-straits relations by the US, but on their own terms; there is little, if any, support for true mediation -- that is, efforts by a neutral party to get both sides to give up part of their negotiating positions and come to a compromise.

Putting the United States in the middle serves no useful purpose. The two sides tend to talk <u>through</u> us, and not <u>to</u> each other. And any US statement or effort to bring the sides together is more likely than not to be received negatively by one side as favoring the other -- every one of our moves is characterized as either "pro-Beijing" or "pro-Taipei." This is a matter that needs to be resolved solely by Taiwan and the PRC, in a peaceful manner, without being triangulated by dragging us into the middle of things.

As you are well aware, Mr. Chairman, this relationship has only gotten more worrisome in the past three months. On July 9, 1999, Taiwan's President Lee Teng-hui stated in response to written questions submitted to him by *Deutsche Welle* that relations between Taiwan and the PRC

should be conducted on the basis of a "state-to-state" (*guojia yu guojia*) relationship "or at least a special state-to-state relationship." That statement, and subsequent amplifications from the Foreign Ministry and the Mainland Affairs Council, seemed to indicate that the ROC government had jettisoned its adherence to the "one China" policy -- a policy it had followed since the late 1940's.

The reaction from the PRC was predictably strident. PRC officials accused Taiwan of pursuing independence in a flood of public statements and media reports. Defense Minster Chi Haotian made several public statements emphasizing the PRC's position that it does not abjure the use of force should Taiwan declare independence, and that the PLA is "ready at any time to safeguard the territorial integrity of China and smash any attempts to separate the country." It is unclear whether the PRC will have a reaction over and above the rhetoric, such as a movement of troops to provinces bordering the Taiwan Straits, military exercises, or – as in 1996 – missile tests north and south of the island.

This latest deterioration in cross-straits relations, and more particularly its timing, was very unfortunate. Recently, the two sides had resumed their high-level contacts after a five-year hiatus; Wang Daohan of the PRC's Association for Relations Across the Taiwan Strait (ARATS) was scheduled to visit Taiwan this fall. This resumption is important, because nothing is ever going to be solved by the two sides sitting on opposite shores of the Taiwan Straits staring glumly at each other.

Despite all these challenges, however, the United States, through both Republican and Democratic Administrations, has managed to strike a balance between the two competing interests, a balance reflected in the three US-PRC joint communiqués and in the Taiwan Relations Act. The communiqués have enabled us to develop a workable, if sometimes bumpy, bilateral relationship with the PRC. And the TRA has allowed us to continue our close and longstanding relationship with the government and people of Taiwan and, by helping to guarantee Taiwan's security, has enabled it to become the economically vibrant multi-party democracy that it is today. It isn't perfect, it isn't always tidy, but it works.

Mr. Chairman, it is for that reason that I am opposed to S. 693, the Taiwan Security Enhancement Act, and its counterpart in the House, H.R. 1838. These bills, if enacted, would upset the delicate balance that we have achieved in these relationships. Rather than enhance Taiwan's security, I believe that they would actually endanger Taiwan's security and destabilize the region.

The bills would be interpreted by Taiwan and the PRC -- and correctly so -- as a significant revision of the TRA and a partial repudiation of the joint communiqués. By mandating the establishment of more high-level military-to-military ties -- in essence, an official formal military relationship -- the bill will be seen as a reversal of over twenty years of our commitment to maintain only unofficial ties with Taipei. Coming at a time when relations across the straits are already severely strained by what Beijing perceives to be Taipei's repudiation of the "one China" policy, it would be read in Beijing as a major US policy shift aimed at bolstering Taiwan's independent status with devastating consequences for both our bilateral relationship, and -- I believe -- for Taiwan.

In addition, the bill places Congress in the position of supporting the sale of particular

weapons systems to Taiwan. The Administration has already decided against furnishing Taipei with several of these systems because they do not meet the criteria set out in the Shanghai communiqué of being purely defensive systems. So by putting its imprimatur on the sale of the systems Congress would in effect be suggesting that the President act counter to not only the spirit but the letter of the communiqués.

Moreover, while I am certainly not a constitutional law expert, nor a defender of the constitutional prerogatives of this particular President, it does seem to me that several sections of the bill are constitutionally suspect. For example, sections 4(b), 5(b), and 5(c), by directing that he take specific military-related actions, seem to me to infringe on the President's authority as Commander-in-chief under Article II, Section 2, of the Constitution.

Mr. Chairman, we are all concerned about Taiwan's security. We are all in agreement with the proposition that Beijing must remember that any attempts to settle the Taiwan question with the barrel of a gun is a threat to the peace and stability of East Asia, and thus a direct threat to US interests. But these bills are designed to fix something that isn't broken, and in the process would only make things worse -- both between us and the PRC, and between the PRC and Taiwan. No one from the government in Taiwan has come to me and said that they feel the TRA is in need of fixing. And as the saying goes, "if it ain't broke, don't fix it."

ENI F.H. FALEOMAVAEGA
Member of Congress

HOUSE INTERNATIONAL RELATIONS
SUBCOMMITTEE ON ASIA-PACIFIC AFFAIRS
HEARING ON
TAIWAN, CHINA, AND THE TAIWAN RELATIONS SECURITY ACT
SEPTEMBER 15, 1999

Mr. Chairman:

At the heart of the relationship between Taiwan and the United States lies the Taiwan Relations Act, which for two decades has laid the foundation for peace and stability in the Taiwan Strait.

In 1996, when the security of our friends in Taiwan was threatened by China's missile tests and military exercises, I joined our colleagues in Congress in strongly supporting President Clinton's decision to send two aircraft carrier groups to the Taiwan Strait to maintain peace.

I am thankful that cooler heads prevailed then and a major conflict was averted.

Three years later, we face another critical period in the trilateral relationship governing Taiwan, the PRC and the United States.

Taiwan President Lee's statements in July suggesting Taiwan's sovereign status has threatened the "One China" policy and ignited a firestorm in Beijing.

At a time when U.S.-Sino relations have neared an all-time low, clearly President Lee's statements have not been helpful nor contributed to greater stability and harmony in the Asia-Pacific region. Domestic politics in Taipei should not be allowed to threaten peace between Taiwan and China, especially if America may be drawn into an unnecessary conflict.

While some analysts predict that China must take military action soon to save face, perhaps against Taiwan's island possessions in the Spratlys or elsewhere, I would strongly urge that Beijing exercise continued restraint and discipline. Chinese military threats and increased deployment of missiles facing Taiwan will only escalate an arms race in the Taiwan Strait that no one wants or needs.

Thank you. I look forward to the testimony of our witnesses today on these issues.

Testimony before

The House International Relations Committee

Asia and Pacific Subcommittee

On HR 1838, The Taiwan Security Enhancement Act

By Susan L. Shirk

Deputy Assistant Secretary of State

for East Asian and Pacific Affairs

September 15, 1999

It is a pleasure to appear before the Asia Pacific Subcommittee today, Mr. Chairman, in response to your request for Administration views concerning H.R. 1838, "The Taiwan Security Enhancement Act." I welcome the opportunity to respond to you on that subject, but I would like to do so in the context of providing you the Administration's assessment of current cross-strait relations.

Recent Events

This spring marked the 20th anniversary of the Taiwan Relations Act (the TRA). There appeared at that time to be some cause for optimism about dialogue between Taiwan and the PRC. In October of 1998, Koo Chen-fu, Chairman of Taiwan's Straits Exchange Foundation (SEF) and Taiwan's senior unofficial representative in talks with the PRC, traveled to Shanghai, where he was welcomed by his counterpart, Wang Daohan, the chairman of the PRC Association for Relations Across the Taiwan Strait (ARATS). He then went to Beijing where he stayed in an official state guesthouse, and met with Jiang Zemin. Koo and Wang agreed to further dialogue on political, economic and other issues, and Wang agreed to make a return visit to Taiwan.

The U.S. had strongly encouraged both sides to engage in such a direct dialogue. We welcomed the prospect that the dialogue would continue and hoped that Wang's visit to Taiwan might establish a more solid basis on which to continue the dialogue. Such a dialogue is the basis for Taiwan's lasting security, which military hardware alone cannot guarantee.

In the context of that positive momentum, we had in recent months suggested that both sides look at the possibility of "interim agreements" as one way to move forward in their dialogue. We offered no preconceived formula about what the substance of interim agreements might be, only that they might serve as a way for both sides to build confidence in their ability to work together, setting the stage for increased cooperation and enhanced regional stability. We did not offer this suggestion to put pressure on either side, only as an idea that might prove useful to both.

Unfortunately, the positive momentum, which existed earlier this year, deteriorated sharply in the course of the summer. On July 9, Taiwan's President Lee Teng-hui told Voice of Germany radio that "we have designated cross-strait ties as state-to-state or at least as special state-to-state ties." On July 12, Su Chi, the Chairman of Taiwan's Mainland Affairs Council, said that the PRC's formulation of the "one China" principle was not a basis for cross-strait discussions.

Beijing declared that Lee's statements threatened the idea of "one China" that was the basis for relations across the Taiwan Strait and "was a very dangerous step along the way to splitting the country." Beijing repeated its long held position that it reserved the right to use force if Taiwan moved toward independence. Wang Daohan suggested that Lee's statement undermined the basis for him to travel to Taiwan this fall to continue the dialogue between the two sides, and he called for a clarification from SEF'S Koo Chen-fu.

On July 30 Koo Chen-fu sent a statement to Wang Daohan to clarify Lee's statement. Although he stated that there had been no change in Taiwan's policies favoring cross-strait dialogue, agreements between the two sides, and the goal of a unified China, Koo also held to Lee's position on "special state-to-state relations." Koo said Taiwan considers that "'one China' is something for the future since China at present is divided and ruled separately by two equal sovereign states in existence at the same time."

After Koo sent his statement of clarification, ARATS immediately rejected it and said that it "seriously violated" the 1992 SEF-ARATS consensus.

From the very beginning, the United States responded to this disruption of cross-straits relations with consistent public and private statements in an effort to calm tensions and encourage a peaceful resolution of this dispute. On July 12, the State Department spokesman reiterated the U.S. commitment to its "one China" policy. The spokesman also stressed that, in accordance with the Taiwan Relations Act, we would view with grave concern any attempt to determine the future of Taiwan by other than peaceful means.

The President spelled out that same week, first in a telephone call to PRC President Jiang Zemin, and later in a White House press conference, the three pillars of our position toward relations between Taiwan and the PRC:

- Our "one China" policy is unchanged;
- We have an abiding interest that there be a peaceful approach by both sides to resolving differences; and,
- We support dialogue as the best way for differences between the two sides to be resolved.

Following the Clinton-Jiang call, the Administration continued its diplomatic efforts to restore calm in cross-strait relations. This included dispatching parallel missions to Beijing and Taipei. Assistant Secretary Stanley Roth and NSC Senior Director for Asia Ken Lieberthal traveled to Beijing while the Chairman of the American Institute in Taiwan (AIT), Richard Bush, traveled to Taipei. (I would note that two of these three are former employees of this subcommittee.) Both missions had the same objectives: to listen to senior leaders; and to make sure that they understood the United States's firm adherence to its long-standing policies -- "one China" and our insistence on peaceful resolution of differences.

As a second step, in her meeting with PRC Foreign Minister Tang Jiaxuan at the ASEAN Regional Forum (ARF), Secretary Albright reiterated our commitment to a one China policy, a peaceful resolution and cross-strait dialogue. The Secretary urged Beijing to continue the cross-strait dialogue and not to use force.

During both the Secretary and the President's meetings with their counterparts at APEC, they made clear our continued commitment to a "one China" policy, the peaceful resolution of differences, and dialogue. They urged China to avoid any militarization of the dispute that might risk accidents or miscalculations. President Clinton told President Jiang that there would be grave consequences in the U.S. if China resorted to military force.

Where does this leave the cross-strait situation today? It is impossible to be certain. There has been no sign of imminent hostilities, but PRC military activity has been somewhat elevated since July. The risks of accident

or miscalculation and of escalation remain. The visit of Wang Daohan to Taiwan has not been officially cancelled, but the PRC has said that retraction of the "state-to-state" formulation is a precondition for that visit to occur. The United States hopes that the two sides can find a way for this meeting to take place. It is precisely when tensions are high that dialogue is most needed.

In the meantime, both sides need to take steps to reduce the risk of accidents as their air forces continue their activities over the Strait. Finally, I would add that this restraint is particularly important as preparations continue for Taiwan's presidential elections in March 2000.

Comments on "The Taiwan Security Enhancement Act"

Having set the context for our consideration of "The Taiwan Security Enhancement Act," I would like to acknowledge for a moment the important role that the Congress, and this subcommittee in particular, have played in preserving Taiwan's security. I know that the spirit of honoring our commitment to the people on Taiwan motivates the members who chose to sponsor HR 1838.

Nonetheless, Mr. Chairman - and I say this with all due respect to those members - the Administration believes that this legislation could have serious, unintended negative consequences that would weaken Taiwan's security and impinge on our own security interests in the region. These consequences arise because this legislation will be interpreted by Taiwan and by the PRC as a significant revision of the Taiwan Relations Act, which has successfully governed the U.S. role in cross-strait issues for twenty years. It will be seen as an effort to reverse our commitment to an unofficial relationship and to recreate in its place a formal military relationship with Taiwan.

Several provisions of this bill lead to this perception. For example, the legislation mandates operational communication links between military headquarters of Taiwan and the U.S. in Hawaii, a linkage more indicative of formal military ties than an unofficial relationship. This perception would be further enforced by the Act's requirement that the Secretary of Defense permit the travel of flag-rank officers to Taiwan. Avoiding such

senior military travel has helped this and previous administrations of both parties to have successful working-level contacts while avoiding the cloak of officiality that would be a hindrance to effective exchange.

Equally troubling is the specific authorization (in sections 5(d) and 5(e)) that the U.S. provide ballistic missile defense. As you know, Mr. Chairman, the Administration, as a matter of policy, does not preclude the possible sale of TMD systems to Taiwan in the future. But, making this determination now -- as the bill suggests we should, when the systems are still under development, and not yet even available to U.S. forces, is certainly premature. By their nature, providing these systems to Taiwan would be a decision with significant implications for Taiwan's security, for regional security, and for the security of the United States. That decision will need to be made based on a determination of Taiwan's defensive needs and in the context of regional developments at some point in the future when the system is ready for deployment.

One major element of that context will be the choices that the PRC makes over the intervening years concerning the deployment of its missiles. We believe, and we are discussing this with the PRC, that its own security interests, as well as regional security, would be best advanced by a decision to check or scale back its missile deployments. Trends in PRC deployments will affect our consideration of deploying ballistic missile defense systems to Taiwan. While I cannot predict the outcome of our discussions with the PRC, I can assure you that enactment of this language into law will reduce incentives for the PRC to show restraint, will make it harder rather than easier for us to succeed, and could fuel an arms race that would leave Taiwan worse off.

Mr. Chairman, this bill puts the Congress on record as endorsing the sales of a number of specific weapons. These include several which the Administration had previously denied because they did not meet the criteria of strictly defensive weaponry, which is what the TRA authorizes.

We see a danger that this bill could be the first step in a process whereby Congress would attempt to mandate specific arms sales, thereby abrogating the long-standing and effective arms sales process that now exists. That

very prospect could change the dynamics of the current process, encouraging Taiwan to seek direct Congressional authorization for the sale of desired weapons.

Equally significant, three actions required by the bill raise immediate constitutional concerns: the report detailing the administration's deliberative review of Taiwan's arms sales requests (sec. 4(b)); the plan for "operational training and exchanges of personnel" between the Taiwan and U.S. militaries (sec. 5(b)); and the establishment of a "secure direct communications" between the U.S. and Taiwan military (sec. 5(c)). All three would unconstitutionally interfere with the President's authority as Commander in Chief and interfere with his ability to carry out his responsibilities for the conduct of foreign relations.

In considering all these potentially serious problems with the proposed legislation, Mr. Chairman, I think is worth considering whether there is really a need for this Act. Has the Taiwan Relations Act failed in assisting Taiwan to provide for its security and stability? The track record of four administrations says "no." Despite the difficulties cross-strait relations encountered during this past summer, the assessment of the Taiwan Relations Act, which Stanley Roth offered on the occasion of its 20th anniversary last spring, remains valid:

> I have no hesitation in declaring the TRA a resounding success. Over the past twenty years, the TRA has not only helped to preserve the substance of our relationship with Taiwan, it has also contributed to the conditions which have enabled the U.S., the PRC, and Taiwan to achieve a great deal more.

While there have been periods of friction over these twenty years, the dynamism and increasing prosperity across the Strait is unmistakable.

That dynamism and prosperity has been the product of people on both sides of the Strait working together. Thousands of Taiwan companies have established operations in the PRC, often in cooperation with PRC companies, both private and government owned. Tens of thousands of PRC workers work for these Taiwan companies.

That shared prosperity has been possible in part because Taiwan has been able, with the support of the United States under the TRA, to strengthen its self-defense capability. The United States has provided a wide range of defensive military equipment to Taiwan -- from Knox-class frigates, to anti-submarine S-2T aircraft, to anti-air missiles. Last July, when some doubted we would move forward on pending sales, we notified to the Congress an additional sale of E-2T early warning aircraft and parts and equipment for F-16 and other aircraft in Taiwan's inventory.

Every year, it seems, there is some speculation that the Administration will not move forward with some sale of defensive equipment to Taiwan because of some issue of the moment. Each time the speculation has been wrong. We are and will remain committed to fulfilling our obligations.

In addition to providing military systems, we have provided extensive advice and training opportunities for Taiwan's military. Having an unofficial relationship has not obstructed our ability to have the kinds of contacts necessary to meet our obligations under section three of the TRA.

All of this has occurred in accordance with our commitments under the TRA. It has worked and is working. Taiwan has never had a stronger defense capability, and that capability remains robust as a result of our ongoing efforts. I would propose that this answers the question I posed a moment ago. The Taiwan Relations Act has succeeded in assisting Taiwan to provide for its security and stability. There is no benefit to counterbalance the risks entailed in tampering with a framework that has worked so well.

Conclusion: A Serious Decision

In concluding, I would like to note that the TRA, for all its considerable success, cannot by itself provide for Taiwan's security. Given the disparity in size between the PRC and Taiwan, the island's security must always depend on more than just military hardware. The TRA must be complemented by peaceful interaction, including dialogue, between Taiwan and the PRC, if tensions are to be reduced and security enhanced. For twenty years, with the support of the TRA we have seen progress, halting at times, toward

such a dialogue. Despite the difficulties of this summer, we hope it will continue. It was with that in mind that the President has reiterated the importance we attach to dialogue as a mechanism for the peaceful resolution of differences between Taiwan and the PRC.

This bill would not enhance the prospects for dialogue and the peaceful resolution of differences. On the contrary, it could make it more difficult for both sides to advance cross-strait talks. And, it would do all this at a time of continuing concern, a time when the U.S. must provide stability and predictability if the two sides are to move forward to resolve their differences in a peaceful manner.

Your vote on this bill is a serious decision. It is not what some would call "a free vote." It is a potentially dangerous vote against a policy that has worked through four administrations and continues to work today.

Thank you.

Statement of Dr. Kurt Campbell
Deputy Assistant Secretary of Defense for
International Security Affairs
Asian and Pacific Affairs
Before the House International Relations Committee
15 September 1999

(Written Text for Submission to the Committee)

Good afternoon Mr. Chairman and Members of the Committee. Thank you for this opportunity to speak to you about the U.S.-Taiwan security relationship. It is especially important to address these issues now that we are well into the 20th year of the Taiwan Relations Act. In the interest of saving time to answer questions you may have, I respectfully request that the following statement be entered into record. I have prepared a brief statement that specifically addresses your interest in the security situation in the Taiwan Strait. (Oral text follows statement).

An overarching national security interest of the United States is preservation of peace and stability in the Asia-Pacific region. United States policy with regard to Taiwan and the PRC is an important aspect of this goal. We maintain our obligations toward Taiwan under the Taiwan Relations Act, not only because it is law but also because it is good policy. We have also pursued a constructive relationship with the PRC, also because it is good policy. These two approaches are complementary and support our interests that any resolution of differences between the PRC and Taiwan be peaceful and worked out directly between the two sides. A constructive dialogue between the PRC and Taiwan serves the interest of all the parties and is a major element in achieving long-term peace and stability in the Pacific.

Our commitment to peace and stability is further bolstered by the maintenance of approximately 100,000 U.S. troops in the region, a policy reaffirmed by Secretary Cohen in DOD's 1998 East Asia Strategy Report. There have been times when more than simple dialogue and presence have been necessary to maintain stability. America's enduring commitment is well known and widely appreciated throughout the region, and contributes to our overall approach to the cross-Strait issue. The deployment of two carrier battle groups to the western Pacific in response to provocative PRC missile tests in March 1996 was a visible demonstration of the U.S. commitment to preserve peace and stability.

U.S. Policy toward Taiwan

The Taiwan Relations Act (TRA) of 1979 forms the legal basis of U.S. policy regarding the security of Taiwan. Its premise is that an adequate Taiwan defensive capability is conducive to maintaining peace and security as long as differences remain between Taiwan and the PRC. Section 2(b) states, in part, that it is the policy of the United States:

-- to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States;

-- to provide Taiwan with arms of a defensive character; and

-- to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan.

Section 3 of the TRA also provides that the "United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The Act further states that "the President and Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law." The TRA also asserts that a determination of Taiwan's needs "shall include review by United States military authorities in connection with recommendations to the President and Congress."

Let me also call attention to an aspect of the August 17, 1982, Joint Communiqué between the United States and the People's Republic of China that is important to Taiwan's security. In this document, the PRC stated that its "fundamental policy" is "to strive for a peaceful resolution to the Taiwan question." Having in mind this policy and the anticipated reduction in the military threat to Taiwan, the 1982 Communiqué outlined our intention to gradually reduce arms sales to Taiwan. At the time the Joint Communiqué was issued, we made it clear that our intentions were premised upon the PRC's continued adherence to a peaceful resolution of differences with Taiwan.

China has deployed an increasing number of ballistic missiles in recent years. The United States urges restraint in PRC military operations and deployments opposite Taiwan and does not wish to see the development of an arms race in the region. The United States has abided by and will continue to abide by its commitments to Taiwan under the Taiwan Relations Act. Similarly, we believe that Taiwan's security will also be enhanced as we work to improve relations with the PRC. In light of the on-going activity in the Taiwan Strait, we urge both sides to exercise caution and restraint as a means to minimize accidents and miscalculations.

The Taiwan Security Enhancement Act

Our unofficial security relationship with Taiwan will remain an important part of maintaining peace and stability in the Taiwan Strait. We share the concerns that are reflected in many of the objectives in the Taiwan Security Enhancement Act. PLA modernization and a host of other factors could present Taiwan with an ever widening

array of challenges in the coming years. We believe, however, that the Taiwan Relations Act provides a comprehensive basis for U.S. security cooperation with Taiwan and that the Taiwan Security Enhancement Act is unnecessary. Moreover, Taiwan's security rests not only on its defense posture but also on a continued, constructive cross-Strait dialogue.

We already are addressing many of the provisions outlined in the Taiwan Security Enhancement Act. For example, the Department of Defense has a program of exchanges with Taiwan focused on such areas as planning, training, C4I, air defense, ASW, and logistics.

These non-hardware exchanges serve multiple purposes. "Software" programs attempt to address many of the shortcomings in Taiwan military readiness that were identified in the February 1999 *DOD Report to Congress on the Cross-Strait Security Situation*. They allow Taiwan to better integrate newly acquired systems into their inventory. These initiatives provide an avenue to exchange views on Taiwan's requirements for defense modernization, to include professionalization, organizational issues, and training. Exchanges and discussions enhance our ability to assess Taiwan's longer-term defense needs and develop well-founded security assistance policies. Such exchanges also enhance Taiwan's capacity for making operationally sound and cost effective acquisition decisions.

We take very seriously our responsibility under the Taiwan Relations Act and have provided Taiwan with defense articles and services necessary for a self-sufficient defense capability. The U.S. has provided Taiwan with a range of advanced air defense systems, including E-2T airborne early warning aircraft, PATRIOT-derived Modified Air Defense Systems; HAWK and CHAPARRAL ground-based air defense systems; and F-16 air superiority fighters. We continue to examine means to enhance Taiwan's air defense capacity.

Our responsibilities under the Taiwan Relations Act include assisting Taiwan with countering surface and subsurface naval threats. The U.S. has provided Taiwan with Knox-class frigates; S-70C helicopters and modernized S-2T ASW aircraft. We are continuing to examine Taiwan's comprehensive ASW requirements. We have also provided Taiwan with systems to counter an amphibious landing, to include M-60A tanks and armed helicopters.

Taiwan's interest in theater missile defenses is driven by China's past actions and its theater missile build-up opposite Taiwan. Future Chinese actions can have an influence on U.S. decisions with regard to the provision of theater missile defenses to Taiwan. We do not preclude the possibility of Taiwan having access to theater missile defenses, but these decisions remain in the future when the technology is mature. Our decisions on this will be guided by the same basic factors that have shaped our decisions to date on the provision of other defensive capabilities to Taiwan. As noted

previously, we believe that a cross-Strait dialogue that increases confidence-building measures is a critical ingredient to long-term stability across the Strait.

The Department of Defense's relationship with Taiwan is unofficial in nature. U.S. policy has been effective in promoting Taiwan security for the last 20 years. Senior DOD officials interact with their Taiwan military counterparts on a regular basis during unofficial visits to the United States. The Administration's policy regarding high-level visits to Taiwan is governed by the 1994 Taiwan Policy Review. We conduct responsible military interactions that are consistent with this 1994 Review within the context of the unofficial nature of our relationship with Taiwan.

U.S.-PRC Relations and Taiwan Security

In all our dialogues, we make clear to the PRC that we will continue to support Taiwan in its legitimate defense needs not only because it is required by U.S. law, but also because it serves the wider interests of peace and stability in the region. We also have made clear that we support only a peaceful resolution of the Taiwan issue, and regard any attempt to resolve the issue by other than peaceful means, or any other action that threatens regional stability to be of grave concern to the United States.

It is important to reiterate our belief that any improvements in the U.S.-PRC bilateral relationship are not zero-sum: they will not come at Taiwan's expense, but rather serve to prevent possible misperceptions, enhance mutual trust and transparency, and promote restraint. Taiwan will be a primary beneficiary of the regional peace and stability fostered by positive Washington-Beijing relations.

Ultimately, the U.S. position is that the Taiwan issue is for people on both sides of the Strait to resolve. This remains the best approach and our policy must remain consistent in this regard. Indeed, this is the only long-term guarantee of a peaceful and durable solution across the Taiwan Strait. It is also a necessary element in guaranteeing long-term peace and stability in East Asia.

Our relationships with Taiwan and the PRC are likely to be among our most complex and important foreign policy challenges for many years to come. Indeed, the global political and regional environment is very different today than at the time the three Communiqués and Taiwan Relations Act were formulated and implemented. Nonetheless, these documents have served U.S. interests in maintaining peace and stability in the Taiwan Strait for more than 20 years and remain the best framework for guiding U.S. policies into the future.

The Taiwan Relations Act has succeeded in contributing to an extended period of peace and prosperity across the Taiwan Strait and has promoted American interests in the western Pacific for twenty years. This legislation, along with the three communiqués, has also secured the foundation for the complex political and security

interactions among PRC, Taiwan and the United States. The Taiwan Security Enhancement Act is unnecessary. The Department of Defense opposes this legislation.

Thank you, Mr. Chairman.

ENHANCING GLOBAL, REGIONAL, AND TAIWAN SECURITY FOR THE TWENTY-FIRST CENTURY: THE TAIWAN SECURITY ENHANCEMENT ACT

Testimony

By

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Testimony before the United States House of Representatives, Committee on International Relations, Subcommittee on Asia and the Pacific, September 15, 1999, 1:00 p.m., Room 2172, Rayburn House Office Building. Hearing on "Taiwan, the PRC, and the Taiwan Security Enhancement Act."

ENHANCING GLOBAL, REGIONAL, AND TAIWAN SECURITY FOR THE TWENTY-FIRST CENTURY: THE TAIWAN SECURITY ENHANCEMENT ACT

By
David M. Lampton*
Director of China Studies, Johns Hopkins-SAIS and The Nixon Center

Mr. Chairman and Committee Members, I appreciate the opportunity to testify before you and provide my views on "The Taiwan Security Enhancement Act." Mr. Chairman, your Subcommittee has played a major and constructive role in our relations with the People's Republic of China (PRC), Hong Kong, and Taiwan over the last years. As one American citizen I wish to thank you and your colleagues. With respect to the business at hand, relations with the PRC and Taiwan, the Taiwan Relations Act (TRA) was passed by Congress during the chairman's first term twenty years ago. The TRA has contributed to stability in East Asia and fostered an environment that has both allowed the United States to develop relations with Beijing and permit the people of Taiwan to make the stunning social, economic, and political progress over the last two decades that we all admire.

Therefore, it is with considerable forethought that I say that the proposed legislation will undo the good work of the TRA. Were the proposed legislation to become law it would make unachievable the principal objective of the TRA, which was "to help maintain peace, security, and stability in the Western Pacific."[1] Were this bill to become law it would not enhance the security of Taiwan's people about which all Americans are concerned, it would not promote regional stability, none of our allies in the region would be reassured by its passage, and its passage would increase the chances that American fighting men and women will become embroiled in hostilities. While the existent structure of the TRA, the Three Communiqués, and other correspondence and statements is both complex and has internal tensions and ambiguities, and these need to be addressed primarily through executive branch action, my basic orientation is, "if it ain't broke, don't fix it through additional legislation"—particularly this legislation at this time.

The Taiwan Strait, is one of three or four flashpoints in the world today that could rapidly explode to drag America into direct conflict involving significant powers – the Balkans, the Middle East, and the Korean Peninsula are surely three others. This suggests that America must manage its involvement in cross-Strait relations with the utmost care. Moreover, because the PRC is an important player in all four potential flash points mentioned above (not to mention the current troubles in East Timor), a productive relationship with Beijing is not a luxury, it is essential. We could simply forget Chinese cooperation either bilaterally or multilaterally in these hotspots if the proposed legislation is adopted.

Mr. Chairman, my areas of concern with respect to the proposed legislation fall into six broad categories:

1. *The TRA (in conjunction with the Three Communiqués and other statements and correspondence) has provided a very successful framework for managing a complicated and sensitive three-way relationship. The proposed legislation is therefore unnecessary.*

The twenty years since adoption of the TRA have witnessed enormous progress on Taiwan as measured not only by per capita GNP growth (1978 US$1,450 to 1997 US$13,467), but also in terms of political and personal freedom. This expansion of freedom is evidenced in the 1987 abolition of martial law, the development of a competitive party system in the late-1980s and throughout the 1990s, the first direct, popular election of the president in 1996, and a second, even more competitive presidential election scheduled for March of next year.

With respect to cross-Strait relations and security, the changes have been staggering (and largely positive) over the last fifteen years as well. While there are worries (such as Beijing's emphasis on naval, air force, and missile modernization discussed below), there also is progress to report. Put bluntly, if security were perceived to be so tenuous on the island, and cross-Strait ties so perilous, 40,000 Taiwan firms would not have contracted to invest around US$40 billion on the mainland and Taiwan would not be sourcing a large chunk of its computer components in the PRC. Indeed, "one-third of the Taiwan information industry's total output is produced in plants located in mainland China."[2] And finally, in 1997, if one includes the approximately US$16 billion worth of goods exported [from Taiwan] to Hong Kong, China was Taiwan's largest market and Taiwan was China's first-ranking supplier.[3]

The proposed legislation not only is unnecessary because there is little evidence that Taiwan's security concerns have inhibited social, political, or economic progress, the legislation also is unnecessary because considerable legislative authority proposed in "The Taiwan Security Enhancement Act" already exists in the TRA. With respect to the more specific provisions of "The Act," for example, many of the measures outlined in the bill merely "authorize" the president to approve sales for which the TRA already provides authority. Under the TRA, the U.S. Government has a mandate to provide Taiwan with "arms of a defensive character" (TRA, 2-b-5).

Further, the TRA's stricture that weapons be of "a defensive character" is important. While some weapons systems mentioned in the proposed legislation would seem to fall pretty clearly into the "defensive" category, there can be considerable debate about other proposed systems, such as submarines. In short, the proposed legislation "authorizes" much that already is permitted and, in some cases, suggests departures that do not adhere to the prudent intent of the TRA.

Redundancy aside, there is an inaccurate premise underlying the Taiwan Security Enhancement Act ("Finding 20"), namely that "The current defense relationship between the United States and Taiwan is deficient in terms of its capacity over the long term to counter and deter potential aggression against Taiwan by the People's Republic of China." This premise is undermined not only by U.S. behavior during the last twenty

years, particularly in March 1996, and by Taiwan's progress over the two decades since the adoption of the TRA, it also is undermined by the figures on past and current arms sales and deliveries to Taiwan. These sales and/or deliveries have included F-16s, the Patriot missile, Perry and Knox class frigates, and most recently early-warning radars. Indeed, many analysts in our U.S. defense agencies argue that Taiwan's problem is absorbing weapons and training an adequate number of personnel to use and maintain the equipment already acquired. Further, the idea that the August 1982 United States-China Joint Communiqué on U.S. Arms Sales to Taiwan has hamstrung transfers to the island is belied by the figures provided in Appendix A. If one looks at the constant dollar figures in the right-hand column, annual foreign military sales (FMS) deliveries have been much bigger in the 1990s than they were in the 1980s, much less the 1970s; this is true even if one does not attach undue importance to the 1997 deliveries that were about 8.5 times the 1981 level because of the delivery of big ticket items, including the first F-16s. In fact, the PRC complains bitterly that U.S. sales have violated the 1982 solemn commitment of the United States.

Further, in formulating its policies, the United States should attach great importance to the PRC's actual, demonstrated military capabilities, rather than simply extrapolating China's present research efforts (and mainland think tank ruminations about desirable future systems) into future capabilities. Judging by China's past history, Beijing has not found it easy to move systems from design, to production, to deployment, to the capacity to make complex systems operational, much less to employ complex systems in a combined forces mode.[4] To take just a most recent example, with respect to the SU-27 fighter aircraft purchased from Russia, the PRC has found it very difficult to establish domestic production, with Jane's Information Group reporting that, "The first two locally assembled aircraft had to be hastily reassembled after their inaugural flights because of sub-standard work..."[5] Further, the Chinese have to send the SU-27 power plant back to Russia for repair. In short, we all should react more to what China does than to what some in its military say they want to do. The recent Department of Defense study of the cross-Strait balance ("The Security Situation in the Taiwan Strait") with which the Chairman is well acquainted basically said that the cross-Strait balance remains stable, except in a few niche areas, short-range missiles being the most prominent example.

2. *As an American group of which I was part mentioned to President Lee Teng-hui when we met with him on June 24, 1999, in order to achieve comprehensive security, we all need "to focus not simply on military prowess and hardware, but also on the incentives for Beijing to avoid employing coercion."[6] Further, security is not simply a military concept, in this globalized world it increasingly is an economic concept as well.*

Hard facts are stubborn things and one immutable fact is that the 22 million people of Taiwan are about 100 miles from 1.3 billion people whose economy has grown over the last decade by around ten percent annually. We do not want to put the people of Taiwan in the same position that Cuba found itself, namely very close to a continental power with which it has conflictual relations while its (former) security patron was thousands of miles away and subject to distraction and shifting priorities.

Further, the people of Taiwan, not the least President Lee Teng-hui, have defined the PRC as Taiwan's "economic hinterland" and economic growth as a decisive factor in their future security. Consequently, adopting a posture that makes cooperative cross-Strait economic and other relations impossible works against any reasonable notion of Taiwan's economic future, against any concept of comprehensive security, and is premised on the eternal and growing commitment of a distant power to the needs of a small society very near to the world's biggest state. As a joint working group of Taiwan and American citizens ("The Taiwan Assembly" convened by the American Assembly and the Institute of International Relations in Taipei) just agreed in June in Taiwan, "Without direct linkages to the PRC market, international business interest will remain limited and APROC [the Asia-Pacific Regional Operations Center which Taiwan would like to become] is unlikely to succeed."[7]

Even if we limit our discussion to narrower and more conventional notions of security, and concede that there is an important role for "deterrence," we need to ask why Beijing has not, for the most part, exerted force against Taiwan during the last three decades. An important part of the answer lies in U.S. military power and the credibility of American implied and explicit commitments, as well as limitations on the PRC's own force projection abilities. *But, this is only part of the answer.* The more comprehensive explanation is that there has been a balanced framework of three considerations in Beijing's calculus. Only when all three considerations are in alignment will Beijing be most likely to refrain from coercion. Beijing, I believe, currently is willing to lose a conflict with the United States rather than idly sit by and watch its long-term aspirations regarding Taiwan be ignored or jettisoned:

- First, the United States must be credible and constant. Beijing launched missiles in 1995-1996, in part, because Washington wasn't credible either in terms of observing past agreements and understandings with the PRC or in terms of meeting military threats against Taiwan;
- Second, Beijing must believe that time is *not* working against eventual "reunification." Concisely, there has to be hope; and,
- Third, Beijing must have a genuine stake in a positive framework of cooperation with America and the West that makes the use of coercion very expensive to its other interests.

Frankly, the proposed legislation upsets the delicate balance among these three considerations by giving the PRC less of a stake in good relations with the United States and by signaling to many in China that time is eroding any possibility of reunification.

What is notable from the last two decades' experience is that Taiwan's security is most compromised when Washington and Beijing are unable to manage their own bilateral ties effectively. It is no accident that the 1982 Arms Sales Communiqué was signed at a point of stress in U.S.-China ties; that missiles were fired at another point of stress in the mid-1990s; and that the "Three No's" was promulgated publicly in the aftermath of the mid-1990s problems. In short, an unproductive and conflict-laden U.S.-

China relationship is bad for Taiwan's security not only because it inflames the PRC, but also because it produces efforts to improve U.S.-China ties that do not always reassure residents of Taiwan. If I could convince my friends in Taiwan of just one thing, it would be that they do not have an interest in hostile U.S.-China ties.

Further, the passage of "The Taiwan Security Enhancement Act" would reinforce the erroneous but widely held belief in the PRC that the United States is affirmatively dedicated, per se, to Taiwan's permanent separation from the rest of China. We all should remember that the "One China, Peacefully Achieved, Policy" has not simply been the policy of six successive U.S. administrations, its was fundamental to the Cairo Declaration of 1943 and has been United States policy since at least that time. If Washington is perceived to be moving away from the "One China, Peacefully Achieved, Policy," Beijing will be even less willing to renounce its threat to use force against Taiwan. In the end, Taiwan's comprehensive security can only be negotiated across the Strait, not assured by Washington. And, as the Hippocratic Oath suggests, "First do no harm."

3. *The proposed legislation would amount to a substantial restoration of the 1954 Mutual Defense Treaty and thereby be inconsistent with a cornerstone of the normalization agreements of December 1978, namely the text of the "Unilateral Statement by the United States Government," in which the United States terminated its Mutual Defense Treaty with Taipei in accord with the Treaty's provisions.*

What is referred to as "The Plan" in "The Act" and other portions of the bill, if adopted as law, would constitute a substantial functional reconstitution of the Defense Treaty with Taiwan and would remove a cornerstone from the edifice of normalization between the United States and the PRC. In particular, I have in mind such proposed activities as enhancement of programs and arrangements for operational training and exchanges of personnel in areas such as doctrine, force planning, and operational methods "between the Armed Forces of the United States and the armed forces of Taiwan…" Also, the proposed "secure direct communications between the United States Pacific military command and the Taiwan military command" move in the same direction.

Beyond the risks that these provisions present to the architecture of normalization with the PRC, I have other reservations about moving in this direction. In the context of the present discussion (and in light of Taiwan President Lee Teng-hui's July 9, 1999 remarks about "special state-to-state relations") there is another important consideration. At the same time that America must seek to deter the use of force by the PRC against the people of Taiwan, Washington ***also*** must discourage Taiwan from so taking U.S. military support for granted that various political forces on the island feel they can seek to change the status quo with impunity and drag the United States into a conflict that is neither in our interests, in Taiwan's own interests, nor in the interests of regional peace and stability. Furthermore, it is not necessary. To put it most starkly, in seeking to achieve only the most modest of improvements in a very good status quo, some in Taiwan are not only putting that status quo at risk, they also may be jeopardizing the regional stability

that has served everyone in the Pacific Basin so well for the last quarter century. In my view, the increment of gain being sought by some in Taiwan is not worth the risk Americans are being asked to shoulder. [Parenthetically, we will all know more about what Americans think of military involvement in this and other circumstances in Asia when a poll commissioned by The Henry Luce Foundation and conducted by Potomac Associates and Opinion Dynamics is released on October 19th at the Cosmos Club in Washington, D.C.]

To paraphrase a former U.S. Government official, it is unwise to write any external society a blank check to be filled out in American blood. Americans realize that they have obligations when unprovoked threats are made against the people of Taiwan, as evidenced in the March 1996 dispatch of two U.S. carrier battle groups to the waters off Taiwan. However, it is unnecessary and doubly provocative to provide guarantees beyond this. And finally, the degree to which Taiwan did not feel it necessary to consult with the United States before its latest move in July indicates a troubling insensitivity to American concerns and interests.

4. *Another area of concern relates to the bill's provisions with respect to Theater Missile Defenses (TMD). To be talking about "authorizing" the provision of (presumably high altitude—upper tier) systems that have not yet gone beyond testing or the drawing board is both premature and unwise.*

It is premature because usually before encouraging the sale of weapons we want to fully understand what we are proposing to transfer, both in terms of its level of technology and the obligations it may impose on the United States. The bill's provisions are unwise because if enacted those provisions would accelerate the already worrisome growth of short-range missiles in the PRC. The People's Liberation Army (PLA) knows, or at least believes, that it can overcome any likely missile defense. In a perverse way, if adopted this bill would provide the PLA the domestic rationale it needs to further accelerate its buildup and modernization--namely that it needs more missiles now to overcome an imminent defense. In fact, such a defense is years away, if it comes to pass at all.

There is a further consideration. If such high altitude missile defense systems are developed, they almost certainly will be very expensive. Just how big of a defense (tax) burden do we think a comparatively small society of 22 million people can sustain and remain economically productive and viable in a very economically competitive region? I am told that there are more cost-effective ways to protect the island from the effects of missile attack with measures such as hardening targets and putting doors on airplane hangars.

Further, we don't know if sea-based systems with regional responsibility that remain under American control and ownership will prove to be a preferable option to possible direct sale and transfer. Now is no time to even express a preference in this regard, given that we don't yet know if we will have ground or sea-based systems.

And finally, to the degree that this bill's provisions would accelerate a cross-Strait arms buildup, it likely would increase the incentives for others in the region, Japan and Korea in particular, to augment their military forces. In short, at this time America should be looking for ways to constrain an arms race, not providing additional rhetorical fuel for one.

5. *The timing of this bill is particularly unfortunate, given the convergence of the following developments: the uproar over President Lee Teng-hui's July 9, 1999 remarks; the already deteriorated [though now apparently improving slowly] state of U.S.-China relations in the wake of the May 7 Belgrade bombing error; and the anti-American violence in the aftermath of that tragedy.*

The proposed legislation will do nothing to restore confidence between Beijing and Washington (indeed it would produce a dramatic deterioration) and, as I said above, the less confidence Beijing has in its relationship with Washington, the more hostile it becomes to Taiwan. It is hard to imagine a less auspicious moment for the principal proposals embodied in this bill.

6. *At this moment in U.S.-PRC-Taipei relations, Washington ought to be pursuing available opportunities that truly will enhance the security and welfare of all our people – here I have in mind Beijing and Taipei's accession to the World Trade Organization. The best thing we can be doing at the moment is to pursue the avenues of opportunity coming out of the recent meeting between Presidents Clinton and Jiang in Auckland. This will do more for Taiwan's security and involvement in global organizations than this legislation at the moment.*

With the prospect that cross-Strait dialogue will suffer an unfortunate setback because of Beijing's apparent unwillingness to continue the dialogue in light of recent events, it is important that as many avenues for positive cross-Strait interaction be nurtured as possible. It also is important that we not only integrate Beijing into the global free-trade regime under commercially sound conditions, but that we also find ways to constructively involve the people of Taiwan in the institutions of the world order. To be frank, Taiwan will in all probability be unable to enter the WTO unless Beijing does. But, once negotiations with Beijing reach a satisfactory conclusion (as I am hopeful they soon will), both can participate in the world trade body.

Once both the mainland and Taiwan are in the WTO, each will have obligations to conduct its economic relations with the other according to international norms and in more efficient ways than now are possible. In an ironic way, as the prior cross-Strait dialogue channels seem to be breaking down, membership for both in an international body that encourages positive interaction would provide some important compensation.

One of my two principal recommendations is, therefore, very simple. Let's concentrate our efforts in directions that foster positive interaction. There is plenty of time to consider other alternatives should they prove advisable. The major provisions of

this bill will neither enhance Taiwan's security or regional stability nor are they consistent with my understanding of American interests.

My other principal recommendation is made in the realization that because of the ambiguities in the current structure of the Three Communiqués, the TRA, and other statements and correspondence, there is an ever-present possibility of catastrophic miscalculation in both Beijing and in Taipei. The Executive Branch would be well-advised to continue to reduce ambiguity to some extent. More particularly, the Executive Branch should make it clear that not only will an attack on Taiwan not be tolerated and will encounter resistance, but Taiwan must also understand that there will be a price attached to actions that increase regional instability and show no concern for American interests. The United States will, in short, oppose unilateral actions that upset the status quo, whatever their source.

Appendix A

U.S. Military Sales to Taiwan (FY 1972-1997)

(all figures in thousands of US$)

	FMS Agreements		FMS Deliveries	
	(current $)	(constant 1982$)	(current $)	(constant 1982$)
1972	72,261	166,730	35,347	81,557
1973	204,241	443,741	66,264	143,967
1974	72,826	142,544	92,763	181,568
1975	127,249	228,293	113,017	202,760
1976	327,353	555,097	134,269	227,682
1977	143,656	228,732	139,397	221,951
1978	336,107	497,357	134,178	198,551
1979	520,632	692,192	180,752	240,314
1980	455,449	533,507	209,059	244,889
1981	309,456	328,642	373,427	396,579
1982	524,555	524,555	386,487	386,487
1983	698,220	676,570	388,335	376,294
1984	703,893	653,947	298,327	277,159
1985	688,790	617,679	337,531	302,684
1986	506,229	445,501	243,515	214,303
1987	505,322	429,250	357,276	303,491
1988	498,513	406,788	503,106	410,536
1989	521,702	406,212	393,499	306,390
1990	500,286	369,580	454,777	335,960
1991	479,996	340,298	549,381	389,489
1992	477,904	328,947	711,405	489,668
1993	6,274,904	4,193,287	817,571	546,353
1994	360,891	235,059	845,116	550,448
1995	208,003	131,788	1,352,657	857,027
1996	459,865	282,879	852,576	524,449
1997	353,737	212,704	5,696,155	3,425,121

Sources: Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction, and Military Assistance Facts* (Washington: Department of Defense). This report is published annually and figures for previous years are frequently updated. The latest figure available for any given year is used here. 1972-1980 figures, which come from the same original source, were obtained from Harry Harding, *A Fragile Relationship*, (Washington: The Brookings Institution, 1992), p. 370.

Note: Current dollar figures converted to constant 1982 dollars based on U.S. Consumer Price Index.

*The author would like to thank Gregory May and Tung Chen-yuan for their help in conducting the research upon which this testimony is based. Also, the author expresses his appreciation to the National Committee on United States-China Relations for convening the conference on "U.S.-China Relations" from July 25-27, 1999, that was helpful in the preparation of this Testimony.

[1] "Taiwan Relations Act," (April 10, 1979), in Richard Solomon, ed., The China Factor (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1981), p. 304.

[2] Ralph N. Clough, Cooperation or Conflict in the Taiwan Strait? (Lanham: Rowman & Littlefield Publishers, Inc., 1999), pp-54-55.

[3] Mainland Affairs Council, Taiwan, "Liang-An Economic Statistical Monthly, No. 74, October 1998.

[4] Kenneth W. Allen, Glenn Krumel, and Jonathan D. Pollack, China's Air Force Enters the 21st Century (Santa Monica: RAND, 1995), pp. xiii-xxi.

[5] Jane's Information Group, Ltd., "China-assembled Su-27s make their first flights," Asia-Pacific, Vol. 31, No. 8 (February 24, 1999).

[6] Taiwan Assembly, "Taiwan and America: How to Contribute to Peace and Prosperity in Asia and the World," Institute of International Relations and The American Assembly, summer 1999, p. 5.

[7] Taiwan Assembly, "Taiwan and America: How to Contribute to Peace and Prosperity in Asia and the World," Institute of International Relations and The American Assembly, summer 1999, p. 11.