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U.S. SECURITY CONCERNS IN ASIA

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BEFORE THE

SUBCOMMITTEE ON ASIA AND THE PACIFIC

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
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U.S. SECURITY CONCERNS IN ASIA

Wednesday, March 8, 2000

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

The Subcommittee met, pursuant to call, at 12:30 p.m., in Room 2318, Rayburn House Office Building, Doug Bereuter (Chairman of the Subcommittee) presiding.

Mr. BEREUTER. The Subcommittee will come to order.

The Subcommittee on Asia and the Pacific meets today to examine U.S. security interests in Asia. The Chair would first like to express his gratitude to Chairman Sensenbrenner and the Science Committee for graciously permitting us to use their meeting room. We hope that the reconstruction on the International Relations Full Committee hearing room will be completed in the next few weeks. Perhaps this is the last time we will have to impose on another Committee for a suitable meeting room.

Congressman Lantos, the Ranking Member, is on a plane on the way back from California. He has certainly expressed his willingness to have us proceed on time. I think in order that we complete our hearing in a reasonable time, before we are interrupted by votes, it is a good time to start.

Soon after I assumed the Chairmanship of this Subcommittee, I tried to establish a set of guidelines which I sought to apply to this Subcommittee's oversight. In establishing these guidelines, my goal was for them to reflect America's vital and growing interest in Asia and to provide greater assurance for the continuity of American engagement within the region.

The first immutable principle that I identified was the advancement of U.S. security interests in the region; thereby ensuring that the U.S. remains engaged, committed to peace, and dedicated to strengthening our alliance and friendships in the region. Historically and geographically, the United States has strong links with Asia.

As a result, we have a fundamental interest in the peace and security of the region. Moreover, the nations of Asia have reciprocated by demonstrating a fundamental interest in keeping the U.S. militarily deployed in the region. It is readily apparent that every nation in Asia, with the possible exception of North Korea, wants to see American military forces in the region for the sake of stability.

We have our differences, but, overall, they are very pleased to have us there. It is also important to reassure our Asian friends

of our long-term commitment. I want to emphasize that I am a strong advocate of enhanced military-to-military relations, high level visits such as the visit to Asia that Secretary Cohen is just now embarking upon, port calls, and appropriate military education and training programs can all serve a very positive function.

Such contacts can go a long way toward alleviating unnecessary misunderstandings. Peaceful military exchanges may not always turn adversaries into friends, but they certainly are an antidote to fears that are based solely on ignorance. The training and education programs of the United States are aimed at enhancing the professionalism and respect for civilian authority among the armed forces of our friends and allies.

Admittedly, there are sometimes individuals selected whose participation in U.S. training does not bring the desired result. It is absolutely clear to me that the overwhelming majority of those who receive military education and training in the United States return to their homelands as better, more responsible military leaders, better steeped in the traditions of democracy and respect for human rights.

Today, the United States has a forward-based military presence in Asia because very real threats to the stability and the security of the region still exist. Some of the major considerations include the following. First, the recent escalation of threatening rhetoric by the People's Republic of China toward Taiwan, backed by the increased deployment of missiles with what seems to be an overt attempt to again affect the outcome of the upcoming presidential election.

In recent days, the PRC has issued a White Paper that holds out the prospect of military action should Taiwan intentionally fail to negotiate in good faith in the cross-strait dialogue. In addition, it is now clear that China has acquired some of the most sensitive information regarding U.S. nuclear and missile technology, and it is probable that it intends to use that knowledge to significantly enhance their nuclear strike capability.

Even more immediately alarming is the threat posed by North Korea's rapid moves toward the development of long-range ballistic missiles. Of course, there is also understandable skepticism regarding whether the North Koreans have really stopped their nuclear programs. There are also competing claims of sovereignty over the scattered territories of the South and East China Sea, including the Spratly Islands issue which directly involves China, Vietnam, Brunei, Malaysia, the Philippines, and Taiwan, as well as the Senkaku Islands issue, which involves China, Japan, and Taiwan.

I would be remiss if I neglected to mention the seemingly ever-present tension between India and Pakistan (both nuclear-capable nations), and the recent instability in Indonesia, both economically and politically.

In short, the menu of priorities is large for those who place themselves in harm's way. Today, this Subcommittee is honored to have a very important panel of witnesses from the military and civilian sides of the Executive Branch to share with us their views on these and other important issues.

Our first panelist is Admiral Dennis Blair, Commander in Chief, U.S. Pacific Command. Answering to the President and the Sec-

retary of Defense through the Chairman of the Joint Chiefs of Staff for the collective defense arrangements in the Pacific, he is commander of approximately 100,000 sailors, soldiers, airmen, and marines deployed in the region.

Admiral Blair is the Chief U.S. military representative from Hawaii to the Indian Ocean, an area of over 100 million square miles. This will be Admiral Blair's initial testimony before this Subcommittee, having replaced Admiral Peruher in 1999. Admiral Blair has only recently returned from an official visit to China, the first high-level military visit since our mistaken bombing of the Chinese embassy in Belgrade.

The Admiral is joined by Mr. Rust Deming, Acting Assistant Secretary for East Asian and Pacific Affairs. A career Foreign Service Officer, Mr. Deming has served in numerous positions throughout East Asia. This is likely to be his only opportunity to testify before the Subcommittee in the immediate future, as his name has recently been put forward to be Ambassador to Tunisia. Congratulations, Mr. Deming.

Completing our panel today will be Franklin D. Kramer, Assistant Secretary of Defense for International Security Affairs. Prior to assuming this position in 1996, Mr. Kramer served briefly as Deputy Assistant Secretary of Defense for European and NATO Affairs. In the private sector, Mr. Kramer has been a partner in the law firm of Shea & Gardner and President of the World Affairs Council of Washington, D.C.

Admiral Blair, we will call upon you first. I have had a chance to go over your testimony in some detail. I am not going to set any limits on the time that you have to present your testimony. Your entire statement will be made a part of the record. You may proceed as you wish after I ask Mr. Manzullo if he has any comments that he would like to make.

[The statement of Mr. Bereuter appears in the appendix.]

Mr. MANZULLO. No comments, Mr. Chairman.

Mr. BEREUTER. Very well, Admiral, you may proceed.

STATEMENT OF ADMIRAL DENNIS C. BLAIR, U.S. NAVY, COMMANDER IN CHIEF, U.S. PACIFIC COMMAND

Adm. BLAIR. Thank you, Mr. Chairman.

If I could just make a couple of points from my written testimony. I do appreciate the opportunity to appear before this Committee. I appreciate your interest in the military component of our security strategy in the Asia-Pacific region. As CINC, my bedrock responsibility is operating trained and ready forces in support of our interests in the region.

I have told your colleagues on the Armed Services Committee that there are needs in the Pacific Command; needs that could not all be met within current budgets. I am particularly concerned about operating and maintenance funding for spare parts, exercises, and for the maintenance of our camps, posts, and stations, and the quality of life of our people. On balance, I have the necessary forces and they are ready to do the job.

What is that job in the Pacific? First, there is deterrence of direct threats to U.S. interests in the region. Our forces in Korea, with reinforcements both from within the Pacific Command and from

other supporting CINC's, fighting with allies, are capable of throwing back a North Korean attack and then destroying the North Korean regime that launched it.

Our forces today can carry out our relationships under the Taiwan Relations Act, which are to resist any resort to force or other forms of coercion that would jeopardize the security, social, or economic systems of the people of Taiwan. Deterrence of immediate threats is really just the beginning of trying to form a better Asia-Pacific region.

We are working pro-actively to create a security framework there which will favor American interests over the long-term. We are working with traditional allies, like Japan, under the defense guidelines to expand our cooperation from the defense of Japan to dealing with threats in the region and encouraging greater Japanese participation in wider issues within the region.

We are also encouraging them to continue their support to our mutual interests under the Special Measures Agreement, which provides resources for the forces that we have stationed in Japan. As you mentioned, we are reestablishing our military dialogue with China. During my recent visit, I discussed areas of difference with the People's Republic of China, areas of potential cooperation, and the best way to move forward to reach peaceful resolution of the issues. Our vision is the creation of security communities in the region; communities that have dependable expectations of peaceful change. The emphasis on cooperative behavior rather than formal agreements makes this approach particularly suited to the Asia-Pacific region. For example, on the military side, we are knitting together many of our bilateral exercises into regional exercises.

We are directing them toward realistic scenarios of common challenges in the region, such as non-combatant evacuation, peacekeeping. Our participation in East Timor, I believe we are creating a new model for U.S. participation in international relations. Australia lead the coalition and we supported it with contributions that the United States is uniquely capable of making; airlift communications, mobility, intelligence, and planning skills.

I would like to mention one area in which I believe we could do better, and you addressed it much more eloquently than I in your opening statement. During this past year, our military relations with various countries in the region—Indonesia, India, Russia, and China—have been expanded and curtailed as actions have taken place that are in the U.S. interest or against international norms of behavior, and that is correct. There are two areas in which I think we should continue to interact with these countries.

The first is education of their officers in our institutes of higher military education. The second is participation in international military conferences in which many countries participate in the Asia-Pacific region, some of which we sponsor in the Pacific Command; others in which we participate.

These interactions, education, and international conferences are very much in the interest of the United States. They expose officers of other countries to our norms of behavior. They can help bring reform and improvements within their armed forces.

So, in summary, Mr. Chairman, I bring you a very positive report on the military component of U.S. security strategy in the

Asia-Pacific region. We have the tools and are able to do our job. As this Committee knows, and as you personally know better than others, the Asia-Pacific region is a dynamic and vital part of the world. What happens there is very important to the interests of the United States.

Thank you.

[The statement of Admiral Blair appears in the appendix.]

Mr. BEREUTER. Thank you, Admiral Blair.

I know there will be a number of questions from this Member and others. I would like now, however, to turn to Mr. Rust Deming, Acting Assistant Secretary for East Asian and Pacific Affairs for comments he wishes to make. Mr. Deming.

MR. RUST M. DEMING, ACTING ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. DEMING. Thank you very much, Mr. Chairman.

Thank you for your kind remarks in my introduction. Assistant Secretary Roth, who has appeared before this Committee many times, is traveling in the region. I am honored to be able to appear here with Admiral Blair and Mr. Kramer to talk about our U.S. security interests in Asia and in the Pacific. My military colleagues are focusing on the military aspects of security.

What I would like to do, with your permission, is to focus my remarks today on how our military efforts support our broader interests in the region. Ever since World War II, the American forward-deployed military presence in our bilateral alliance structure has been the foundation of security across the Asia-Pacific region.

Through the long years of the Cold War, the United States, working with its allies, contained the Soviet threat and provided the bulwark behind which many nations were able to build the foundations for prosperity and stability. Together with our allies and partners in the region, we created and maintained the environment in which Asian economies prospered and democracy has grown steadily.

The solidarity of our alliances and our military presence in East Asia made an important contribution to the successful end to the Cold War by containing the threat of Soviet expansionism in the Far East. The end of the Cold War represented the end of an era, but not the end of the need for our key alliances or robust American military presence in the region.

Our interest in maintaining a secure environment to allow economies to develop, trade to grow, and democracy to spread has only increased. The American naval, air, and ground forces deployed in the Western Pacific, working with our alliance partners, continue to play the critical role in maintaining a stable environment.

On the Korean Peninsula, we face one of the last residual challenges of the Cold War. As outlined by Secretary Perry in his review last year, we are addressing this challenge with a two-pronged strategy. First, we maintain a strong deterrence on the peninsula through our alliances with the ROK and Japan, and our forces stationed in South Korea, Japan, and elsewhere in the region.

Second, we stand ready to improve relations with the DPRK as it deals with issues of concern to the United States and our allies, particularly in the missile and nuclear areas. This comprehensive approach has the strong support of the ROK and Japan, which fully share our view that diplomacy can only succeed if it is backed with credible deterrence and resolve.

In Japan, our bilateral security relationship is as strong as it has ever been and our bases there remain fundamental to our strategic presence in East Asia. We have worked hard with the Japanese government over the last few years to strengthen our alliance.

In 1996, President Clinton and then-Prime Minister Hashimoto issued the U.S.-Japan Security Declaration, which set forth the post-Cold War rationale for the alliance and called for revision of the U.S.-Japan guidelines for defense cooperation to enable us to cooperate more effectively in response to a regional crisis.

To further strengthen our alliance with Japan, we are working with the GOJ to consolidate our base structure in Okinawa prefecture where almost half of U.S. Forces are stationed. We are also expanding our research program with Japan on Theater Missile Defense.

In Southeast Asia, we have worked in coordination with our treaty allies, the Philippines, Thailand, and Australia, and with a number of other partners to strengthen regional stability. Our successful efforts in support of the transition in East Timor mark an important turning point.

The government of Australia, together with others in the region, provided the leadership and the bulk of forces to respond to this threat to stability in the region. The United States supported this effort by providing several key capabilities for the multi-national force that entered East Timor in October to restore security. These included communications, logistics, and intelligence.

As part of our overall policy to engage China, we are seeking to develop a relationship with China's military, a subject that Admiral Blair has already addressed and Assistant Secretary Kramer will address in more detail. Let me just say that our efforts to engage the Chinese military do not occur in a vacuum.

They occur within our commitment to "one China," dialogue, and to the peaceful resolution of differences, what we call the "three pillars" of our position, and within our commitment to faithful implementation of the Taiwan Relations Act. They are also very much affected by the overall atmosphere of the relationship.

In that context, let me comment briefly on the White Paper on cross-strait relations issued by the PRC last week. The White Paper states, in part, that Beijing would have reason to use force against the island if Taiwan refused cross-strait negotiations on reunification indefinitely. That new formulation is unwelcome, and we have expressed our deep concern to China at high levels, both in Washington and in Beijing.

We have made it very clear that we are committed to seeing the Taiwan issue resolved peacefully through cross-strait dialogue. As you mentioned, Mr. Chairman, it is important to emphasize that there is broad support in East Asia for a substantial U.S. military role in the region. Japan and the ROK both demonstrate, through

their host-nation support, the importance they attach to their alliances with the U.S. and to our forward-deployed presence.

A growing number of other countries in the region have also welcomed the opportunity to plan, train, and exercise with the U.S. forces. Our military relationship with Indonesia remains difficult. Military-to-military relations have been restricted for years because of U.S. concerns about human rights abuses in Indonesia and in East Timor, and over the issue of accountability for past atrocities under the regime of former President Soeharto.

Because elements of the Indonesian military had backed militia violence and devastation in East Timor, and as a means to secure Indonesia's acceptance of international peacekeeping operations, President Clinton suspended, in September 1999, our remaining military-to-military relations with Indonesia. We also have legislative restrictions under the Leahy Amendment, which affect our ability to resume foreign military sales and IMET or EIMET. However, recently President Wahid has undertaken a bold program to assert civilian control of TNI and to promote military reform. We want to be supportive of this effort within the political and legislative constraints on renewing our military-to-military ties with Indonesia.

The Administration will continue to consult closely with Congress on step-by-step resumption of defense relations with Indonesia. We also strongly support the development of a series of regional organizations, including APEC and the Association of Southeast Asian Nations, ASEAN, which have brought countries and economies together to improve economic cooperation and reduce frictions.

In the security area, ASEAN has established, together with the United States and the other dialogue partners, the ASEAN Regional Forum to discuss regional security and explore ways to reduce tensions, build confidence, and move toward preventive diplomacy.

The region continues to look more closely at various multilateral fora, and the U.S. is taking a very active role in this. These organizations support U.S. interests in fostering prosperity and stability, but they are not intended to be, and cannot be, mutual security organizations such as exist in Europe. They are not substitutes for our bilateral alliances or for the U.S. military presence.

As we look ahead, we may need to adjust our position in our military deployments in the region based on changes in the security environment. However, under any foreseeable scenario, it will be in our interest, and in the interest of our allies, and the region as a whole to maintain a formidable American forward-deployed presence in East Asia.

Thank you, Mr. Chairman.

[The statement of Mr. Deming appears in the appendix.]

Mr. BEREUTER. Thank you very much.

We will now hear from the Honorable Franklin D. Kramer, Assistant Secretary for International Security Affairs with the U.S. Department of Defense. Mr. Kramer, you may proceed as you wish.

MR. FRANKLIN KRAMER, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, U.S. DEPARTMENT OF DEFENSE

Mr. KRAMER. Thank you, Mr. Chairman.

I fully agree with what Admiral Blair and Mr. Deming have said. So, let me just make a few points. The importance of this region perhaps is exemplified, as you have said, by the fact that the Secretary of Defense is leaving tonight for a trip to Hong Kong, Vietnam, Japan, and Korea. Just about 3 weeks ago, I came back from my own trip to the Philippines, Singapore, Thailand, and Australia. Admiral Blair, of course, has just recently been in China. In other words, we have an active and continuous involvement.

We have a policy that is built on four factors. One is our alliances: Japan, Korea, Australia, Thailand, and the Philippines. Close bilateral relationships like Singapore. The forward commitment that Mr. Deming mentioned of the 100,000 forces and you mentioned yourself. We have a strategy of long-term engagement. We have been working at that for the past several years.

The defense guidelines with Japan allow for that to be developed. In Korea, the President of Korea has said that he welcomes continued U.S. presence, even after peaceful resolution of the situation the peninsula. In Singapore, they have built a pier for one of our carriers. That will be opened in December. In the Philippines, we have signed the Visiting Forces Agreement. Admiral Blair's forces have been operating there, exercising there, and actually performing humanitarian assistance in the Philippines.

We have a continued outstanding relationship with the Thais on all military issues and on some of the newer problems we have, such as counter-narcotics. We are also building up on multi-lateral dialogues. So, we have a tri-lateral dialogue among ourselves, Japan, and Korea. It is a Track One political dialogue.

Additionally, the Defense Department has had a tri-lateral dialogue. I have led meetings for the past 2 years at my level with counterparts in the tri-lateral relationship. We have challenges. You have mentioned some. One, of course, is China. We have restarted. As I think Mr. Chairman, we had talks in January, the so-called Defense Consultative Talks with the Chinese military.

We have begun a defense-to-defense relationship fundamentally because we know that the PLA is a very important actor in Chinese national security decisions because we want them to have the opportunity to hear from us, because we want to have the ability to influence them, and because we want them to be able to see our capabilities to avoid miscalculation and provide transparency. The Taiwan issue, of course, is a very important one, both long-term and immediately.

I agree exactly with what Mr. Deming said and the Secretary said the other day. We support the "One-China" policy. We support and adhere to the Taiwan Relations Act. We look for resolution of this problem by peaceful means and not by threats of the use of force or of the use of force.

We take our relationships under the TRA very seriously, as Admiral Blair said, to ensure that the Taiwanese have a sufficient self-defense capability. Last year, for example, we notified E-2 aircraft, Knox frigates, Stinger missiles, Harpoon missiles, torpedoes,

helicopters, and the like. So, it is a serious effort in order to ensure that, that sufficient self-defense capability is maintained.

We also work on what we call software initiatives with Taiwan, training C4I, logistics in order to make sure that not only do they have the hardware, but they have the proper capability to use them. While Taiwan is, of course, in the news, we should not forget that North Korea has been and remains a very serious problem. They have a missile program. We have been successful in having them agree to a flight test moratorium.

It, nonetheless, is a fundamental issue for us. It underlies the efforts, as you are well-aware, Mr. Chairman, with respect to our own national missile defense effort here in the United States. They also have a formidable conventional capability, particularly artillery, as well as a chemical capability. So, North Korea is an area that we have to look at very carefully, as Admiral Blair said.

We want to work in other areas. We see some real possibilities in Indonesia. They are undergoing a democratic transition. I do not think anyone 2 years ago would have expected this kind of change. We have seen lots of positive things and obviously some difficult problems, some of which were exemplified by what happened in Timor this last summer.

We think that there are possibilities for real development here, for real engagement to work, on the one hand with the Indonesians as they want to, and on the other hand with the Congress because we do have not only statutory limitations, but we ought to make this a combined effort. We have had some recent support from the Congress that we are very appreciative of.

We have a new Asia-Pacific Regional Initiative which is funded by the conference. It allows us to do the multilateral exercising that Admiral Blair mentioned. We are looking at developing a area wide network to allow countries to get information from us, and we have other programs, defense resources, and the like. We think that there are lots of possibilities to ensure that our long-term involvement in the region is a positive factor for security and stability that will allow political and economic development to continue to go forward.

Thank you, Mr. Chairman.

[The statement of Mr. Kramer appears in the appendix.]

Mr. BEREUTER. Thank you, Secretary Kramer.

I have many questions for you. We will try to move back and forth among those of us that are here. First of all, perhaps the question will be directly primarily to you, Mr. Deming, but any of the three of you may contribute of course.

I think it was you that mentioned the Leahy Amendment. Is the Administration supportive of letting it expire at the end of this fiscal year?

Mr. DEMING. I am not sure we have taken a position on that. If I may, I would like to consult with my boss, Stanley Roth, and others, but I will get you an answer on that.

Mr. BEREUTER. I would appreciate on that. I personally would like to see it expire. I would like to know if in fact I have the support of the Administration on it so that I might try to weigh in on that issue.

[The information referred to appears in the appendix.]

Mr. BEREUTER. Mr. Kramer, you focused a little bit of your remarks on Korea. Anyone who has been in the area north of Seoul understands why we have so many land mines and other kinds of protective deployment factors and infrastructure in that area. It is the one area of the world where we have made the case why we need to have at least anti-vehicular mines for a foreseeable period of time. It seems to me it was for 7 years or it was through 2007.

Do you think the United States has adequately made its rationale for its view on the importance of those land mines known in the international community, in light of what the Canadians initiated in the way of a land mine moratorium?

Mr. KRAMER. As you have said, Mr. Chairman, we have a very particularized need on the Korean peninsula. That was a factor, both for the Secretary of Defense and for the President, in deciding our position. I think that our position was very well-known. It was, regrettably, not accepted by many countries, including some who are our best allies, not only the Canadians, but the U.K. and others.

On the other hand, for those who, so to speak, live in tough areas, Korea for example, they understand and support our position. I think it is important for us to continue to adhere to that position. It is possible through technological advances that we may find some alternatives. The Department of Defense is working hard on seeing whether there are alternatives. We do not yet have them. Unless and until we get those, in order to ensure that we can do what we need to do militarily, I think we have to stick with our position. The Admiral may have some additional comments on it.

Adm. BLAIR. I think that is just right, Mr. Chairman. Because of the position of the South Korean capital so close to the DMZ, a very strong, early defense is necessary in that part of the country. The capability that current stocks of land mines have is important. Only if we develop something that will do the things that land mines do can we support removing them.

Mr. BEREUTER. Admiral Blair and Secretary Kramer, as mentioned, we have approximately 100,000 uniformed personnel in the Asia-Pacific region. In fact, the House has passed a resolution that Chairman Spence and I initiated which endorsed that level of commitment at this point and encouraged the Administration in what it has as a policy. In light of the budget that we have available to the Department of Defense, do you think that level of commitment to the region is sustainable?

Adm. BLAIR. From my point of view, I think to do the job I have to do, both in terms of deterrence and a response to crisis and engagement, the combat capability that I have is necessary to do that job. I do not see big reductions as allowing me to do that job. So, I would prefer not to count individual people because some of that mix changes based on the weapons systems you have and the way the technology is helping you. The capability represented by that, what is now about 100,000 people, is what I need to do the job that I have. So, I think we need to find the resources to continue it.

Mr. KRAMER. If I can add to that. We, as I know you know Mr. Chairman, put out about a year and a half ago our East Asia Strategy Review. It has the very same point that you have, which is to say that we think it is necessary as a policy matter to maintain the

approximately 100,000 people. One of the things that we are trying to do, and that is a part of Admiral Blair's job as you said, is to shape the environment to ensure that the need for deterrence, the need for the actual use of force does not arise.

Having the forces out there is a very important factor in shaping that environment. It is possible that, as a technical matter, you could win the wars if you were back, but you will not have them if you are forward, or at least we hope that. So, I think keeping the forces out there is a very important factor to maintaining the stability of the region. That stability is the basis on which the prosperity of, let us say, the last 20 years has been built.

Mr. BEREUTER. About 10 days ago I visited the U.S.S. Bataan in a very different part of the world as the Bataan was, along with ships, preparing to bring back to the United States, after a 6-month deployment in the Mediterranean, a Marine expeditionary unit, and a battalion—plus with all of its equipment. I was very impressed, of course, with the capabilities and with the men and women in that Marine expeditionary unit, with the Navy personnel, and with the Marines.

When we asked questions of the sailors—especially of the Marine and Navy airmen—about capabilities, we got all of the expected right answers. But when we visited with them individually, we found they had a very different story to tell us on re-supply of parts and what they needed to do their operation. Now, it is my assumption that this unit gets the best available when it deploys or its replacement deploys.

If they in fact have that shortage and if you have the shortages that we saw with the F–16 units in Aviano which are related to the Balkans region, I am wondering about whether or not we really have enough resources coming to the military to do the job. As I pose that question, I will ask you, Admiral Blair, am I correct in understanding that we have such a Marine expeditionary unit deployed routinely in the Pacific region as well on a similar kind of convoy of three ships?

Adm. BLAIR. That is correct. We have one amphibious-ready group with an associated Marine Expeditionary Unit that is forward-based in the western Pacific. It is the amphibious ready group which is currently centered around the Belleau Wood and is about to be replaced by the U.S.S. Essex and the Marine Expeditionary Unit that is based in Okinawa.

We also rotate from the San Diego, Camp Pendleton area; another amphibious ready group with a Marine Expeditionary Unit that goes through the western Pacific. It operates there in places like East Timor, in places like Korea, and then often goes on to Central Command. So, we have both the forward-deployed and a rotational unit like the one you visited.

Mr. BEREUTER. Another thing that concerned me in talking to several people, enlisted men and officers, is the impact on their families of what they call the OPTEMPO. We are, at least in that part of the world, deployed so often on peace enforcement missions and for other disaster-related activities, for example.

One officer, for example, had spent only 3 months with his family in the last 2 years, just by the cycle of how he happened to hit a different ship in deployment. Now, I noticed the Defense Depart-

ment just enunciated a new policy which will go into effect prospectively, as I understand it. I do not know if it applies to active military, but I know it applied at least to National Guard and Reservists. The policy says that they will be deployed for no more than 6 months at a time.

I assume that this is a part of the response to the concern about the impact on recruitment and the impact on quality of life of our personnel. I wonder if you could also address that issue, either of you.

Adm. BLAIR. Yes, sir. Let me take first crack at it; then if Secretary Kramer wants to add to it from the defense perspective. First, back to your issue on the spare parts and the readiness. The readiness trends within the Pacific had been declining over about the last 18 months. Then, in recent months, they have stabilized.

They are lower overall than we would like, but they are not going down now. There has been money put in, in terms of recent increases to bring them back up. We have not seen the effect yet. I will give you an example of the counterpart to the Bataan, which was the Peleliu amphibious ready group and the Constellation carrier battle group deployed during the course of last year.

Those units exceeded the deployed goals for the readiness of their systems. We measure these pretty carefully under a standard system. Some of that was based on the people working harder, like the people you have talked to when they were deployed, but also the spare parts were getting there in time for them to be able to maintain it. Back at home, which was also a part of what those Sailors and Marines that you were talking to were remembering, we are still not where we should be. Our readiness between deployments goes down further than we would like. We have to wrench it back up higher in order to meet the deployment we need when we send forces forward. So, we need to do more readiness work. The folks you talked to are exactly right.

On what we call Personnel TEMPO, or PERSTEMPO, the Navy establishes, and I work very hard to support guidelines on that, which are basically that you are out for 6 months. You are back for 12 months. Then you also spend a certain amount of your time within home port. You would spend a certain amount over a rolling 3-year period. With about one exception, all of the forces in the Pacific have been able to meet that.

That is measured on a unit basis. So, there are individuals, such as that officer you met, who was deployed in one unit, gets transferred to another one, and then he is deployed again. We do not capture that. Staff are also under more stress because they are running around doing exercises. The other services, the Marine Corps and the other services, have similar policies that they track.

They do not meet them 100 percent of the time. But in most cases which they do not, there is very careful attention to trying to compensate for that. We all recognize that if a balloon goes up, a big crisis or war, we all go do what we have to do. I can give you one example of the kind of thing we do to try to alleviate that.

In East Timor, we were providing helicopters off of Navy amphibious ships for the operations. We provided two rotations of that. First, the Belleau Wood. Second the Peleliu. When it came time for the third one, we did not have an available big deck amphibious

ship or an associated Marine Expeditionary Unit that could meet it while maintaining the Personnel TEMPO goals that we had.

So, what we did was let a contract to rent helicopters to provide the support that we had committed to the Australians to provide. We went out and spent Navy money, which would normally support a deployment, to do a contract to provide the helicopters and avoid the U.S.S. Essex and Marine helicopters having to make that deployment to precisely that region.

So, we watch it closely. We try to do it. We keep it pretty well under control, but there are numbers of instances like the ones you encountered when people do work harder than our expectations.

Mr. BEREUTER. These are types of questions you might have expected from the Armed Services Committee. I will get to international relations questions on China, Korea, and the Philippines in a few minutes. I will turn now to my colleagues; first, Mr. Manzullo.

Mr. MANZULLO. Thank you very much. We appreciate you coming this morning. Admiral, there was an article that appeared in today's paper, the Washington Times. I think you have seen it. It mentions your name and spells it correctly.

Adm. BLAIR. That is high praise; is it not?

Mr. MANZULLO. That is high praise. That is correct. If you have a name like Manzullo, it is kind of hard to spell. It talks about how you spoke out against the Taiwan Security Enhancement Act. It is pretty unusual for somebody in the military to take a political position. First of all, I want to commend you for having the courage to speak out. It is commendable, even though I may not agree with you. The fact that you spoke out is commendable. That you are exercising independent judgment.

Did you read the article, Admiral?

Adm. BLAIR. Yes, sir, I did.

Mr. MANZULLO. Obviously, you disagree with the Taiwan Security Enhancement Act. For the record, tell us your objections to it.

Adm. BLAIR. Yes, sir. I did not volunteer my opinion. I was asked it. What I told the Members of the Senate Armed Services Committee was that I applied two criteria to the Taiwan Security Enhancement Act. One, does it provide any authorities or capabilities that I do not now have to carry out my responsibilities under our policy? The Taiwan Relations Act is an important part of that, that applies to me. The answer is no. It does not provide additional capability or authorities.

My second criteria was, what does it do in terms of working toward the right answer for Taiwan, which again is expressed in our policy, which is to reach a peaceful resolution, which I believe is the right thing for us, as well as the right thing for China and the right thing for Taiwan. I think the Taiwan Security Enhancement Act, in general, raises the degree of tension. It does not advance, as far as a peaceful solution.

So, by those criteria, on balance, I do not think it is something that is a good idea and I do not support it. That was the rationale and that is the way I feel, sir.

Mr. MANZULLO. As I examined that particular piece of legislation, Mr. Bereuter, I believe you were the author of a good portion of it.

Mr. BEREUTER. Yes. I offered the amendments that changed it dramatically. I am hoping that Admiral Blair has seen the latest version.

Mr. MANZULLO. As I read it, and even though I voted for it, I came to the same conclusion that you did. It does not give the United States any more authority to do things. It does not give us access to any more materials with which to supply Taiwan. So, I guess I read it the same way you did. Basically, it becomes a political decision that you do not think it would be proficient at this time to raise the level of tension for a bill that essentially does not do anything. That was your conclusion.

Adm. BLAIR. That is correct, Mr. Manzullo.

Mr. MANZULLO. OK. I appreciate that. Thank you very much. That is fine. I wanted to hear from the Admiral himself. He has given a very clear answer on it.

Mr. BEREUTER. I call on Mr. Pomeroy from North Dakota, our colleague.

Mr. POMEROY. Thank you, Mr. Chairman.

I think the Admiral's comments are extremely important and need to be considered on this topic and on other topics. Goodness knows we, in the House International Relations Committee, do not to make your job more difficult, heighten the security tensions in which your troops are performing so admirably without serving any other particular good purpose, other than maybe press releases back home. That would be terribly irresponsible of us.

I think we need to reflect carefully on what you have told us on this matter. It does seem to be, and in looking at the last several year history in this region, particularly between PRC and Taiwan, an area where words matter very much, and where words can give rise to reactions that build up hostilities or build up the threat of hostilities significantly.

To this end, we are struggling a little with the PRC White Paper that seems to expand the range of issues, the range of activities by Taiwan whereby military force might be considered against Taiwan by PRC. We are very familiar with that part of the argument. There was a different dimension brought out in the Washington Post today, an article that talks about maybe other aspects of the very same paper that send mixed messages in this message.

The fact that President Lee's two Taiwan policy was not explicitly repudiated in the White Paper, and indicates that potentially this is a debate occurring internally within China, two ways of advancing their own positions, vis-a-vis Taiwan. There might be indeed a mixed message in the report. I would like you, Admiral, as well as our other witnesses to comment on that Washington Post analysis.

Is there something in here reflecting maybe a divide? If so, what would be the best course for this Committee and Congress in terms of advancing a more responsible dialogue with China and trying to promote within China the more responsible view to move forward.

Mr. DEMING. If I may, Mr. Pomeroy. Thank you very much. I have not read the Washington Post article, but let me just comment on our analysis of the White Paper, if I may. As I said in my testimony, we are very concerned about this new formulation on

the use of force if Taiwan refuses cross-strait negotiations on reunification indefinitely that becomes a basis for China's use of force.

I think it is extremely unhelpful, and we have made that view known very strongly to the Chinese. At the same time, as you noted, in reading the White Paper there are three elements that we find that could facilitate cross-strait talks. The first is that the White Paper calls for a cross-strait dialogue on an equal basis. We find that as a positive step.

Second, it endorses a flexible agenda for such a dialogue, opening the way for discussions of technical and economic, as well as political, issues. Again, we think that could be a potentially helpful step. Third, although it very strongly criticizes the state-to-state formulation, it does not demand that Taiwan renounce this formulation as a precondition for talks.

So, I think, on balance the troubling aspects of the White Paper are very serious and need to be taken very seriously, but there are these other aspects. In terms of the second part of your question, I want to endorse Admiral Blair's comments about our strong view that the Taiwan Security Enhancement Act would be a net detriment, not a net positive contribution, to the security of Taiwan, and to try to move the China-Taiwan dialogue forward which, after all, is fundamental to the security of Taiwan.

I think our position is, if it is not broken, do not fix it. We think that under the existing Taiwan Relations Act, we can have the kind of informal relationship, including in the military area, that serves Taiwan interests fully, and serves our interests fully. So, I think it would be in the interest of Taiwan and of the United States not to move forward with the Taiwan Security Enhancement Act.

I think also it is very important for all of us to keep reiterating to the Chinese, in particular, that we are absolutely committed to a peaceful settlement of the cross-strait differences, and that comments and threats of intimidation are extremely unhelpful, and essentially unacceptable to us.

Mr. POMEROY. Thank you.

Mr. KRAMER. I read the article myself and I got copies of the statements by Qian Qichen that were mentioned in it. I think it is important to underscore that the White Paper is unhelpful. That is a kind word.

Mr. POMEROY. Yes.

Mr. KRAMER. We are opposed to threats of force, obviously to the use of force. The White Paper suggests, whereas before in effect the conditions that the Chinese talked about potentially using force for, were in effect changes from the status quo. The difference in the White Paper is that because it says that there is a possibility of using force if something is not done, then you have to have a change to the status quo arguably.

Now, we do support cross-strait dialogue. We supported that strongly. That, I think, is what the Chinese mean themselves when they say there is no change. We do not agree with that. This is a change. Having said that, the emphasis, and I would not want to over-state, but the emphasis in the Qian Qichen statement is that he urges—and this is just a quote out of FBIS article, I can give this to you—he urges the Taiwan authorities to sit down with us,

the Chinese, for dialogue and discussion. So, I think the emphasis there is the notion that this is to have talks to have a kind of peaceful resolution. We have obviously had a lot of other comments where the focus is somewhat different by Zhang Wannian, by Chi Haotian, and by the White Paper itself.

Mr. POMEROY. On the second part of my question, the response that we might have that will be constructive on our part and perhaps assist in some way the more constructive elements in the PRC. Any comments on that? Maybe even a reflection upon the permanent normal trade relations vote that some are going to try and cross-link here to the White Paper?

Mr. KRAMER. I think we have to do a variety of things. One is, I think, very important to talk quite straightforwardly to the Chinese. Admiral Blair was there after the White Paper. We actually had a high-level delegation there just before. We will have other contacts with the Chinese. The State Department has regular contacts with the Chinese. I think we need to emphasize the point about peaceful resolution.

I think the Congress has a very important role in likewise emphasizing that point. With respect to how we ensure that they do it, I do not think that we can ensure it. I think this is something that has to be worked out step-by-step over time. I think if we are clear on what our expectations are, our approaches are, and we are firm in our approach, that has the best chance of a positive solution.

Adm. BLAIR. If I can add one thing, Mr. Pomery. What I noticed when I was in China recently is that there is a tendency among Chinese to try to determine who their friends are in the United States and who their enemies are in the United States. This tendency, I think, to divide us up into pro-Chinese and pro-Taiwanese Americans is something that we ought to fight against.

What we are talking about is an American policy here; what is best for this Country. I think what is best for this Country is expressed in the policy that we now have; the support of "One-China," but the absolute insistence that it be achieved peacefully. That is a commitment, like other commitments that we have in Asia, and that is what American policy is in this.

So, do not look over there and see somebody who is favoring one side or the other. What we are favoring is this thing that is in the best interest of the United States and to keep clear on that. Keep steady on that and not zig-zag. I think that is what is the best thing for this country.

That was what I tried to tell the Chinese when I was over there and explained that this is not a partisan political issue. This is a national interest of the United States which we are talking about in this region here and we are going to continue it.

Mr. POMEROY. In conclusion, Mr. Chairman, thank you for giving me this kind of time. Admiral, I think that says it precisely correct. I voted against the Taiwan Security Act, but that does not mean that I am pro-PRC as opposed to Taiwan on the question of "One-China" and peaceful resolution of that, as opposed to any military resolution.

I think that all of us, virtually 435 in the House, each and every one of us stand very, very strongly on that point. If they are trying

to look at pitting one camp against the other, their making fiction out of fact. We are resolved, I think, regardless of how strategically we advance this strongly held position of ours in absolute unison on the point that you just mentioned.

Thank you.

Mr. BEREUTER. We will turn now to Dr. Cooksey. The gentleman from Louisiana is recognized.

Mr. COOKSEY. Thank you, Mr. Chairman. I have a statement that I would like to submit for the record.

Mr. BERMAN. Without objection, that will be the order.

Mr. COOKSEY. Thank you.

Admiral, my question has already been addressed to you to a certain extent. I still would like to distill it and come up with an answer. We need to make sure that these people do not go to war. It just so happens that these are all people that look alike. They are relatives. They are cousins, perhaps brothers and sisters that are on opposite sides of the strait.

How can we send them a message that number one, they do not need to go to war, but if they do threaten to go to war, and it involves our national interests, we might in some way intercede? How can we send that message at a time when one group is talking about independence and another group is talking about bombing? How can we send them a message that this is the year 2000?

An hundred years ago at the beginning of the last century, probably less than 5 percent of the people in the world were under a full democracy and had full voting rights, and that includes us. We were not. There were segments of our society who could not vote. But today, 48 percent of the 6 billion people are in democracies and they can vote. How can we send the message to these people that they need to tame the rhetoric and that probably we need to tame our rhetoric here until at least after March 18th? It would be interesting to have a response from each of you.

Mr. DEMING. Thank you; if I may. First, I think that message is very clearly there. It should be. The language of the Taiwan Relations Act of 1979 says the U.S. would consider any effort to determine the future of Taiwan, by other than peaceful means, a threat to the peace and security of the western Pacific area, and a grave concern to the United States. This is not simply rhetoric.

This has been demonstrated very clearly in our actions in 1996, which the Admiral can address, and in our dialogue with the Chinese, and with Taiwan as well. The settlement must come through a cross-straits dialogue. Rhetoric on either side, particularly on the Chinese side, that threatens the use of force is not conducive to producing that dialogue, which is the solution.

We are doing everything we can diplomatically and otherwise to try to get that message through to the Chinese and indeed to reinforce that message with Taiwan. We hope that in the wake of the election on March 18th, however it comes out, that there will be a resumption of cross-straits dialogue. That is the key to reducing tensions and to a long-term peaceful solution of this problem.

Mr. COOKSEY. Ambassador, can I have your opinion?

Mr. KRAMER. I agree with what Mr. Deming said. I think the additional point I would make, which was also made by the Taiwan Relations Act, is that we need to keep an appropriate military bal-

ance in the Strait. We have a statutory obligation to do so, but we would do so even if there were no statute because it is good policy to do so.

We have actually acted in that way. I mentioned in my opening statement some of the things we have actually done from a deterrence point of view. So that the combination of being very clear as to what our national aims are, that they really should be seen as national aims. That there is not really division among the parties here. That we are clear in our messages. That we ensure the Taiwanese have the appropriate capabilities and that we maintain our own capabilities in the Pacific Command.

Adm. BLAIR. I think we need to watch both words and deeds, Mr. Cooksey. Right now, for instance, the military situation in that part of the world is relatively normal. There are some small movements. If I look at them overall, I do not see China and Taiwan increasing military actively. I know the United States is getting ready for major exercises, operations in that part of the world. So, as you look at the reality of the military situation there, it is closer to normal than it is to crisis conditions. So, I think it is a combination of keeping cool, determined, and prudent in our military actions along with being consistent with our rhetorical actions.

I think talking directly with the Chinese and the Taiwanese about it in those terms will get us through to the only solution which makes sense to me in the long-term. I think it is in the interest of all three parties to this issue. That is working it out peacefully in a long-term political sequence. So, I think it is just keeping your head and keeping on course.

Mr. COOKSEY. Were you suggesting that maybe some of us do not always keep our head with our rhetoric?

Adm. BLAIR. No, sir.

Mr. COOKSEY. I am. I think it is true. I think it is interesting to hear some of the comments here from my colleagues. These colleagues are all very thoughtful and introspective and made good comments. There are some rather strident statements that come from the House at times. I agree they do not serve any purpose, particularly when it involves someone else's politics.

Of course, they get involved in our politics too. Is there any threat to the military from a political standpoint in terms of them losing influence with, say, the current leadership of the PRC?

Adm. BLAIR. Could you phrase that again because I did not quite get that?

Mr. COOKSEY. It is my understanding that the PRC, the military, the Chinese Communist Army, has a lot of political strength in the current communist government. Is there any threat to them losing political power from any of the rhetoric, or will their political power be enhanced by the rhetoric across the straits or from across the Pacific?

Adm. BLAIR. I think if you will look at the last year at the combination of circumstances, the bombing of the Chinese Embassy in Belgrade, followed by the mob violence against our embassy and consulates in China, followed by the break-off of military relationship at the rhetorical level, it has given them arguments for saying, hey, we need more resources. We need to have more emphasis on what we do.

However, at the end of that discussion, and at the end of the consideration, I think the four modernization criteria, which the PRC has are still intact, which is that there are three modernizations relating to science and technology, industry and agriculture ahead of military modernization. The part is that the Chinese are concentrating on the development of their country ahead of modernizing their armed forces. They recently announced themselves that they have increased their defense budget, and they have.

Mr. COOKSEY. About 12.8 percent.

Adm. BLAIR. I would not believe figure number one that I heard about the Chinese military budget. I do not think they understand it themselves, much less us. There is this whole business of them being involved in civilian enterprises, which some of them are divesting and some of them are not. So, I think you have to look at what they are actually fielding and what they are actually doing.

What I see is them increasing, but not in a way that upsets the fundamental balance there in the region. So, I think they gained some in the course of the previous year of what happened over the course of the last year. I do not see it making a decisive change. I think the military balance across the straits, for the present, remains unchanged. But they are clearly building up. We have to watch it.

Under the Taiwan Relation Act, we have to evaluate both what we do ourselves and the degree of support that we provide to Taiwan. That is a part of what we are considering right now.

Mr. COOKSEY. Mr. Deming, my closing question; on each side of the strait, who is having great influence over Asia, Taiwan or PRC; military, political, economic? That is an easy question.

Mr. DEMING. I think obviously China is an enormous country with enormous economic, political, and military resources. China sees itself as a major regional and indeed global player. It is increasing. It is becoming more active, as the Admiral has said, building up its military forces. It is becoming much more active diplomatically.

I think our objective is to try to ensure that, China's diplomatic activity, and its political and economic weight, are used in constructive areas. That is one of the primary reasons why we are supporting Chinese membership in the WTO and associated passage of Permanent Normal Trade Relations Act because we think it not only benefits the U.S. economically by getting us into the Chinese market, but it helps the forces of reform within China, particularly in the economic area.

That indeed spills over inevitably into the political area. The whole focus of engagement is to try to make China as constructive a player as possible in the region. China will be a greater player politically. There is no question about that. The key is to try to influence it in a positive direction. That is our challenge.

Mr. COOKSEY. I think that is a good closing summary. My contact with the Chinese people on both sides of the strait has been very positive. I feel that the people that I have met in government are very sophisticated and very enlightened, but yet when it comes to their political rhetoric, they are just about, both sides, can be just about as bad as we are here. We have had some examples of that in the last few weeks. The message should be to the Chinese people

that we want them to have peace, and to have political stability, and economic security, and security in general, if they can do all of that without a war. I hope we are there.

Thank you, Mr. Chairman.

[The statement of Mr. Cooksey appears in the appendix.]

Mr. BEREUTER. Thank you, Dr. Cooksey. I will come back to Mr. Davis in a few minutes, if he has questions. I am going to start then another round of questions. While I might comment later on that the Taiwan Security Enhancement Act and the Taiwan Relations Act, I think it is important that we not forget there are other countries in the region and other interests to pursue.

First, my view is that the kind of military relationship we have with Singapore and Australia is extraordinarily beneficial to us at this point as well as to them. Despite some status of forces differences from time-to-time with the Japanese and Republic of Korea, that certainly is true with respect to those two key allies as well.

We do not want to forget about the positive things that are happening in the region with respect to our security interests and our relationships with the allies. Admiral, I understand that you have just come back or at least concluded the Visiting Forces Agreement with the Philippines. I wonder if you could outline that, particularly in light of recent news reports which suggest that the state of the Philippine military establishment is in some decline and that they may not be able to protect themselves, as one of the commentators recently suggested. What have you recently concluded for the United States with respect to the Philippines? What do you expect will happen in our relationship with them?

Adm. BLAIR. I think Secretary Kramer and I both need to answer that because we each have a piece of it, but let me start from the operational side, which is my purview, which is that the Visiting Forces Agreement allowed us to undertake military exercises with the Philippines which had been limited because our service people did not have legal protection when they went into the country.

As a result of that, we have begun a modest port visit program. The Seventh Fleet flagship Blue Ridge made a very successful visit. There have been several since then. In addition, we just finished exercise Ballicatan, which had traditionally been the major exercise between the United States and the Philippines. It had been suspended during the period that the Status of Forces Agreement lapsed before the Visiting Forces Agreement started.

So, this was a good step in reestablishing basic workmen like relations between the armed forces of the Philippines and our armed forces. I think the military operational relationship is going to be different in the future from what it was in the past. Previously, it relied on big bases of the U.S. in the Philippines and very little military activity by the Philippines themselves. Now, I think a new chapter has been set.

The Philippines is assuming lead agent status for the United Nations. Transition authority in East Timor is really the model. Major General de los Santos is now the military commander of the U.N. force there. We did some planning with his staff and with him to get ready for that operation.

We provided some material, for instance, vehicles that were refurbished and turned over to the Philippines which they are using in East Timor or a part of that relationship. So, I think this is a new chapter in which the Philippines assumes more of an operational role in this relationship, not simply this base support relationship, which was there in the past.

That being said, I think the armed forces of the Philippines need to continue to concentrate on their own capabilities. The maintenance, the personnel support, and the other aspects of being able to operate are less than they should be. We worked with the Philippines on doing that.

They have the lion share of that responsibility, which is to make sure that the forces that they have can operate and can participate with us in much more of an equal fashion than was true in the past. That being said, we need to work out the relationship in terms of sales and in terms of making assistance available to them. I think Secretary Kramer has been really more in the middle of that than I have.

Mr. KRAMER. Thank you very much. In addition to what the Admiral has said, we have had a series of high-level visits. The Secretary has visited the Philippines. The Minister of Defense of the Philippines has visited us. I was just there in the Philippines and met with Mr. Mercado and also with their Chief of Defense, General Reyes.

One of the things that we are doing to assist the Philippines is doing what we call a defense expert exchange to help assess the state of their forces and talk with them about the areas in which we think they need to emphasize in order to modernize in what is for them necessarily a resource-constrained environment.

Perfectly sensibly, their national priority is economic development, yet they still want to do some modernization. We are trying to help them evaluate where you can put funds in the most cost-effective way and the highest leveraging. When I was out there a few weeks ago, Mr. Mercado accepted to have the team come. We are actually in the process of doing that now.

We also, as the Admiral said, provide EDA defense articles from time-to-time. We provided a cutter. I actually was a part of the turnover ceremony for some of the trucks that the Admiral mentioned. We gave 145 EDA trucks. I think we have an approximate similar number that are actually physically in Timor for them to use. We need to continue to do training with them.

If I can put a pitch in to add to what the Admiral said in his opening testimony, there is nothing that we do, period, from a military point of view that is more valuable internationally than the IMET and the FMS training that we do. If this Committee could do one single thing to enhance that IMET capability and to provide that ability to work with these countries through the use of funding, it would be terrifically valuable.

Mr. BEREUTER. Thank you. As you may know, in the last several years, the International Relations Committee has authorized all requested funds. Your problems and my problems exist in certain elements of the Appropriations Committee in the two Houses. Those elements are on both sides of the aisle.

Do you want to have another question, Mr. Pomeroy? I know you have to leave so I will recognize you.

Mr. POMEROY. Thank you, Mr. Chairman. I do have one other question on the topic of North Korea and I do have to leave. I appreciate it. Thank you for your forbearance.

I would ask the Admiral if, from a security standpoint, as we look at the unpredictable North Korea whether you are comfortable with the approach advanced in the Perry report which basically talks about maintaining a strong effect and then seeking improvements in a variety of strategies? I think some within Congress believe that the portion of activity that might be in the range of seeking improvements sends a message to North Korea that maybe we are not as alarmed—bad conduct somehow in North Korea. Are you comfortable with, for example, humanitarian assistance to address the starvation in North Korea at a time that we maintain this very vigilant defense posture relative to this unpredictable nation?

Adm. BLAIR. My main concern is the second half of the equation, Mr. Pomeroy, which is making sure that we maintain strong deterrence and making sure that North Korea knows that if they start a war with the United States and the Republic of Korea, it will be the end of the regime.

Mr. POMEROY. Absolutely.

Adm. BLAIR. I have the confidence that that is true now. I think that is the basis of whatever we had to do. Then as long as we have that, the question is how do we make that happen in the best possible way. It is hard to make a military judgment on passing food. I had talked to the people who supervised that food distribution.

I think they have a fairly decent system of checking that it gets to civilians who need food. I am convinced that happens. You can say that then frees food to be able to have well-fed soldiers. It is the well-fed soldiers that threaten the United States. That is legitimate as well. Speaking personally, I think the American tradition of helping those in need, whether they work for a country that is oppressing them or not is the right thing to do. I do not think it significantly affects the military balance. I am for feeding people who are in need.

Mr. POMEROY. Thank you, Admiral.

Mr. BEREUTER. I will resume questioning. I should have mentioned a long-term positive relationship we have with the Thai military. I assume that is in place today as well. Speaking of that part of Asia, the ASEAN organization is an interesting experiment. Generally, we are quite supportive of it on a bipartisan basis

It is an association of diverse countries, including a rogue regime in one case, and recently expanded to include Vietnam, but it seems to me that Asian offers a real opportunity for us to pursue a variety of subjects since we are participants. Mr. Deming, you can confirm my understanding that the U.S. participates. China participates. Russia participates. I assume Australia and New Zealand do as well.

Mr. DEMING. Everybody, but North Korea.

Mr. BEREUTER. Speaking of North Korea, this is where I am leading. Is this not an opportunity for us to more aggressively help all of the countries in the region to understand the proliferation difficulties that North Korea provides? Are we doing everything we

can to convince China that the North Korean missile development program is in fact leading to a greater interest in theater missile defense which they regard as a negative happening in the region involving Japan and potentially Taiwan?

Mr. DEMING. Mr. Chairman, I believe the Chinese have reached that conclusion quite clearly.

Mr. BEREUTER. Secretary Albright has made that view forcefully known to them, I know.

Mr. DEMING. Yes.

Mr. BEREUTER. I would imagine that Secretary Cohen has as well.

Mr. DEMING. Yes. I think the Chinese on their own understand the obvious consequences of the August 1998 launch of the Taepodong-2 Missile over Japan on their interest. The Chinese are quite quiet and subtle about exactly what they do, in terms of their relations with North Korea. I think we have reason to believe that they have played a constructive role.

They certainly played a constructive role in the four-party talks. I think that that is one area where we and the Chinese do share a fundamental security interest. We do not want to see a conflict on the Korean peninsula. We would like to see North Korea evolve toward a more peaceful society. The Chinese, of course, have their own interest as well. They have a long historical relationship with North Korea.

They treat it very delicately. But on balance, the Chinese have been a positive force in that direction. We continue to encourage them to play that role. More broadly on the ASEAN Regional Forum, or ARF, as I mentioned, the only country in the region that is not a part of the ARF right now is North Korea. We would very much like to see North Korea get into that environment.

We think it would be very educational and constructive to get them into the original framework. We have in ARF and in our bilateral contacts certainly emphasized our concerns about the North Korean Nuclear and Missile Program. I think that has gotten some resonance. Although frankly, we are disappointed that we have not gotten more financial support for KEDO from our Asian colleagues, except for Australia.

I think they do appreciate the security concern. They do attach a lot of value to the efforts that we are making to try to implement the Perry process. I know how difficult that is, given the history of that regime.

Mr. BEREUTER. I would like to move to a question related to General Musharraf's military government which we now find in Pakistan. I would welcome responses from anybody. Perhaps, Secretary Kramer, you could give us the views of the Administration now on what if anything we should be doing in military contact with respect to Pakistan.

Admiral Blair, what orders do you have? What involvement do you have at this point? Are you directed to have, or are you encouraged to have with respect to the government of Pakistan? I asked this on the eve of President Clinton's visit to Pakistan, which was a bit of a surprise to most of us, in light of what had been said earlier.

Mr. KRAMER. The Admiral is free to answer. General Zinni is the CINC that has that.

Mr. BEREUTER. You are right in correcting me on that.

Mr. KRAMER. He has his thoughts. As you said, the President is going to go there. Right at the moment, we do not have any kind of normal military engagement. Among many other reasons, there are statutory limitations. Of course, there was the coup itself, which even if there were not statutory limitations would have had an impact on the policy.

What we have said and what I am confident the President will say in substance, but we have previously done so, is we have focused first and foremost on the necessity of restoring a democratically-elected government. Second, which was true even before the coup was the need for progress on the non-proliferation goals. That is true for Pakistan. That is true for India, of course.

Third, we have issues with respect to cooperation on Afghanistan. We seek to have both the Pakistanis and the Indians improve their bilateral relations. Then Pakistan, although this is really out of my area, but it has an impact ultimately. It really needs to undertake a substantial economic reform. So, those are the broad categories of our overall policy.

From a military-to-military point of view in the sense of an engagement program that we have been talking about here, we really are not ready to do that until there is progress on these goals. Obviously the President will be talking about this when he is in Pakistan.

Mr. BEREUTER. Mr. Deming, do you know the Administration's point of view with respect to IMET and Pakistan?

Mr. DEMING. Mr. Chairman, the jurisdiction of my bureau stops at the border of Burma. I think that if I started to get into trying to make policy about India and Pakistan——

Mr. BEREUTER. I am just asking if you know what it is?

Mr. DEMING. I would be in real trouble. I am sorry. I had better refrain from speculating.

Mr. BEREUTER. All right. I do want to comment on my experience with the Chinese military, which is not tremendous. Rhetorically, these are the most belligerent people I run into when I go to China. Perhaps it is because the State Department intentionally focuses me on the most belligerent elements in the Chinese military. I am not sure.

If anything, the deliverance it has gotten worse. We typically go through an anti-Taiwan tirade at the beginning of the discussions. I am wondering to what extent do you think their influence is increasing with respect to the leadership in China itself? I will try you, Mr. Deming.

Mr. DEMING. I am not an expert on the PLA or Chinese politics. I think that certainly the Chinese military has traditionally played an important role in policy there. It continues to play an important role. I think it is very difficult for us to determine with precision exactly where the various influences are and what the balance is at the moment.

It was instructive to me that if you looked at the statements coming out of the National People's Congress this week, over the weekend, that there was a nuanced difference between the state-

ments by the President, and by the Prime Minister, and by the Vice Chairman of the Military Commission with the Vice Chairman being much stronger and more confrontational.

I am not sure whether that reflects real policy differences or whether it is simply that they are playing out different roles. There is no question that the influence of the PLA is substantial in Chinese policy.

Mr. BEREUTER. The Admiral may have something to add to that.

Adm. BLAIR. I had the same experience you had, Mr. Chairman, in the range of people I meet there. Those who are wearing uniforms are the most belligerent, the most hard-lined, and the most aggressive. I think that when you read their papers, the military newspapers are generally harder-lined and more opposed to the United States than are the government papers.

When I was there, I went, for example, to the National Defense University and talked to the President. I said, I read all of these open press articles that come out of some of your faculty on how to sink nuclear aircraft carriers, how to fight unlimited wars with superpowers. What are you guys talking about? Is this what you are really working on and planning to do?

Of both the President of NDU and the other leaders, the Chinese military leaders, I asked the same questions. They said, oh, those are personal views. They are not official views. The general tone of the Chinese military official press and their conversations that I have had with them are much harder-edged, more belligerent and more aggressive than is the general line.

So, it is hard to conclude that they are playing a helpful role toward seeking the peaceful resolution that we favor. So, I think your impression is correct. I think we ought to keep working the problem, but without a lot of illusions in terms of who we are dealing with.

Mr. BEREUTER. Admiral, are the Chinese able to come to the Asia-Pacific Center for Security Studies? That is an institution that I think very highly of in its formative stage. Are they invited? Are you able to invite them?

Adm. BLAIR. We are able to invite them at their expense and they have chosen not to pay their way. I believe that we should, in time, pay their way. As I say, I believe it is in our interest to do so. But we are not to that point yet.

Mr. BEREUTER. Thank you. I did notice your comments in the appendix of your statement related to your desire to have the passage of legislation with respect to the Center. My understanding is to some extent, DoD has been pulling back at the request of certain legislators, saying you need to deal with the schools in a more comprehensive fashion.

I am not sure if that is right, but I happen to be supportive of what you have requested. We only got part of what you requested in the past. Mr. Kramer, did I see you wanted to speak?

Mr. KRAMER. Yes, on that point. I have four Centers, so to speak. We have one, as you well-know, the Marshall Center for Europe, the Asia-Pacific Center, the Center for Hemispheric Studies for Latin America, the Africa Center, and we are in the process of creating a fifth in the Near East/South Asia Studies which has money in the POM.

It has been approved by the Secretary. So, number one, I think we, DoD, and it is true of all of the CINC's, as well as the Secretary, myself, and everyone else thinks that these are terrific institutions. We are not pulling back in any way in that regard. Secondly, we do need to watch the money, like we have to watch it for everything else. These were started up, in a certain sense, in an entrepreneurial way. What we are trying to do is to regularize the budgetary process, and look at it in the overall.

We have created some mechanisms to do that so that we really can get them into our so-called POM process, the budget process in the right way. As far as I am aware, and I think it is indicative by the fact that in the last year, we have had the first meetings of the Africa Center. We have the approval to start the Near East/South Asia Center.

The DoD is strongly behind these, including the Asia-Pacific Center, which I think everyone agrees is a very effective institution. You may have some particular points on that, Admiral.

Mr. BEREUTER. Do you expect to offer legislation in any fashion related to the schools?

Mr. KRAMER. We do not need the legislation right now to do the schools. We are obviously doing that. I have personally asked to have all of the directors, and for that matter, the CINC's to have legislation to overcome some of the particular problems. For example, there are some issues as to where we can accept money to support the schools. Can we have outside foundations and those kinds of things give us money? Again, what is the governmental organization? There are some particular things that could be, I think, improved. One of the Centers has that problem.

It is the Asia-Pacific Center. Whereas the Marshall Center had some Marshall Center specific legislation that allows them to do it. So, we do want to regularize some of the stuff. It is a long way to say, yes.

Mr. BEREUTER. Thank you. Admiral Blair, do you want to add onto that?

Adm. BLAIR. Yes, sir. We do seek the same authority that the Marshal Center has, which is the authority to waive the fees in order to bring someone to the Center at our expense when we consider that to be in our interest. Second, to be able to accept not only foreign, but also domestic contributions to foundations which support these Centers to be able to defray student costs.

We have received partial authority to do that in the Appropriations Bill last year. But we would like the Authorization Bill to establish that authority which the Marshal Center has on a full-time basis so that we can reach the objectives of the Center.

Mr. BEREUTER. Thank you.

Mr. KRAMER. I would just say, just because I did not mention the waiver point, there is no difference. We all agree with that. We would like to have that for all of the Centers, including the Asian-Pacific Center.

Mr. BEREUTER. I am interested in helping you on that. We are going to have a series of votes. I am going to turn to Dr. Cooksey for a last question. Then I might have time for a concluding statement on Taiwan. Dr. Cooksey.

Mr. COOKSEY. Thank you, Mr. Chairman. An economics question; I will give you the question and make a couple of other comments. The economic slow-down in Asia started a few years ago, 2 or 3 years ago. I think it really began in Taiwan. I am sorry, in Thailand. I have a feeling that they are coming out of it.

What is going to be the first nation to come out of it and be back to full steam? What are the major players? Which ones are going to be the last ones to come out? Which ones are going to be the laggards? I would ask you, are any of you economists? You have impressive resumes. Are any of you economists?

Mr. KRAMER. A long time ago, I graduated with a degree in economics.

Mr. COOKSEY. I have two young guys on my staff that are Stanford economics graduates. I told them today that I had learned that an economist is someone that likes to play with numbers but does not have enough personality to be a CPA; so, with that preface.

Mr. KRAMER. My children would agree with you. I think that is probably a good thing for Mr. Deming to talk to. I can add my impressive economics resume to whatever he says.

Mr. COOKSEY. These are bright young guys and I depend on them heavily. They are a lot better prepared than I am.

Mr. DEMING. I took Samuelson 101 and 102. I think I will get in real trouble with Larry Summers for speculating about the future of the Asian economy, but let me do it anyway. I think we really have been impressed in the last few months with the speed with which the Asian economies are coming out of the financial crisis.

Thailand is moving perhaps most rapidly. The ROK is moving quite rapidly. In even Indonesia, there is positive growth. This, in a way, is very good news. It has a very positive psychological effect. There are still a lot of problems to be overcome. Unemployment is still higher than it was in most countries when the financial crisis began.

There are a lot of structural problems that need to be undertaken. Indeed some people in Asia argue that the recovery has been too fast because it has taken away the crisis kind of attitude that they needed to have to make the hard reforms. Now, there is a sense of relief that they do not really have to do all of these hard things, which they really do need to do to get their economies back in order.

I would think that probably the ROK and Thailand are leading the pack. Indonesia, of course, has a lot of other fundamental problems, along with in political difficulties. So, that is the country we probably worry about most.

Mr. COOKSEY. Indonesia?

Mr. DEMING. Indonesia; the interconnection of uncertain political issues and uncertain economics. Still, the Chinese that fled during the disturbances 1½ to 2 years ago have not come back in large numbers. There is still uncertainty. So, investment from outside is not being attracted in any great numbers. Reform is not proceeding as rapidly as it should. So, that is a snapshot of, I think, where things stand.

Mr. COOKSEY. Do you think the Asians in this part of the world will ever be able to make the structural changes that even Europe seems laggard in achieving?

Mr. DEMING. My own view is they are going to have to. I think globalization is a fact of life. There is resistance to it. There is frustration about it. In Japan, we have seen the urge for or the push for reform has slowed down. For these countries to compete in the new global market, they are going to have to reform. It is a painful process. It will take a long time. There will be a lot of social dislocations that go with it, and a certain amount of backlash. But I think the long-range outcome is inevitable.

Mr. COOKSEY. Good. Thank you very much. Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Dr. Cooksey.

We had some earlier discussion about the Taiwan Security Enhancement Act. I do hope the people who are critics of the act, from many directions, will look at the act as passed by the House, which is far different than the one introduced in the Senate and which was then reintroduced in the House. It is far different.

Having said that, I would have preferred that it not pass in this period of time. You can only stand in front of converging freight trains so long. You do your best to make it a responsible piece of legislation.

I recall that the Taiwan Relations Act was passed a couple of months after I arrived here in 1979. It was passed over the objection of President Carter and the Administration because of Congress' concerns about what had happened at that time. I know that any Executive Branch of either party would probably have opposed it, just as they opposed the Taiwan Security Enhancement Act. I do think that a variety of people in this country, including some of my colleagues, need to have an adversary. We have some Cold War warriors that probably complicate our situation.

On the other hand, I do think that some things that President Clinton said in his visit to China and his perceptions of what he might have felt and intended have complicated the matter. Those comments have also given strength to concerns that the U.S. needs to take a less ambiguous role with respect to the defense of Taiwan, if in fact Taiwan is threatened with invasion.

I thought that Speaker Gingrich, when he visited China on a trip in which I accompanied him, had it right when he said to President Jiang Zemmin, "You understand and I have a House resolution backing it up, that we will defend China, if you attack it." Instead of getting the usual anti-Taiwan tirade, President Jiang Zemmin simply said, "We do not intend to attack."

During that meeting, we went on to a productive discussion on a variety of other issues. Then the delegation went to Taiwan. The same message was given to President Lee that they as well should not be provocative in what they did on that side of the strait. This was conveyed directly from the Speaker, reinforced by several Members, including myself.

I do think this Administration (and it is true of the previous ones), however, has forgotten that parts of the Taiwan Relations Act require consultation with the Congress on defense issues, including weapons systems. That consultation has not taken place to

my knowledge. People in positions that should know if it is taking place, in addition to myself, most directly people on the Armed Services Committee and in certain Appropriations and Intelligence Committees, also say it has not taken place.

That is not strictly a Republican complaint. That is a bipartisan complaint. The Executive Branch, and not just this Administration, has to ask if it is doing what we it is required to do under the Taiwan Relations Act, knowing full well that things are accentuated and exaggerated here as ethnic politics plays its role in this Congress.

There is no place like this country in that anything that happens anywhere on the globe has ramifications in this country. We have people who have come from those far corners of every part of the globe. They have their abuse, their remaining loyalties, and they try to affect the political process. Sometimes we forget about what our national interest really is.

So, if I ever have a chance to Chair the International Relations Committee, I promise to put a banner in the back of the main hearing room with just one question that faces people every day. That is, "What is our national interest?" I think we are at the time where I need to go to vote. I want to thank you gentlemen for taking time out of your very busy days to come to Congress and spend some time presenting your views and answering questions for those Members of the Subcommittee who could be here.

It is an unconventional time to have a hearing for a variety of reasons. However, I thought it was important that we have a chance to hear from Admiral Blair when he is in town. Gentlemen, thank you very much again for your testimony today and for your responses.

This Subcommittee is adjourned.

[Whereupon, at 2:15 p.m., the Subcommittee was adjourned.]

A P P E N D I X

March 12, 2000

"US Security Interests in Asia"

Doug Bereuter, Chairman
Subcommittee on Asia and the Pacific

March 8, 2000

The Subcommittee on Asia and the Pacific meets today to examine U.S. security interests in Asia. The chair would like to express his gratitude to Chairman Sensenbrenner and the Science Committee for graciously permitting us to use their meeting room. We are assured that the construction on the International Relations facilities will be completed in the next few weeks, so perhaps this is the last time we will have to impose on another committee for a suitable meeting room.

Soon after I assumed the Chairmanship of this Subcommittee, I tried to establish a set of basic guidelines which I sought to apply to this Subcommittee's oversight. In establishing these guidelines, my goal was for them to reflect America's vital and growing interests in Asia and to provide greater assurance of continuity to American engagement in the region. The first, immutable principle that I identified was the advancement of U.S. security interests in the region, thereby insuring that the U.S. remains engaged, committed to peace and dedicated to strengthening our alliance and friendships in the region.

Historically and geographically, the United States has strong links with Asia, and, as a result, we have a fundamental interest in the peace and security of the region. Moreover, the nations of Asia have reciprocated by demonstrating a fundamental interest in keeping the U.S. militarily deployed in the region. It is readily apparent that every nation in Asia – with the possible exception of North Korea (even China!) – wants us to see American military forces in the region for the sake of stability. It is also important to reassure our Asian friends of our long-term commitment.

I also want to emphasize that I am a strong advocate of enhanced military-to-military relations. High level visits (such as the visit to Asia that Secretary Cohen is just now embarking upon), port calls, and appropriate military education and training programs can all serve a positive function. Such contacts can go a long way towards alleviating unnecessary misunderstandings. Peaceful military exchanges may not always turn adversaries into friends, but they certainly are an antidote to fears that are based solely on ignorance. The training and education programs that the United States are aimed at enhancing the professionalism and respect for civilian authorities among the armed forces of our friends and allies. Admittedly, there sometimes are individuals selected whose participation in U.S. training does not bring the desired result, but it is absolutely clear to me that the overwhelming majority of those who receive military education and training in the U.S. return to their homelands as better, more responsible military leaders better steeped in the traditions of democracy and respect for human rights.

Today the United States has a forward-based military presence in Asia because very real threats to the stability and security of the region still exist. Some of the major considerations include the following:

- The recent escalation of threatening rhetoric by the People's Republic of China toward Taiwan, backed by the increased deployment of missiles with what seems to be an overt attempt to again affect the outcome of the upcoming presidential election. In recent days the PRC has issued a White Paper that holds out the prospect of military action should Taiwan intentionally fail to negotiate in good faith in the cross-strait dialogue;

- In addition, it is now clear that China has acquired some of the most sensitive information regarding U.S. nuclear and missile technology and it is probable that it intends to use that knowledge to significantly enhance their nuclear strike capability;

- Even more immediately alarming is the threat posted by North Korea's rapid moves toward the development of long-range ballistic missiles. Of course, there is also understandable skepticism regarding whether the North Koreans have really stopped their nuclear programs;

- There also are competing claims of sovereignty over the scattered territories of the South and East China Sea, including the Spratly Islands, which directly involves China, Vietnam, Brunei, Malaysia, the Philippines, and Taiwan; as well as the Senkaku Islands issue, which involve China, Japan and Taiwan;

- And, I would be remiss if I neglected to mention the seemingly ever-present tension between a India and Pakistan (both nuclear-capable nations); and the recent instability in Indonesia, both economically and politically.

In short, the menu of priorities is large for those who place themselves in harm's way.

Today the Subcommittee is honored to have a very important panel of witnesses from the military and civilian sides of the Executive Branch to share with us their views on these and other important issues. Our first panelist is Admiral Dennis Blair, Commander in Chief, U.S. Pacific Command. Answering to the President and the Secretary of Defense, through the Chairman of the Joint Chiefs of Staff for the collective defensive arrangements in the Pacific, he is commander of the approximately 100,000 sailors, soldiers, airmen, and marines deployed in the region. Admiral Blair is the chief U.S. military representative from Hawaii to India -- an area of over 100 million square miles. This will be the Admiral's initial testimony before the Subcommittee, having replaced Admiral Peruher in 1999. Admiral Blair has only recently returned from an official visit to China, the first high-level military visit since our mistaken bombing of the Chinese embassy in Belgrade.

The Admiral is joined by Mr. Rust Deming, Acting Assistance Secretary for East Asian and Pacific Affairs. A career foreign service officer, Mr Deming has served in numerous positions throughout East Asia. This is likely to be his only opportunity to testify before the Subcommittee,

as Mr. Deming's name was recently put forward to be Ambassador to Tunisia. Congratulations, Mr. Deming.

Completing our panel today will be Franklin Kramer, Assistant Secretary of Defense for International Security Affairs. Prior to assuming this position in 1996, Mr. Kramer served briefly as Deputy Assistant Secretary of Defense for European and NATO Affairs. In private life, Mr. Kramer has been a partner in the law firm of Shea & Gardner, and president of the World Affairs Council of Washington, D.C.

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SUBCOMMITTEE ON ASIA AND THE PACIFIC

STATEMENT OF

ADMIRAL DENNIS C. BLAIR, U.S. NAVY

COMMANDER IN CHIEF

U.S. PACIFIC COMMAND

BEFORE THE HOUSE INTERNATIONAL RELATIONS COMMITTEE

SUBCOMMITTEE ON ASIA AND THE PACIFIC

ON U.S. SECURITY CONCERNS IN ASIA

8 MARCH 2000

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SUBCOMMITTEE ON ASIA AND THE PACIFIC

INTRODUCTION

Mr. Chairman and members of this Committee, on behalf of the men and women of the United States Pacific Command, thank you for this opportunity to present my perspective on security in the Asia-Pacific region. Having served as USCINCPAC for just over a year, I believe that steady and focused efforts are required to ensure the region develops in ways favorable to American interests. A secure and peaceful Asia-Pacific region presents tremendous opportunities for greater prosperity in America, and in the world, as we enter into this century. Alternatively, an Asia poised for armed conflict, uncertain of the intentions of neighbors and regional powers, and subject to a rising wave of nationalism as a new generation of leaders comes to power, will present only crises and dangers. As the principal guarantor of global peace, the United States, by its actions and omissions, will strongly influence, if not determine, the outcome.

The economic, political, and military contours of the Asian landscape are evolving rapidly. Most Asian economies are now enjoying economic recovery. But one of the lessons learned from Asia's financial turbulence in 1997 and 1998 is that we cannot take Asia's economic prosperity for granted. A durable recovery and economic security in the region can only come when the financial and corporate restructuring process is complete. We also see reasons for economic concern in a number of key Asian countries. For instance, Japan remains trapped in slow growth. China's economy is also struggling with weak demand and severe price deflation. We are hopeful Jakarta's promising new budget and the recent agreement with IMF will help President Wahid turn Indonesia's economy around. But this will be no easy task. Similarly, fractious Indian politics make it difficult for Prime Minister Vajpayee's new Indian government to implement the kind of bold economic reforms needed to reduce high levels of poverty. Sustainable economic growth in the region is in the interest of all. It provides a favorable setting for diplomatic and military initiatives to build a security framework for the region.

There are many flashpoints in the region. Long-standing tensions threaten serious conflict in places such as Korea, the Taiwan Strait, and Kashmir. Violent separatist movements and ethnic disputes in Burma, China, India, Indonesia, the Philippines, and Sri Lanka set up vicious cycles of terrorism and repression within countries and threaten the region with refugee flows, export of terrorism, and crises between neighboring nations. Rapid economic development has created huge gaps in the distribution of wealth within many countries in

the region. Combined with corruption and privilege, this development has caused citizens to challenge the legitimacy of ruling political regimes and has further inflamed violence between ethnic and religious groups.

Security relations among the states in the region are fluid. Fifty years after the end of World War II, the victory of Mao in China, and the beginning of independence from colonial rule, a new generation of national leaders is coming to power in Asia. Many of these leaders are reviewing the premises of their international security relations. Many bring a new nationalism based upon culture, ethnicity, and religion rather than anti-colonialism. The teachings of Marx, Lenin, and Mao no longer guide the Chinese. India has turned its attentions outward and expects to play a greater role in international politics in the coming years. Indonesia is emerging from almost four decades of authoritarian rule. Globalization increases wealth, but often offends ethnic sensitivities. Balance of power and nationalism will compete against the more enlightened views of greater security and economic cooperation to drive the future of Asia. The role the United States plays is critical to the future of Asia. In the 20th century, America fought three major wars and lost more lives in Asia than in any other theater of conflict. We need to do better in the 21st century.

U.S. PACIFIC COMMAND MISSION

Ready today and preparing for tomorrow, the U.S. Pacific Command enhances security and promotes peaceful development in the Asia-Pacific region by deterring aggression, responding to crises and fighting to win.

Over the past year, the men and women of the Pacific Command have been carrying out our mission. To deepen your appreciation for the region and our efforts to promote security, I would like to summarize key events from the past year and highlight the progress we made towards the priorities I described in my testimony last year.

EVENTS THAT SHAPED THE REGION OVER THE PAST YEAR

Since I last testified to you, numerous events have shaped security developments in the region. Let me begin with a key ally, Japan.

Japan

Despite recent setbacks, Japan remains the second largest economy in the world with a level of technology comparable to the United States. It is the country with the greatest economic

impact on the Asia-Pacific region. Japan enjoys a thriving democratic system, with strict civilian control of the Self-Defense Forces and a tradition of close security cooperation with America. About half of American forces forward deployed in the Western Pacific operate from bases in Japan. Without these bases, it would be much more difficult for the U.S. to meet commitments and defend American interests throughout the Asia-Pacific region.

Over the past year, we made important progress in deepening and strengthening our alliance with Japan. Shortly after I testified to you last year, Japanese Self-Defense Forces chased two North Korean boats from Japanese territorial waters across the Sea of Japan. This was the first time in 46 years Japanese forces have ever fired even warning shots at a foreign flagged vessel. This provocation, combined with North Korea's launch of the Taepo-Dong missile over Japan the previous summer, added urgency for the Japanese Diet to pass new Defense Guidelines legislation. These guidelines will help formalize cooperation for logistical support of U.S. operations and other support to U.S. forces in response to situations in areas surrounding Japan that have an important impact on Japan's security. Additionally, this Taepo Dong launch stimulated greater Japanese cooperation with the U.S. in developing missile defense and satellite surveillance capabilities. North Korean provocations have resulted in close trilateral consultation and policy coordination among the U.S., Japan, and South Korea beginning under the leadership of former Secretary of Defense Perry. This coordination aligned our nations' policies regarding North Korea and is contributing to unprecedented security cooperation between Japan and South Korea, establishing a pattern for future cooperation and policy coordination.

The focus with our most important ally Japan must always be on advancing and promoting the future security of the region. We must continue to tackle the tough issues that could impede strengthening this essential alliance. Over the last year, we have made progress in resolving a number of these issues. We are working with the GOJ to eliminate pollution from the Shinkampo waste disposal incinerator that affects Americans stationed at the Atsugi Naval Air Station and Japanese baseworkers and citizens, although progress is slower than both sides would wish. We also are making progress on agreements to relocate bases in Okinawa from the populated southern part of the island to the north. Other issues we are working include negotiations this month on the new Special Measures Agreement that expires March 2001, a key element of Japan's Host Nation Support. Because of Japan's economic problems, funds spent by the Government of Japan to support U.S. Forces have come under

increased scrutiny. We have urged the Japanese to think in terms of the strategic importance of Host Nation Support to the security and prosperity of Japan and the entire region. We will continue to work with the Japanese so the alliance emerges as strong in the future as it has been in the past.

North and South Korea

President Kim Dae-jung's forward-looking, visionary approach exemplifies a clear path to regional security. While unwavering in his commitment to deter North Korean aggression, President Kim has reached out to current and historical enemies to build a more secure future for Korea. He strongly supported U.S. efforts led by Dr. Perry and shares responsibility for successful trilateral consultations. His government has increased security dialog and cooperation with Japan and high level defense-related visits with China. Under President Kim's leadership, Korea is coming to peace with the past in the expectation of a more prosperous future. Recognizing the obligation of all nations to contribute to collective security, his government provided substantial forces to peace operations in East Timor.

The coordinated approach to North Korea has resulted for the moment in improved behavior by that regime. The inspection of the suspected nuclear production site at Kumchangni has allayed concern over that particular facility. The most dangerous incident over the past year occurred when a fleet of North Korean fishing boats, escorted by patrol craft, repeatedly crossed the Northern Limit Line, established by the United Nations Command and treated by the ROK as a de facto maritime boundary. Several days of confrontation resulted in a significant naval battle between the two countries. U.S. Pacific Command sent ships and surveillance platforms to Korean waters in the vicinity to help monitor events and deter escalation. Since that incident, North Korea has been strident in its rhetoric, but has continued to abide by its verbal commitment not to launch missiles as long as negotiations resulting from the Perry Policy Review continue.

Though tensions on the Korean peninsula have eased recently, North Korea remains unpredictable and a serious threat to peace. It continues to enhance its military capability by forward deploying additional long-range artillery, building additional midget submarines, conducting infiltrations, and developing missiles. The scale of operations during the winter training cycle exceeded what we have observed over the past several years, demonstrating North Korea remains willing to expend sizable resources to maintain readiness to resume war with the South. Their economic plunge appears to have bottomed

out, albeit at a low level. Sustaining our deterrence posture in South Korea is essential to the success of the strategy we are pursuing with North Korea.

China

Since I testified last year, a confluence of events drove U.S.-China military relations to a new low. The Cox Commission Report, investigations of Chinese efforts to influence the U.S. domestic political arena, and analyses of the military balance across the Taiwan Strait captured headlines early in the year. They were quickly followed by China's crackdown on Falun Gong followers and Prime Minister Zhu Rongji's failed efforts during his U.S. visit to reach a World Trade Organization agreement. In May, relations reached their nadir with the accidental bombing of the Chinese embassy in Belgrade and the resultant severing by China of military contacts between our two countries. Finally, in July Taiwan's President Lee further exacerbated both cross-strait and Sino-U.S. relations with his "state-to-state" formulation.

These events clearly challenged China's leadership as it wrestled with a strategy for balancing internal stability and the Taiwan issue with the need for outside investment and trade. China's leaders now appear to have adopted a strategy of opening and marketizing its economy - and maintaining good relations with the U.S., while continuing to suppress internal dissent and pressuring Taiwan. Military relations are slowly mending. The U.S. has negotiated a settlement regarding Chinese lives lost in Belgrade and the damage to our respective diplomatic properties; a solid agreement was reached as a step towards entry into the WTO; the STENNIS battlegroup recently visited Hong Kong without incident; and, I have just returned from a useful trip to China where we exchanged views on security developments in Asia and discussed future interactions between our armed forces.

From a military perspective, the People's Liberation Army (PLA) has made significant structural and organizational changes in all branches of service this last year. It has made noticeable increases, however, in the military capabilities of its Air Force, its Navy, and its rocket forces. These capability changes included increasing combat aircraft inventory, fielding fighter-bomber aircraft, and improving air defenses across the Taiwan Strait. Changes in the PLA Navy (PLAN), PLA missile force, and PLA ground forces focused on improving future capabilities. The PLAN continued sea trials for eventual fielding of additional surface and subsurface ships, continued testing of anti-ship missiles, improved naval helicopter training, and received the first of two Russian destroyers. The PLA missile force continued testing and

fielding newer inter-continental and short-range ballistic missiles (SRBM) and is building additional SRBM launch sites, while the PLA ground force continued downsizing to both reduce its force structure and increase mobility.

The Taiwan military also made significant changes during the last year. The Taiwan Air Force increased its combat aircraft and surface-to-air missile inventories. Once assimilated, these systems should improve the island's air-to-air, anti-ship, and air defense capabilities. The acquisition of two KNOX-class frigates and the commissioning of additional coastal patrol boats should also improve future naval capabilities. The only significant change in the Taiwan army was downsizing some divisions into combined arms brigades.

These changes in PLA and Taiwan military forces did not significantly alter the balance of power across the Taiwan Strait. Taiwan's military maintains a qualitative edge over the PLA, and its combat capabilities should improve steadily over time as it incorporates new weapons into its warfighting doctrine and training. The PLA still lacks the capability to invade and control Taiwan. It maintains a quantitative edge in all branches of service, but does not have an adequate power projection capability to quickly overcome Taiwan's more modern air force and inherent geographical advantages, which favor the defense. It does, however, have the ability to inflict significant damage to Taiwan with its military forces.

We expect China to accelerate its pace of military modernization somewhat by increasing the PLA budget over the next several years. However, this will not decisively alter the military situation across the Strait within that time.

Indonesia and East Timor

Events in Indonesia and East Timor have also been a focus of our attention over the past year. The national elections in June, the first free elections in over 40 years, were conducted in a peaceful atmosphere, surprising many observers and giving renewed hope to a democratic process for Indonesia. Fear of violence and danger to foreign residents of Indonesia proved unfounded. However, events in East Timor kept Pacific Command, in conjunction with our regional allies and security partners, busy planning for a wide variety of possible contingencies. Following a massive turnout in an open, transparent ballot in the face of militia intimidation, 78.5 percent of the people voted to reject continued ties to Indonesia. Following the vote, the pro-Indonesian militias began a reign of terror, harassing pro-independence leaders and other East Timorese, destroying large portions of the cities and towns, killing people and driving several hundred thousand into West Timor in

an apparent attempt to reverse the results of the election. The Indonesian Army, despite assurances by its leadership, did not intervene to stop the violence. Instead, local army elements frequently assisted the militias in the destruction. Following more than a week of violence, President Habibie consented to allow an international force to enter and restore the peace.

The Australian-led, U.S.-backed, coalition operations in East Timor, which included major contingents from Thailand, New Zealand, the Philippines, South Korea, the United Kingdom, Canada, and Italy plus smaller forces from 11 other nations, brought security to the area. East Timor today is secure from the militias, but the work has just begun to establish a fully functioning society. Our Australian allies did a great job in leading this UN-mandated peace operation and providing 5,500 troops that were the backbone of the coalition.

East Timor was not the only trouble spot in Indonesia. The country continues to face communal violence in the Maluku Islands and separatist elements in Aceh and Irian Jaya. Though the new government faces many challenges, its continued political transition and accounting for human rights crimes and abuses are noteworthy and, in conjunction with military reform, are necessary steps for the eventual restoration of full U.S. military relations.

The pace of any military-to-military re-engagement with Indonesia will also be determined in part by legislative provisions which prohibit certain activities until specific conditions -- including accountability on East Timor human rights abuses and return of refugees from West to East Timor -- are met.

Philippines

President Estrada and his ministers provided strong leadership and after a healthy debate, the Philippine Senate ratified the Visiting Forces Agreement (VFA) on May 25, 1999. This major legislation provides the legal framework to protect our Armed Forces while on duty in the Philippines. Additionally, it allows us to restart exercises, such as BALIKATAN, and resume port visits that have been suspended since 1996. In July 1999, the USS BLUE RIDGE, 7th Fleet's flagship, was the first ship to visit the Philippines after the VFA ratification. Since then we have had about one port visit per month and look to gradually increase the number of visits in the future. In February we conducted BALIKATAN, our largest joint and combined exercise with the Philippines.

Operations with and assistance from the United States cannot substitute for an adequately funded armed force, and the Philippines have not yet made the necessary investments. As a

consequence, military operations against domestic insurgents have not been decisive, and the Air Force and Navy cannot exercise air and sea sovereignty. The United States is looking at ways to help improve its capabilities. Through Secretary Cohen's initiative, a consultative group was established between OSD and the Philippines Department of National Defense last year. The talks are designed to address innovative ways to help the Philippines increase their readiness and become a more active contributor to regional security.

Despite its handicaps, the Philippines has taken a leading and responsible role in East Timor, contributing ground forces to the International Force in East Timor (INTERFET) coalition, and taking responsibility as the leading nation for the military force of the United Nations Transition Authority for East Timor (UNTAET).

South Asia

Relations between India and Pakistan, which generally deteriorated over the year, drive security in South Asia. India also has significant though less immediate concerns about China. Shortly following promising reconciliation talks at Lahore, Pakistan, fierce fighting erupted along the line-of-control in Kashmir. The subsequent military coup in Pakistan and hijacking of an Indian Airlines flight on Christmas Eve further heated the rhetoric and dangerously strained relations between the two countries. Meanwhile, there is great and potentially dangerous uncertainty about the nuclear programs and policies of both countries. I visited India earlier this year, the first USCINCPAC visit since 1997. Overall, my discussions with Indian leaders were very constructive; they expressed interest in gradually increasing security cooperation with us, initially to counter terrorism and illegal drugs. Once India responds to our nonproliferation concerns, I believe that a gradual strengthening of military interaction is in the interests of both countries. Both of us have many common international interests, and the more we work with India the better we can defuse tensions by supporting productive relations between that country and Pakistan.

Elsewhere in south Asia, violence continued unabated in Sri Lanka as the Tamil separatists launched suicide bombings against government officials and achieved military successes. Nepal faces a smaller scale insurgency in remote valleys. Neither Sri Lanka nor Nepal has yet fashioned the right combination of negotiations, economic development, and military/police operations to turn the tide of these insurgencies.

Smaller South Asian nations such as Nepal and Bangladesh have a proud and distinguished tradition of participation in

U.N. peacekeeping operations (PKO). Pacific Command provides some support for these capabilities. U.S. forces participated in a very successful multi-platoon training exercise designed to improve peacekeeping skills. Commander U.S. Army Pacific sponsored the event and the Royal Nepalese Army hosted the nations involved. In addition to the U.S. and Nepal, Bangladesh and Sri Lanka contributed platoons and 18 other nations, including India and China, sent observers.

POW/MIA Efforts in Southeast Asia

Joint Task Force Full Accounting (JTF-FA) continues to make progress on achieving the fullest possible accounting of Americans unaccounted for as a result of the conflict in Southeast Asia. Last year, we identified and returned 41 remains to their loved ones. Currently 2,031 Americans still remain unaccounted for. JTF-FA conducted 11 joint field activities (JFAs) in fiscal year 1999 - five each in Vietnam and Laos, and one in Cambodia. The JTF-FA field teams investigated 351 cases and excavated 61 sites. 37 remains believed to be unaccounted for Americans were repatriated as a result of these field activities. JTF-FA will continue to maintain its demanding pace of operations in fiscal year 2000, with 11 JFAs scheduled - five each in Vietnam and Laos, and one in Cambodia. These JFAs last 30-45 days in duration. Achieving the fullest possible accounting of Americans is a U.S. Pacific Command priority and we will continue to devote the necessary personnel and resources to obtain the answers the POW/MIA families so richly deserve.

U.S. PACIFIC COMMAND PRIORITIES

The priorities for the Pacific Command are as I testified last year: readiness, regional engagement, Revolution in Military Affairs, and resources.

(1) Readiness

Overall, the warfighting capabilities of American armed forces have leveled out after recent declines, but there are many critical readiness areas that continue to cause concern. While I continue to have no reservations about the Pacific Command's ability to do its job today, I do have doubts about its ability to do so in the future unless we make more progress in addressing structural readiness issues. My issues are focused in eight areas: people, operations and maintenance funding, mobility infrastructure, real property maintenance, housing, Army prepositioned stocks, preferred munitions, and medical support.

People. Readiness starts with people. First, I would like to express the appreciation of the men and women of the U.S. Pacific Command for the pay and compensation measures taken this past year. These initiatives show senior leaders and officials in both Executive and Legislative branches are taking action to meet the needs of our personnel and their families. I strongly applaud the funding in the fiscal year 2000 budget for a base pay increase, elimination of the REDUX retirement system, returning to 50 percent base pay after 20 years of service, and pay table reform that rewards achievement more than longevity. These actions demonstrate the interest of our nation in equitably and fairly compensating the men and women of the armed forces both on active duty and in retirement. I also very much endorse the Congress's commitment to keep pay raises above the Employment Cost Index for the next several years to continue to ensure competitive compensation.

Pay and retirement are not the only areas of concern. To attract and retain highly motivated, qualified people, we must continue to emphasize quality medical care, education, and housing while providing the opportunity to live in a secure and safe environment. We must increase our efforts to pursue improvements in TRICARE so customer satisfaction, particularly at military treatment facilities, meets the national standard. This is critical to taking care of our personnel and families. I appreciate the ongoing efforts in the area of dependent education; however, I must emphasize we need to continue our efforts so educational standards in DoD schools offer programs and services that meet or exceed the national average. We should be especially attentive to revitalizing all housing assets. Current funding gaps and delays in privatization have endangered our goal to fix the housing problems by 2010.

An important QOL issue in my AOR is the pet quarantine requirements in Hawaii and Guam. This is a very expensive undertaking for military families and reimbursement for the costs of bringing pets will significantly reduce the stress involved in family relocation. Quality of life activities and programs still require constant and aggressive attention. We must continue with improvements in these areas so Americans perceive the military of this new century as a career choice just as rewarding and challenging as America's world class businesses.

Operations and Maintenance Funding. The next most important component of readiness is funding for operations and maintenance. These funds provide spare parts, fuel for aircraft, ships, and tanks, funds to train, and upkeep for our bases. Here the news is not positive. The Pacific component commands gained only marginally from FY99 & 00

Emergency/Readiness Supplemental Appropriations. Further, the funds provided were only sufficient to prevent further declines in readiness rather than assist in any measurable increase. Accordingly, the readiness of our component commands is not expected to reflect any significant increase this fiscal year from supplemental funding. Forward deployed forces and forces deploying to contingencies are at a high state of readiness. Non-deployed and rear area forces are at lower readiness. Camps, posts and stations continue to deteriorate.

The US ARMY PACIFIC (USARPAC) total operations and maintenance budget was $594 million in FY98, $566 million in FY99, and $659 million in FY00. Most of the FY00 increase was $56 million for Real Property Maintenance (RPM) which will help reduce the rate at which USARPAC facilities will deteriorate and thereby help improve soldier quality of life. Further, USARPAC received an increase of $10 million for environmental remediation to support the close-out of chemical-demilitarization operations on Johnston Atoll. USARPAC OPTEMPO funding also increased by $18 million, almost all in the Flying Hour Program (FHP) to cover higher per hour costs and to improve aviator proficiency. USARPAC did not benefit significantly from the FY99 Emergency/Readiness Supplemental Appropriations. Of the $10.67 billion Emergency/Readiness Supplemental, USARPAC received $19.4 million.

Our current assessment of USARPAC facilities readiness is "substandard and eroding." Facilities maintenance backlog for Army forces in the Pacific has grown to over $1.7 billion despite aggressive efforts to demolish excess Army infrastructure. Fixing this problem will require a long-term commitment of both RPM and military construction funding.

PACIFIC AIR FORCES (PACAF) receives primarily operations and maintenance funding to improve readiness and sustain operations. During FY98-FY00, PACAF did not benefit from any significant O&M funding increase associated with readiness. PACAF's O&M funding has remained relatively flat at approximately $1.3 billion ($1,219 million FY98, $1,291 million FY99 & $1,245 million FY00). The FY99 increase reflected higher flying hour costs and increases in operations support. FY99 dollars also included funding for Kosovo support. This funding totaled $2.8 million, which went to support additional aircraft positioned to defend Korea when the USS KITTY HAWK and PACAF forces deployed to support ALLIED FORCE.

PACAF's FY99 Real Property Maintenance (RPM) funding actually decreased by $28.4 million last year (from $210.6 million FY98 to $182.2 million FY99). FY00 funding includes an additional $55.2 million (to $237.4 million). However, there is little gain as some $22 million worth of FY99 projects migrated

to FY00. These dollars go to support and maintain infrastructure and facilities.

In facilities construction, funded projects totaled $57.2 million in FY98, $41.5 million in FY99, and $174.2 million in FY00. $73.8 million of the FY00 funding was for the Elmendorf, Eielson and Andersen AFB Hydrant Refueling Systems, improving airlift capacity across the Pacific. Other FY98-00 funded projects included runways, parking ramps, enlisted dormitories, and mission support facilities.

U.S. PACIFIC FLEET (PACFLT) operations and maintenance funding totaled $5.7 billion in FY98, $5.8 billion in FY99, and $5.8 billion in FY00. In FY99, PACFLT received $151 million in O&M Emergency/Readiness Supplemental funding. $65 million was spent for spare parts and $86 million for depot maintenance, two key components of fleet readiness. These expenditures covered the expenses incurred in the high tempo contingency operations.

In FY00, PACFLT received $113 million in O&M Emergency budget declaration funding. $85 million will be applied to spare parts, $23 million to depot maintenance and $5 million to Real Property Maintenance (RPM).

PACFLT began FY00 with essentially the same constant dollar purchasing power as the year before ($5.8 billion). The Navy continues to pursue cost savings initiatives like activity consolidations and outsourcing to manage costs. However, I believe essential requirements to maintain fleet readiness are increasing at a faster rate than available funding.

MARINE FORCES PACIFIC (MARFORPAC) operations and maintenance budget (which includes Navy funded aviation) was $1,305 million in FY98, $1,324 million in FY99, and $909 million in FY00. The FY00 amount does not reflect additional Navy and Marine Corps funds expected later this year. MARFORPAC did receive supplemental funding in FY99 and 00 for readiness. However, this funding only served to satisfy emerging deficiencies or sustainment operations and did not result in a measurable change in readiness.

In operations and maintenance Emergency Supplemental/ Readiness funding, MARFORPAC gained $14.8 million in FY99 and $38.3 million in FY00. To sustain readiness, MARFORPAC applied most of the funds received to maintenance and repair of equipment, ADP systems, training support, and combat operations infrastructure.

MARFORPAC's Maintenance of Real Property (MRP) funding in FY00 declined to $198 million from $208 million in FY99. Over the past four years, MARFORPAC's Backlog of Maintenance and Repair (BMAR) has steadily risen from $281 million to the current $449 million, a 60 percent increase.

For facilities construction, MARFORPAC funding increased to $100 million in FY00 from $81.6 million in FY99. The current MARFORPAC facilities construction requirement backlog is over $1 billion. Given an annual investment level of $100 million, the backlog will remain high and continue to grow.

SPECIAL OPERATIONS COMMAND PACIFIC (SOCPAC) O&M funding totaled $4.8 million in FY98, $4.1 million in FY99, and $3.4 million in FY00. SOCPAC received $1.2 million in readiness related supplemental operations and maintenance funding in FY99 from Special Operations Command, Pacific Command, and Supplemental Appropriations. The additional money funded deployable computer workstations, Y2K systems requirements, communications equipment for the Pacific Situation Assessment Team, and body armor.

Mobility Infrastructure. Of particular concern is the transportation infrastructure required to deploy forces across the Pacific in support of conflict in Korea or other operations. The problem centers on aging fuel systems in Alaska, Hawaii, Guam, and Japan, specifically, fuel hydrant distribution systems and storage tanks, which in many cases are nearly 50 years old and nearing the end of their useful service life. These existing systems are not only very costly to maintain, but their age reduces our capacity to speed strategic airlift across the Pacific. We have been working closely with USTRANSCOM, the Defense Logistics Agency, and the Service components to program fuels infrastructure costs across the Future Years Defense Program, and, as a result of these efforts, are beginning to see improvements. During this past year, we completed a major pipeline replacement project in Guam and several new storage tanks in Alaska. Our forward deployed and forward based forces, as well as those forces that would deploy in support of a major theater war or contingency, will ultimately reap the benefits from the incremental readiness improvements generated by each of these projects. These initiatives clearly represent a solid start to improving theater throughput; however, sustained funding is still required. The continued appropriation of resources is absolutely essential to maintain this upward trend and complete the necessary repairs of our aging mobility infrastructure.

Real Property Maintenance. Real property maintenance is showing the combined effects of aging facilities and cumulative underfunding. The result is a maintenance backlog that will continue to grow unless the Services can program more funds. These programs must reflect a commitment to having first-rate facilities that are on a par with the quality of our people and weapons systems. Our components require approximately $3.6 billion over the next five years to fix this backlog. This

amount is above what is needed to maintain the status quo on our bases and infrastructure. The shortfall in real property maintenance affects readiness, quality of life, retention, and force protection, and can no longer be ignored. Our people deserve to live and work in first-class campuses. We have not yet reached this standard.

Housing. Safe, adequate, well-maintained housing remains one of my top quality of life concerns. In the Pacific AOR, the latest assessment shows military family housing (MFP) units totaled 79,471 with shortfalls of over 11,000 on the west coast and Hawaii, 4,000 in Japan, and 2,650 in Korea. We are working hard to correct the housing problems with projects ranging from whole barracks renewals at Fort Richardson, Alaska, and Schofield Barracks, Hawaii, to new family housing at Pearl Harbor and Kaneohe Bay, Hawaii. However, much more remains to be done and I need your continued support for these very important programs which are vital to retaining the quality people that are the cornerstone of our military strength.

Army Prepositioned Stocks. A key logistics and sustainment shortfall remains the Army Prepositioned Stocks 4 (APS-4) Brigade Set located in Korea. Army heavy forces deploying to fight on the Korean Peninsula would fall-in on this equipment. Although we are happy with the status of the Brigade Set, crucial shortages exist in sustainment stocks that impact our ability to replace combat losses. I fully support CINCUNC/CFC's requirement to have this set of equipment become a Korean version of the capability that exists in Kuwait to support Central Command.

Preferred Munitions. Another logistics shortfall in the Pacific Command is preferred munitions. Operations in Kosovo severely depleted worldwide stocks of Navy and Air Force precision guided munitions, including many types designated in our plans for use in Korea. Although service programs have received supplemental funding that will alleviate some of the shortfalls over time, critical shortages exist now. Theater plans can still be executed successfully, but only by substituting less effective munitions early in the conflict. The result is additional high-risk sorties by combat crews, a longer conflict, and higher casualties.

Medical Support. Finally, we may be accepting some risk in the area of medical support. Although funding has been programmed to meet pre-positioned medical supply shortfalls, and a test will be made of the shortages of pre-positioned medical supplies, an initial shortfall in the number of hospital beds, the movement of additional hospitals and personnel from CONUS-based hospital facilities, and the untested ability of the industrial base and medical logistics programs to support

massive deployment and initial in-theater requirements, makes our ability to provide adequate force health protection uncertain.

In summary, Pacific Command can do the job today. However, we need continued investments to attract and retain quality personnel, maintain both our equipment and facilities, build stocks of the most modern munitions and equipment needed to sustain combat operations most effectively, and provide medical support during a major theater war.

(2) Regional Engagement

The character of U.S. military engagement will be a significant determinant in the future security situation in the Asia-Pacific region. Current circumstances provide both the opportunity and the necessity to develop more mature security arrangements among the nations of the region. Regional engagement is a process to achieve national objectives, not an end in itself. Our program improves the ability of regional partners to defend themselves, strengthens security alliances and partnerships, increases regional readiness for combined operations, promotes access for American forces to facilities in the region, deters potential aggressors, and promotes security arrangements better suited to the challenges of the 21st century. Let me review the key components of our program.

Regional Exercises. To improve regional readiness for combined operations, we have overhauled our exercise plans. We are working closely with our security partners to merge bilateral exercises into regional exercises using updated scenarios that develop the skills we expect our combined forces will need. Next month we will conduct an initial planning conference to bring together four of our larger exercises in Southeast Asia into one exercise called TEAM CHALLENGE, scheduled for next year.

Foreign Military Officer Education (FMOE). Underlying our engagement initiatives is the need for sustained exchanges of officers for military education. The experience of American officers who have attended foreign military colleges provides an unparalleled understanding of how foreign armed forces see their role and approach operations. Similarly, foreign officers who attend American military colleges develop an understanding of the value of professional armed forces, removed from politics and subordinate to government authority. They come to appreciate that reliance on force to resolve internal disputes, rather than political accommodation and economic development, stokes the fires of rebellion and drives away investment needed for national growth. They also acquire a deeper appreciation of America's interest in maintaining international security so all

may prosper. The contacts they develop with Americans and officers from their region establish a network for dialogue and become particularly valuable as they assume leadership roles within their armed forces.

The recent report from the National Defense University, "The Importance of Foreign Military Officer Education", makes a strong argument for these programs:

> "Critics of FMOE programs often fail to grasp that much of the value of FMOE deals with subtle, attitudinal changes that are extremely difficult to measure in quantifiable terms. This is akin to an accident prevention program, which relies heavily on attitudes and awareness. The number of accidents avoided is the key. If some FMOE graduates have been responsible for criminal acts, then they failed to learn or chose to ignore the principal non-technical lessons they were taught. On the other hand, we rarely hear about the real success stories of FMOE …of unnamed graduates who learn these lessons and adopt changes in their countries quietly and professionally for the greater good of their nations and citizens.
>
> "In a number of non-NATO countries, including several of critical importance to the US such as Egypt, Jordan, Saudi Arabia, Thailand, Republic of Korea, and Argentina, officers trained in US military schools have for a decade or more held most of the top command positions. This has been especially important in facilitating acceptance of US forces operating out of their territory and ensuring their willingness to join the US in coalition operations. This occurred in the Gulf War and Gulf contingency operations, ROK contingency operations, Operation Restore Democracy in Haiti, and IFOR/SFOR in Bosnia as well as elsewhere. The FMOE experience also has improved cooperation with the US in support of its diplomatic objectives, such as the Middle East Peace Process and policy toward Iraq, Iran, and North Korea."

International Military Education and Training (IMET). Education is a long-term investment and the IMET program, a main source of funding for FMOE, is our primary tool in this effort. I believe unrestricted IMET programs are fundamentally in the national interest. Some say military education is a reward for countries that behave according to international standards. On the contrary, I believe IMET suspensions and E-IMET restrictions limit our ability to influence future leadership. Many top military leaders in the Asia-Pacific region today are IMET graduates who strongly advocate a continued U.S. presence and

engagement in Asia. Examples include the Supreme Commander, Royal Thai Armed Forces and the Chief of Defence Force, Singapore. IMET is a modest, long-term investment to help build a secure, peacefully developing Asia-Pacific region. Dollar for dollar, IMET is unmatched in engagement value. However, level funding for the past three years combined with increasing course costs and living allowances, means we are educating fewer students each year. Even though USPACOM country ambassadors are requesting more IMET funding each year through their Mission Performance Plans (MPPs), actual funding for Pacific Command nations has decreased over the last three years, from $6.962 million in FY98 to $6.525 million in FY00. Our proposed amount in the President's FY01 Budget is $7.17 million. I urge this committee to strongly support this much-needed increase in funding for a vital engagement program.

Security Communities. My vision of the way ahead for military cooperation in the Asia Pacific is the promotion of a concept that I call security communities -- groups of nations that have dependable expectations of peaceful change. They genuinely do not plan or intend to fight one another. They are willing to put their collective efforts into resolving regional points of friction; contribute armed forces and other aid to peacekeeping and humanitarian operations to support diplomatic solutions; and plan, train, and exercise their armed forces together for these operations. Security communities may be treaty alliance signatories, participants in a non-military organization such as the ASEAN Regional Forum, or groups of nations joined by geographic considerations or common concerns. They are committed to policy coordination, including combined military cooperation on specific regional security issues, to advance peaceful development over time without major conflict.

The effectiveness of security communities derives from adherence to principles, and the willingness and capabilities to cooperate. Military dialog and rudimentary exercises on common tasks, from search and rescue to peacekeeping operations, promotes understanding and builds needed trust and confidence to foster the formation of security communities. The information sharing and procedures developed through these interactions prepare armed forces to work side-by-side.

I would like to thank the Congress for providing the $10 million in funding for Asia-Pacific Regional Initiative (APRI). The initiative will support security communities by enhancing regional cooperation, military training, readiness, and exercises. The abilities of our Asia-Pacific neighbors to plan and conduct regional contingency operations, such as East Timor, is critical to security and peaceful development as well as conducive to reducing the U.S. role in responding to these

crises. Unlike other theaters with robust multi-lateral coordination measures, Asia-Pacific nations lack a coherent set of guidelines and procedures, and in some cases, deployable capabilities to respond effectively. Our initiative focuses on regional cooperation, military training, readiness, communication improvement and intelligence sharing, and exercises as methods to enhance the ability of countries to respond to contingencies in the region. Efforts in these key areas will enhance U.S. access in the region and improve the readiness of U.S. and foreign militaries to handle regional crises.

East Timor Operations. The approach that the U.S. used in East Timor demonstrates the potential of security communities and provides a model for future U.S. involvement in coalition operations. Previously, the U.S. has followed two modes of involvement in international peacekeeping operations -- either being large and in charge, or standing aside. East Timor demonstrated the value of having the U.S. in a supporting role to a competent ally, providing unique and significant capabilities needed to ensure success without stretching the capability of U.S. forces and resources to conduct other operations worldwide. The U.S. provided essential planning support, communications systems, intelligence, logistics, strategic airlift, helicopter lift, and civil affairs support, while coalition partners provided the majority of the forces.

East Timor operations also demonstrated the value of coalition operations to the nations of the Asia-Pacific region. These operations have spurred greater interest in standard procedures for planning and conducting humanitarian and peacekeeping operations, better communications among the armed forces of the region, and improving training and equipment. A key objective of Pacific Command's regional engagement program is to increase the readiness of the armed forces in the region to contribute to combined peacekeeping and humanitarian operations, which also builds trust and confidence needed to form effective security communities.

China. The US has important interests in all corners of Asia, as does China by virtue of its central geography. The pressing question is how China will approach security issues in the region.

There are both hopes and fears in the region over China's future development. China's leaders threaten force should Taiwan authorities declare independence, or violate other conditions they have stipulated, using the justification that this is an internal matter and interference is a violation of their sovereignty. Chinese authorities have also claimed sovereignty over the South China Sea. The resulting uncertainty

over Chinese intention of using force to resolve territorial claims creates concerns throughout the Asia-Pacific region.

The past year has seen a mixture of contradictory words and actions from China. On the positive side:

- No new military moves in the South China Seas and participation in discussions over a Code of Conduct for the area.
- General respect for Hong Kong's autonomy.
- Restrained actions in the vicinity of the Taiwan Strait following President Lee Tung-hui's remarks regarding "state-to-state" relations.

On the negative side:

- Continued military presence to dissuade other claimants, especially the Philippines, from construction in the Spratly Islands and Scarborough Shoal.
- Vociferous rhetoric in response to President Lee Tung-hui's statements, including veiled threats of attack and invasion.

A major objective of our engagement program with China is to develop areas where it can play a constructive, responsible role in promoting security and peaceful development in the region, rather than approaching the region through zero-sum, balance of power policies.

Summary. We have made progress this year in better structuring our engagement programs in the Asia Pacific. Through continued emphasis on education, dialogue, transparency, exercises and coordination on matters of common interest, we will continue to strive to achieve security communities that are inclusive of all willing parties in the Asia Pacific.

(3) Revolution in Military Affairs

The phrase Revolution in Military Affairs denotes changes in operational concepts and organizational schemes that take advantage of technology to provide decisive advantages in warfare. The armed forces of the United States are committed to leading that change in the 21st century. At Pacific Command, we maintain frequent communications with Joint Forces Command, the Department's executive agent for joint experimentation. Through these communications we share ideas, learn common lessons, identify shared opportunities and resources for new concepts, and coordinate exercises.

Since I last testified to you, Pacific Command has established a Deputy for Joint Experimentation to develop concepts, refine plans, and participate in Advanced Technology Concept Demonstrations (ACTDs). Our efforts focus on strategic and operational-level problem solving using an array of resources ranging from Pacific Command forces and coalition

partners to test ranges in Southern California, Nevada and Alaska. We are working a concept called Joint Mission Force, a seamless Joint/Combined Pacific Theater response package capable of exceptional flexibility and reaction to contingencies. Though still in its infancy, this concept is a bellwether of our efforts to revolutionize our future force.

In addition to the Joint Mission Force concept, Pacific Command has the lead on two of the larger and more significant ACTDs, Extending the Littoral Battlespace and CINC 21. The former is developing the capability to extend an Internet protocol-based wide area network over a battlespace covering thousands of square miles of land and sea. The effort seeks to establish a dominant information sphere to increase force lethality and enhance force protection. CINC 21 will develop decision aids and displays to improve and share situational awareness and speed decision making for commanders up to the Unified CINCs.

Our efforts to take advantage of new technology are also part of our regional engagement. Australia, Japan, Korea, and Singapore all have the technological resources to work with the United States in developing advanced warfare capabilities. We share information with these countries on our efforts and work together to improve coalition interoperability at the high end of military technology.

Transforming our armed forces to maintain their leading edge and interoperability with coalition partners are essential to protecting American security interests in the 21st century. Several members of Congress have been active in pushing us to pursue this program and we need your continued support and leadership.

(4) Resources

Pacific Command's ability to carry out its mission depends upon the resources Congress, and ultimately the American taxpayers, provides us. In this section, I will discuss resources in several key areas that are important to Pacific Command's mission accomplishment.

Command, Control, Communications, and Computers (C^4) Capabilities

Our top warfighting deficiency is the inability to quickly plan and execute to the full extent of our capabilities because of inadequate theater C4. Basic classified network access, capacity in routers and servers, bandwidth, and updated applications all fall short of what we need for small scale contingencies (SSCs), and well short of major theater war (MTW) requirements. Using manpower rather than technology for

gathering and formatting data, slows the speed of command at all levels - Joint Task Force, CINC, Joint Staff and National Command Authority - and overextends staffs. With its heavy demands on detailed information that must be shared at all levels of command and among coalition partners, our information infrastructure must be funded and kept up to date for effective operations in the information age. Management of networks, to include spectrum, bandwidth, and information dissemination, is a mission of the warfighting CINCs. A robust C4 capability is a proven force multiplier -- funding for Theater C4 modernization is critical to achieving this capability.

In a vast area of operations dominated by Pacific and Indian Oceans, USPACOM forces rely heavily on strategic satellite communications. I strongly support either the acceleration of the Advanced Extremely High Frequency (AEHF) Pathfinder satellite or a Milstar Flight 7 as the option to overcome the loss of Milstar Flight 3. The Pathfinder option makes the most sense if the resources must come from the AEHF program. Otherwise, if the resources come from a supplemental appropriation, I support a Milstar Flight 7 while leaving the AEHF program intact.

Finally, our deployed tactical forces must have access to the strategic defense information infrastructure. This capability is critical to providing our Joint Task Force commanders with vital command, control, and intelligence information. The Standardized Tactical Entry Points (STEPS) that provide access for deployed tactical forces today have limited capacity. In the long term, DoD Teleports promise fully integrated, theater-wide, terrestrial and satellite, military and commercial communications. The relay and crossbanding capabilities of DoD Teleports will provide flexibility to our JTFs, a more efficient use of the entire transmission spectrum, and promote interoperability. I consider DoD Teleport a key component to achieving the information superiority and conducting the network centric warfare envisioned in Joint Vision 2010. DoD Teleport, however, is still in the requirements definition phase and we need a solution to our shortfall today. An initiative called "Enhanced STEP" or "E-STEP" has been considered as a migration path from today's STEP to tomorrow's DOD Teleport, to expand the capacity and flexibility of STEP sites and strengthen the foundation for Teleport as a follow-on. Unfortunately, E-STEP procurement has not yet been funded. In the absence of E-STEP, our forces will continue to experience serious shortfalls in communications connectivity until Teleport is operational.

Infrastructure in Japan and Korea

The Host Nation Funded Construction (HNFC) programs in Japan and Korea are substantial and demonstrate a commitment to our mutual security interests. U.S. funded MILCON that supports HNFC equates to only 2 percent of the approximately $1 billion

(FY99) spent by these two nations. Our portion funds the criteria development, design surveillance, and construction surveillance services for these programs. These services are vital to ensuring HNFC facilities meet U.S. quality and safety standards and, most importantly, our operational requirements. The Army's request for $20.5 million in FY01 for these services supports a HNFC program of $1 billion, a return on our investment of about 50 to 1.

However, HNFC programs cannot provide for all our requirements in Japan and Korea. We require MILCON funding to support emergent requirements like the relocation of Patriot Batteries and MH-47 bed-down in Korea. Additionally, other projects and services are needed such as airfield and fuels infrastructure improvements the host nations will not fund. For example, runway repair and the construction of a fuel tank farm at Yokota AFB are critical for force mobility and sustainment, and demonstrate how these projects must complement each other.

New Headquarters Building

Pacific Command is in the procurement stage of the process to construct our new headquarters. Construction funding, for which we are extremely grateful, was provided in the Navy MILCON program beginning in FY 2000. The associated C4I systems planned for the new headquarters will allow us to incorporate and employ the C4I concepts outlined in Joint Vision 2010. Although $5 million was provided through reprogramming from Marine Corps to Navy Other Procurement Funds, funding for the C4I systems is still $20.3 million below requirements. I ask for this committee's continued support for the new headquarters project and its supporting C4I systems.

Surveillance, Reconnaissance and other High Demand/Low Density Platforms

Improvements were mixed over the past year with respect to High Demand/Low Density (LD/HD) assets, as well as signals, human and imagery intelligence collection capabilities, and the capability to exploit and disseminate information. U.S. Pacific Command's EA-6B requirement continues to be only partially satisfied. Worldwide shortages of aircraft and the absence of any follow-on program have forced us to rely on aircraft based in the continental U.S. to meet our OPLAN requirements. The recent decisions to fund the addition of a fifth expeditionary squadron will help, but this unit is not expected to be operational until FY03. For the long term, I urge Congressional support for efforts to develop alternatives for a replacement to the EA-6B aircraft.

PACOM's number one ISR readiness concern remains shortfalls in Airborne Intelligence, Surveillance, and Reconnaissance (ISR) capabilities. Shortages, of both pilots and aircraft continue to impact readiness. The Services have provided funding for additional platforms, however, the theater still requires one RC-135, one EP-3E and one Navy special collection platform, with associated personnel and maintenance requirements, to address collection shortfalls. USN is adding three collection platforms to the worldwide fleet in FY00-05, but modernization of aging and inadequate equipment remains a critical shortfall. Also, the Services must ensure sufficient crews are available to man these additional platforms. USFK deficiencies cannot be fully resolved until the Air Force solves the problem of pilot shortages. As the UAV programs prove their worth, they may complement manned aircraft in many of these missions.

Intelligence

Advances in global telecommunications technology continue to place enormous pressure on the need to modernize both national and tactical cryptologic capabilities. Current National Security Agency modernization efforts are vital. NSA must continue to transition to the 21st century environment of the global information infrastructure (modern signals, networks, encryption, and requisite analytic and language skills); at the same time it must continue to protect US networks.

Direct cryptologic support provided by regional assets continues to be key to intelligence production in the Pacific. While required renovations have continued throughout the last 20 years, the Kunia Regional SIGINT Operations Center (RSOC) is an aging facility, built in 1945 and renovated for cryptologic operations in 1979. In the future, a new facility will be required to sustain the level of support needed in PACOM. JICPAC's physical facility is not as distressed as the Kunia RSOC; rather, operational efficiency suffers because almost 100 JICPAC personnel must work in a revamped hangar at Hickam AFB, due to space limitations in the main building near Pearl Harbor. These split-based operations cost well over $500 thousand per year for the separate facility, as well as lost time and efficiency. JICPAC should be in one building, collocated with a new RSOC building. This would improve intelligence exchange, analytical dialogue, and efficiencies in infrastructure. Also important is the force protection dimension for the current JICPAC building: it is located in a vulnerable location near a major highway.

More capable, joint tactical cryptologic systems are needed. Standards and common architectures will be available in the near term. The Joint Tactical SIGINT Architecture, the

Joint Airborne SIGINT Architecture, and the Maritime Cryptologic Architecture hold the promise of interoperability and flexibility. However, service programs could be better enhanced to support operations in the joint environment.

Increased HUMINT capabilities are critical to support collection against strategic and operational requirements in the Pacific, particularly on hard target nations, nations in transition, and in historically denied areas. Congressional support is required to continue improving the Defense HUMINT Service (DHS) structure (ADP and manning) to support USPACOM requirements. The Defense HUMINT Service (DHS) plans to provide information technology enhancements to improve USDAO communications capabilities with unified commands. However, these anticipated improvements will be delayed because of recent funding cuts. The budget cuts result in complicating delays since the initial DHS improvements must ultimately be expanded to include bandwidth upgrades to allow USDAO access to INTELINK-S. Also; Congressional support is needed to continue the initiative to provide additional Defense Attaché System (DAS) and other DHS assets to PACOM.

The Nation's future imagery and geospatial architecture will deliver unmatched capability--but inadequate ability to use the information collected. Congressional attention is needed to ensure modern Tasking, Processing, Exploitation, & Dissemination (TPED) capabilities, commensurate with new collection capabilities, are developed and fielded. TPED modernization must encompass all collectors; national, airborne and commercial - end to end, and Services and Agencies must properly program for TPED. The implications for the intelligence community are huge. The recent Intelligence Program Decision Memorandum (IPDM) applied significant dollars to TPED, but this only amounted to a down payment. Many requirements remain unfunded, and the funding requirements for TPED associated with other intelligence disciplines are yet to come.

Pacific Command's linguist shortfalls are acute. Asian linguist deficiencies are documented in PACOM's Joint Monthly Readiness Report and recurring, persistent shortages of Asian linguists to meet OPLAN & CONPLAN requirements are well recognized. Also, shortages of low density linguists in support of probable Noncombatant Evacuation Operations (NEO) continue to be problematic. Significant Service recruiting and retention shortfalls, coupled with the inherent difficulty of the language and the longer training period for Asian linguists, aggravate these deficiencies. Some improvements have been made. Student slots at the Defense Language Institute have increased and services/agencies are reviewing options like the possibility of increased use of reserves. However, more must be done such as

on-duty distant-learning language training and implementation of recruiting/retention bonuses.

Headquarters Personnel

I am concerned about a potential 15 percent Headquarters reduction. USCINCPAC supported the Secretary's Defense Reform Initiative in recent years, reducing joint activities by 260 people, about 10 percent. Much of the reduction was accomplished through transfer of work and manpower to components.

Another 15 percent reduction will result in elimination of functions. Combatant Commander headquarters plan for and conduct military operations. Eliminating functions means plans will be less timely and complete, and operations will be less responsive and efficient. Because current operations must be accomplished, we will have to take substantial billet reductions in functions related to planning for the future, resulting in missed opportunities and more crises.

Security Assistance

As we begin the 21st century, Security Assistance and International Arms Cooperation will play a larger, more important role than ever before as part of our security strategy. They are crucial to building and maintaining solid security relationships and the military interoperability necessary for successful coalition operations. Security assistance programs such as Foreign Military Sales and Financing (FMS/FMF), and International Military Education and Training (IMET) provide our friends and allies in the Asia-Pacific region with equipment, services, and training for legitimate self-defense and participation in multinational security efforts. These programs are essential to our efforts to shape and develop Security Communities capable and willing to conduct operations from peacekeeping to humanitarian and disaster relief operations. The relationships forged through our security assistance programs enhance our access, improve understanding, and help lay the necessary foundation for building these Security Communities in the Pacific Theater.

Foreign Military Financing. Foreign Military Financing (FMF) enables our friends and allies to improve their defense capabilities by financing the acquisition of U.S. military articles, services, and training, so they can share the common defense burden in the region. In conjunction with OSD, I have requested new FMF programs for FY01. Due to the Asian economic crisis and reduced military budgets, the Philippines current operational readiness is reduced to a point where their Armed Forces may be unable to adequately defend their country. FMF

funding will enable the Philippines to purchase critically needed support for their aviation and naval equipment, and improve the Philippine's capability to monitor their Economic Exclusion Zone. Mongolia is a developing country with problems securing its vast borders. FMF funding would be used to provide communications equipment for its border troops and would help reduce cross-border violations. Finally, FMF funding for Fiji would allow the acquisition of medium-lift vehicles, small arms, and communications equipment, and would enhance Fiji's capability to contribute to international peacekeeping operations and respond to natural disasters. The President's budget includes $2 million each for the Philippines and Mongolia. I request your support in funding these much-needed programs.

CONCLUSION

In summary, Asia-Pacific issues are growing in importance on the American security agenda. The coming year will continue to present challenges for the United States in the Asia-Pacific region. We neglect developments in the region at our peril, but with sustained attention we can help build a region which will support American interests over the long term.

APPENDIX A

Asia-Pacific Center for Security Studies

The Asia-Pacific Center for Security Studies (APCSS) is a regional studies, conference, and research center located in Honolulu. Established in September 1995 as a preventive defense and confidence-building measure, its mission is to enhance cooperation and build relationships through mutual understanding and study of comprehensive security issues among military and civilian representatives of the U.S. and other Asia-Pacific nations. The cornerstone of the Center's program is the College of Security Studies, which provides a forum where future military and government civilian leaders from the region can explore pressing security issues at the national policy level within a multilateral setting of mutual respect and transparency to build trust and encourage openness. Central to the College's effectiveness is the relationships forged between participants that bridge cultures and nationalities. Full and unobstructed participation by all nations in the region, to include such countries as Indonesia and Cambodia, is essential to achieving this. Complementing the College is a robust conference and seminar program that brings together current leaders from the region to examine topical regional security concerns, including peacekeeping, arms proliferation and the role of nuclear weapons in the region, and energy and water security.

The Center directly serves to further our regional engagement goals in several ways. First, it serves as a resource for identifying and communicating emerging regional security issues, within the constraints of non-attribution. Secondly, the Center functions as an extremely effective "unofficial" engagement tool to continue critical dialog in cases where official mil-to-mil relations are curtailed. Recent conferences and regional travel involving contact with or participation by prominent representatives from China highlight this role. Additionally, the Center frequently coordinates or hosts conferences addressing topical issues of interest to the U.S. Pacific Command or the region. Finally, the Center serves as a forum for articulating U.S. defense policy to representatives from the region. Passage of pending legislation is crucial to the continued success of the Center, by allowing certain expenses to be waived as an incentive for participation, and by expanding authority to accept domestic as well as foreign donations to help defray costs.

Center of Excellence in Disaster Management and Humanitarian Assistance

Since its beginning in 1994, the Center of Excellence in Disaster Management and Humanitarian Assistance has bridged the gap between civil and military activities related to humanitarian emergencies. Collaborating the resources and strengths of governmental and non-governmental organizations, the Center of Excellence has helped bring order to chaos following floods in Vietnam and Venezuela, earthquakes in Turkey and Taiwan, and population displacement in Kosovo and East Timor. The Center's unbiased approach to response, education and training, research, and consulting for disasters has become the model for successful interaction between the military and private humanitarian organizations. I urge the committee to continue supporting this important contributor to regional and international security.

U.S. Pacific Command Counterdrug Efforts

Illegal drug trafficking is a significant threat to stability in the Asia-Pacific region. I am particularly concerned with heroin and methamphetamine trafficking in Southeast and Northeast Asia. My counterdrug Joint Task Force, Joint Interagency Task Force West, is involved in multiple activities that counter this threat and supports the President's National Drug Control Strategy. These counterdrug efforts include: intelligence analyst support to the Drug Enforcement Administration's (DEA) international operations, disrupting the East to West heroin flows, providing training to Thai, Malaysian, and Philippine counterdrug units. Additionally, PACOM had significant success disrupting the North/South cocaine flow in the Eastern Pacific, seizing over 28 metric tons of cocaine last year.

Testimony before
The House International Relations Committee
Subcommittee on Asia and the Pacific
U.S. Security Concerns in Asia

By Rust M. Deming
Acting Assistant Secretary of State
For East Asian and Pacific Affairs

March 8, 2000

Thank you Mr. Chairman. It is an honor to join Assistant Secretary Kramer and Admiral Blair to discuss U.S. security interests in Asia and the Pacific. My colleagues from the Defense Department and our Pacific Command will discuss the military aspects of the security picture in some detail. Recently, Assistant Secretary Roth testified before this Subcommittee on regional developments, prospects in Indonesia and the crisis in East Timor. With all of this before the Subcommittee, I thought I would focus my remarks on how our military efforts support our broader interests in the region.

Ever since World War II, the American forward-deployed military presence and our bilateral alliance structure have been the foundation of security across the Asian Pacific region. Through the long years of the Cold War, the United States, working with its allies, contained the Soviet threat and provided the bulwark behind which many nations were able to build the foundations for prosperity and stability. Together with our allies and partners in the region, we created and maintained the environment in which Asian economies prospered and democracy has grown steadily.

The collapse of the Soviet Union in 1989 and the end of the Cold War marked a seminal point in the history of the 20th century. The solidarity of our alliances and our military presence in East Asia made an important contribution to this success story by containing the threat of Soviet expansionism in the Far East.

The end of the Cold war represented an end of an era but not the end of the need for our key alliances or a robust American military presence in the region. Our interest in maintaining a secure environment to allow economies to develop, trade to grow, and democracy to spread has not diminished. In fact the American strategic, political, and economic stake in East Asia has only increased. The American naval, air, and ground forces deployed in the Western Pacific, working with our alliances partners, continue to play the critical role in maintaining a stable environment.

On the Korean Peninsula we face one of the last residual challenges of the Cold War. As outlined by Secretary Perry in his review last year, we are addressing this challenge with a two

pronged strategy. First, we maintain a strong deterrent on the peninsula through our alliances with the ROK and Japan and our forces stationed in South Korea and elsewhere in the region. Second, we stand ready to improve relations with the DPRK as it deals with issues of concern to the United States and our allies, particularly in the missile and nuclear areas. This comprehensive approach has the strong support of the ROK and Japan, which fully share our view that diplomacy can only succeed if it is backed with credible deterrence and resolve.

In Japan, our bilateral security relationship is as strong as it has ever been, and our bases there remain fundamental to our strategic presence in Asia. Japan is host to 47,000 U.S. troops, second only to Germany, and is home to the only carrier battle group stationed outside the United States. We have worked hard with the Japanese government over the last few years to strengthen our alliance. In 1996 President Clinton and then Prime Minister Hashimoto issued the US-Japan Security Declaration, which set forth the post Cold War rationale for the alliance and called for revision of the US-Japan guidelines for defense cooperation to enable us to cooperate more effectively in response to a regional crisis. These new guidelines have now been developed, and last year Japan passed implementing legislation. We are now working with the Government of Japan to flesh out our defense planning under these guidelines.

To further strengthen our alliance with Japan we are working with the GOJ to consolidate our base structure in Okinawa prefecture where almost half of US Forces in Japan are stationed. The key element of this program is the relocation within Okinawa of the Marine Air Station at Futenma, and substantial progress has been made on this in the last few months. We have also expanded our research program with Japan on Theater Missile Defense (TMD).

In Southeast Asia, we have worked in coordination with our treaty allies -- the Philippines, Thailand and Australia -- and with a number of other partners to strengthen regional stability. Our successful efforts in support of the transition in East Timor mark an important turning point. The government of Australia, together with others in the region, provided the leadership and the bulk of the forces to respond to this threat to stability in the region. Thailand provided the deputy INTERFET commander and the second largest contingent, and the Philippines provided the third largest force and the military commander for the follow-on UNTAET force. The United States supported this effort by providing several key capabilities for the multinational force that entered East Timor in October to restore security -- communications, logistics and intelligence.

As part of our overall policy to engage China, we are seeking to develop a relationship with China's military, a subject that Adm. Blair and Assistant Secretary Kramer will address in more detail. Let me just say that our efforts to engage the Chinese military do not occur in a vacuum. They occur within our commitment to "one China," dialog and the peaceful resolution of differences, what we have called the "three pillars" of our position, and within our commitment to faithfully implement the Taiwan Relations Act. They are also very much affected by the overall atmosphere of the relationship.

In that context, let me comment briefly on the White Paper on cross-strait relations issued by the PRC on February 28. The White Paper states in part that Beijing would have reason to use force against the island if Taiwan refused cross-strait negotiations on reunification indefinitely. That

new formulation is unwelcome, and we have expressed our deep concern to China at high levels both in Washington and in Beijing. We have made it abundantly clear that we are committed to seeing the Taiwan issue resolved peacefully through cross-strait dialogue. The White Paper contains far more than the threatening language that has garnered so much attention. It also provides some proposals to facilitate cross-strait talks. We urge Beijing to resume this dialogue.

It is important to emphasize that there is broad support in East Asia for a substantial U.S. military role in the region. Japan and the ROK both demonstrate, through the host nation support they provide, the importance they attach to their alliances with the U.S. and to our forward-deployed presence. A growing number of other countries in the region have also welcomed the opportunity to plan, train and exercise with U.S. forces.

These activities, together with foreign military sales and opportunities for foreign military personnel to train in the United States under IMET, help to cement common perspectives and personal relationships between U.S. and foreign militaries, which in turn increase the opportunity for cooperation and diminish the risks of misunderstanding. They strengthen our ability to advance our security interests in the region.

Our military relationship with Indonesia remains difficult. Military-to-military relations have been restricted for years because of U.S. concerns about human rights abuses in East Timor, Aceh, Papua (formerly known as Irian Jaya) and elsewhere in Indonesia and over the issue of accountability for past atrocities under the regime of former President Soeharto. Among the restrictions, Indonesian military officers could not participate in the regular IMET program and were limited to the narrower E-IMET curriculum, which emphasized resource management, military justice systems, military codes of conduct, civilian control of the military, and the protection of human rights. The types of arms transfers and foreign military sales (FMS) were limited. DoD Joint Combined Exercise and Training (JCET) programs in Indonesia were also frozen in early 1998 when additional abuses by Indonesian military (TNI) units came to light. They have not been resumed.

Because elements of the Indonesian military had backed militia violence and devastation in East Timor and as a means to secure Indonesia's acceptance of an international peacekeeping operation, President Clinton suspended in September 1999 our remaining military-to-military relations with Indonesia. This step blocked all new training under E-IMET and further military sales and transfers (with the exception of U.S. munitions list items associated with commercial communications satellites and Y2K remediation). Some former E-IMET students who were in the U.S. when the suspension was announced have been allowed to complete their studies using non-IMET funds. Legislation (section 589 of the FY 2000 Foreign Operations Appropriations Act, the "Leahy Amendment") also conditions resumption of FMS and IMET or E-IMET with Indonesia upon a credible accountability process for abuses in East Timor and repatriation of the remaining refugees in West Timor who wish to return home. We support the letter and spirit of this legislation. The U.S. has not initiated any IMET/E-IMET programs in FY 2000, nor conducted DoD JCET programs with Indonesia since they were frozen in 1998.

However, President Wahid has undertaken a bold program to assert civilian control over TNI and

to promote general military reform. In February, for example, he removed General Wiranto from the cabinet in the wake of the report calling for further investigation of his role in the reprehensible crimes, aided and abetted by the Indonesian military, in East Timor. We want to be supportive of his effort within the political and legislative constraints on renewing our military-to-military ties with Indonesia. Any U.S. resumption of defense relations with Indonesia would reflect concrete changes in the situation in Indonesia and be designed to reinforce positive trends in reform of the Indonesian military. The Administration will continue to consult closely with Congress on step-by-step resumption of defense relations with Indonesia.

We strongly support the development of a series of regional organizations, including the Asia Pacific Economic Cooperation forum (APEC) and the Association of Southeast Asian Nations (ASEAN), which have brought countries and economies together to improve economic cooperation and reduce frictions.

In the security area, ASEAN has established, together with the United States and its other "dialogue partners", the ASEAN Regional Forum (ARF) in order to discuss security issues and to explore ways in which members could reduce tensions, build confidence and move toward preventive diplomacy. The region continues to look more closely at various multilateral fora, and the U.S. is taking an active role in supporting the activities of such fora, which we see as a complement to our bilateral alliances.
These organizations support U.S. interests in fostering prosperity and stability, but they are not intended to be, and are not, mutual security organizations such as exist in Europe. They are not substitutes for our bilateral alliances or the U.S. military presence.

Clearly, we must anticipate that, over coming years, the security situation in the Asia Pacific region will change. As that happens, we will need to adapt our force structure and presence in consultation with our allies. That possibility was acknowledged by the United States and Japan in the 1996 Clinton-Hashimoto Security Declaration which said: "in response to changes which may arise in the international security environment, both governments will continue to consult on defense policies and military postures, including U.S. force structure in Japan, which will best meet their requirements." However, under any foreseeable scenario, it will be in our interest and the interest of allies and the region as a whole to maintain a formidable American forward-deployed presence in East Asia.

Thank you.

Statement of Mr. Franklin Kramer
Assistant Secretary of Defense for
International Security Affairs
Before the House International Relations Committee
8 March 2000

(Written Text for Submission to the Committee)

Good afternoon Mr. Chairman and Members of the Committee. Thank you for the opportunity to speak to you about U.S. security concerns in the Asia-Pacific region. This is an especially critical topic to address in coming months, as we seek to manage key relationships in a highly dynamic and fluid regional environment. In the interest of reserving time to answer any questions you may have, I respectfully request that the following statement be entered into record.

U.S. security interests in Asia are substantial and vital. U.S. businesses conduct approximately a half trillion dollars in trade and have invested more than $150 billion throughout the region. Critical sea lines of communication carry one-third of the world's trade and two-thirds of Arabian Gulf oil. Approximately 400,000 U.S. citizens, excluding military personnel and dependents, live, work and study in Asia. Most importantly, the United States has fought three major wars in Asia in the last century, highlighting the critical importance of effective management and attention to the region.

Our alliances, particularly with Japan, Korea and Australia, serve as the bedrock of our Asia-Pacific security strategy. We have updated these long-standing alliances to meet the challenges of a new century and remain firm in our belief that they provide pillars of stability for the region as a whole. We are confident they will be as capable in keeping the peace in the next 50 years as they have over the last 50 years.

Our commitment to peace and stability is further bolstered by the maintenance of approximately 100,000 U.S. troops in the region. This enduring commitment remains widely appreciated throughout the region and continues to be a central pillar of continuity in the midst of substantial regional political and economic transition. We have also welcomed the region's increasing tangible support for this presence, including Japan's commitment to enhanced defense cooperation, and continued political and financial support for our base presence; ROK President Kim Dae Jung's affirmation of the value of our bilateral alliance and U.S. military presence even after reunification of the Korean Peninsula; Singapore's construction of a U.S. carrier-capable pier at its naval base in Changi; and our evolving military ties with our allies in Australia, Thailand, and even the Philippines, with which we are embarking in an important new era in our defense relationship. At every opportunity, we reaffirm to the region that the U.S. remains similarly committed to engagement in the Asia-Pacific region for the long term and welcome the region's tangible support for our presence.

Although our allied relationships serve as the core of our regional strategy, we recognize the critical importance of our relationships with other key nations, including China, Russia, and Indonesia, whose future development will be central to the long-term peace and stability of the region. Our relationships with these nations must complement our alliances, and we must be prepared to remain fully engaged with them to manage the real challenges the region will face during a period of transition. Secretary Cohen's trip to Vietnam next week will also serve as another step toward our goal of modest dialogue and defense ties with a nation increasingly involved and integral to ASEAN and thus the stability of Southeast Asia – even as we continue to highlight the priority we place on accounting for missing U.S. service personnel.

The East Asia region is showing increased interest in multilateral fora. Emerging trilateral and quadrilateral dialogues, including the Four Party Talks focused on the Korean Peninsula, serve as such creative vehicles for addressing common security interests in a more focused setting. The ASEAN Regional Forum also serves an increasingly useful role in building confidence and mutual trust among the diverse nations of the Asia-Pacific and Europe.

Overall, we see an Asia-Pacific region mostly at peace, where interests converge and the reservoir of political will to deal with new challenges runs deep. We are heartened, for instance, by the regional response to the situation in East Timor over the past several months, and hope such commitment may serve as a model for future multilateral engagement to address issues that threaten regional stability. However, in this environment, we cannot ignore the security concerns to U.S. interests that remain. Let me briefly address a few of these.

The first concern is tensions between China and Taiwan. A peaceful approach to the cross-Strait situation is integral to the U.S. goal of preserving peace and stability in the Asia-Pacific region. U.S. policy towards the issue has been clear and consistent: we have a "One China" policy, we strongly oppose the use or threat of force to resolve the issue, we support dialogue and establishment of confidence-building measures to build trust and reduce tensions between the two sides, and we urge both sides not to take any unilateral actions that would raise tensions. We viewed the threatening language in China's recent White Paper on Taiwan to be troubling and unhelpful to building the confidence and trust necessary for constructive dialogue and peaceful resolution. We continue to counsel restraint on both sides particularly during the upcoming political transition on Taiwan.

We remain committed to the principles set forth in the three U.S.-China Joint Communiques and adhere to our obligations under the Taiwan Relations Act. U.S. transfers of arms to Taiwan are, as required by the Taiwan Relations Act, designed to ensure that Taiwan has a sufficient self-defense capability. Such an approach is consistent with the three Communiques, which contemplate peaceful resolution of the Taiwan issue. U.S. arms sales will continue and will be guided by the same basic

factors that have shaped our decisions to date, including the overall cross-Strait military balance. For instance, we continue to urge the PRC to exercise restraint on its deployments of missiles and other capabilities opposite Taiwan. Aggressive military posturing by the PRC drives Taiwan to further strengthen its defenses and will impact U.S. judgments on Taiwan's self-defense needs.

The Administration's record on security assistance to Taiwan speaks for itself. Just in the last two years, we have notified Congress of the intent to sell E-2T aircraft; Knox-class frigates; dual-mounted Stingers; Harpoon anti-ship missiles; MK-46 ship-launched torpedoes; CH-47 Chinook helicopters; Hellfire II missiles; spare parts for the F-16 and other aircraft; and communications equipment. DoD has also maintained a program of exchanges with Taiwan focused on such areas as planning, training, C4I, air defense, ASW, and logistics. These "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. Such exchanges also enhance Taiwan's capacity for making operationally sound and cost effective acquisition decisions.

We maintain our obligations toward Taiwan as stipulated in the Taiwan Relations Act, not only because it is law but because it is good policy. We have also maintained a policy of comprehensive engagement and pursue a constructive relationship with the PRC, also because it is good policy. These two approaches are complementary and support our interests that the PRC and Taiwan directly and peacefully resolve their differences. A constructive and peaceful Taiwan-PRC dialogue serves the interest of all the parties and is a major element in achieving long-term peace and stability in the Pacific.

In this context, we strongly oppose passage of the Taiwan Security Enhancement Act. The Taiwan Relations Act of 1979 has been a singularly effective and successful piece of legislation in promoting peace and stability across the Strait and providing for Taiwan's security needs over the past 20 years. We believe that the TRA remains a sufficient basis for our security cooperation with the island and enables us to address the concerns related to Taiwan's security that the TSEA seeks to address. At best, the TSEA is unnecessary. At worst, formalizing and highlighting such cooperation could have a counterproductive effect, shining a spotlight on our on-going unofficial interaction with the island, to Taiwan's detriment.

We believe the upcoming political transition in Taiwan offers an opportunity for both sides to consider cross-Strait relations. We remain convinced that the peoples of the PRC and Taiwan recognize the need to reduce tensions, avoid conflict, and maintain constructive relations. Our policy should continue to focus on promoting and facilitating this development.

North Korea also remains a serious regional security problem. Despite its economic woes, North Korea continues to invest its limited resources in strategic capabilities, such as missiles, long-range artillery, special operations forces, and submarines that give it the potential to threaten or inflict significant damage both on and off the Peninsula. U.S. policy of diplomacy backed with a strong deterrent capability seeks to encourage North Korea to choose a path that embraces peaceful and productive engagement with the international community and avoids destructive actions.

As always, U.S. relations with the DPRK are a mixture of limited success and significant remaining challenges. The Agreed Framework remains intact, the missile test moratorium is still in place, and the North seems intent on pursuing better diplomatic relations with Japan, Canada, Australia, and EU countries. We reached a satisfactory arrangement last year concerning access to the suspect Kumchang-ni site. We also await the visit of a senior North Korean official to the United States to reciprocate former Secretary of Defense Perry's visit to Pyongyang last year. We are holding discussions this week to work the details of such a visit. However, the present equilibrium is a precarious one that could be disrupted by miscalculation or missteps by the North.

We applaud South Korean President Kim Dae Jung's engagement policy as an extremely constructive, good faith effort to reduce tensions. We also welcome his statements concerning his vision of reconciliation on the Peninsula. We have worked closely with both South Korea and Japan to pursue a coordinated approach designed to improve relations with the DPRK and enhance peace and stability on the Peninsula. The effectiveness of our policy coordination has been a welcome development that we hope may remain viable for continued discussions on a range of regional security issues in years ahead.

The Perry Report set forth a U.S. policy toward North Korea that rests the prospects of diplomacy upon the reality of deterrence. This posture, fully supported by the ROK and the region, provides North Korea a choice of cooperation or confrontation. U.S. interests are served by this coordinated approach. However, we cannot guarantee its success or an easy path to achieving our goal of reconciliation and stability on the Peninsula, and we remain vigilant towards any North Korean attempts to gain advantage or undermine its security commitments in the future.

Continuing disputes over sovereignty and territory in the South China Sea and elsewhere remain a regional security concern for both claimants and non-claimants alike. Whether China and Japan contending over the Diaoyutai/Senkaku islands, Japan and Korea over the Takeshima/Tokdo islands, China, Taiwan and Vietnam over the Paracel Islands, or China, Vietnam, Malaysia, Brunei, and the Philippines over the Spratly Islands, these disputes have stoked nationalist sentiments in many of these countries and thus threaten to flare up at any time, at the expense of regional stability.

The dispute over the Spratly Islands has the potential to draw in most of the region's major players and threaten U.S. interests in the process. While the U.S. takes no position on the legal merits of competing claims to sovereignty in the South China Sea, maintaining peace and stability as well as freedom of navigation are fundamental interests of the United States. We encourage claimants to resolve their conflicting claims peacefully, in a manner consistent with international law and to refrain from unilateral actions that increase tensions in the area. We support as stabilizing ASEAN's effort to develop a Code of Conduct among claimants to guide future activities in the area. The ASEAN Regional Forum has also usefully discussed the South China Sea as a security concern in the region.

Finally, a variety of transnational threats to U.S. security interests exist in Asia that compel our attention. Piracy, terrorism, drug trafficking, and environmental degradation are raising security concerns throughout the region with effects here at home. Although perhaps not traditional security concerns, they nonetheless require cooperative efforts among nations to address what are by nature cross-border challenges. We intend to combat these challenges through bilateral contacts and multilateral forums, with military assistance as appropriate.

Similarly, we recognize the growing need for readiness to conduct humanitarian assistance and disaster relief operations in the region. These challenges often are important not only for humanitarian reasons but to preserve regional stability, and promote democracy and human rights. While the military is generally not the best instrument for addressing a humanitarian crisis, in some situations use of the military's unique capabilities may be both necessary and appropriate. This is particularly true when a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond or the need for immediate relief is urgent. Militaries often have the ability to respond rapidly enough before appropriate longer-term assistance arrives.

In East Timor, we saw the benefit of regional militaries joining to address an internal humanitarian disaster that had regional security implications. Such combined action, not only in addressing humanitarian disasters but in other related areas such as peacekeeping, may serve as a model for future cooperation, and we should consider constructive ways to plan for such contingencies ahead of time to allow for timely responses to future such challenges.

Our nascent Asia-Pacific Regional Initiative, established with assistance from Congress, seeks to address this critical need for multilateral approaches to future non-combat security challenges in the region. Among the initiatives will be a region-wide computer network that, for example, could coordinate common efforts to address humanitarian assistance/disaster relief contingencies in the future, and could be the transmission system for other types of valuable data. Such efforts will help standardize our procedures to meet these contingencies, enable more timely responses, and foster

greater interaction, understanding, and common purpose among nations, enhancing stability.

The ultimate cross-border challenge faced by the region is proliferation of weapons of mass destruction and their means of delivery. Continued concern over North Korea's intentions and India and Pakistan's apparent ambition to status as nuclear weapons states create a challenge for the U.S. and the region to suppress the desire of nations to escalate their military ambitions. This is particularly true in South Asia where tensions remain high and the history of conflict very current. The spread of technology and know-how across borders is also becoming more difficult to monitor and control. The threats to U.S. interests rise accordingly. However, we remain committed to arms control regimes that will curb proliferation, including the Comprehensive Test Ban Treaty, and look forward to working with Congress as well as nations in the region in this effort.

Despite a number of security concerns, we recognize that the majority of nations in the Asia-Pacific region are committed foremost to economic development and modernization, and are seeking ways to work together constructively to address common security concerns. The U.S. remains similarly committed and engaged in this effort, and we are hopeful that our fundamental mutual interests in peace, stability and prosperity in the region will allow us to build the necessary relationships and institutions to avoid conflict and promote our common aims.

Thank you. I look forward to your questions.

Statement for the Record
March 8, 2000

The Honorable John Cooksey

Thank you Mr. Chairman for holding this hearing. I think this is an important area that needs more Congressional attention and thought. While the executive branch has primary responsibility for international relations, I have often had my doubts about the current strategy that is being followed by our President in our international relations, if indeed there even exists an overall strategy.

The situation on both sides of the Taiwan straits has captured a lot of media attention lately and I have been particularly concerned by the threats of military action that have been made. There should be no doubt in anyone's mind that the outbreak of military conflict across the Taiwan straits would be seen as a major national security concern for the US and it would draw a military response from the United States. I don't think that I need to go any further in describing the dangers of a major war that could result from such a scenario.

While the rhetoric surrounding Taiwan has been very heated in the past weeks, I think all of us need to keep the context of this rhetoric in mind. Both the PRC and Taiwan are in the midst of large domestic political events, a National People's Congress in Beijing and a democratic election for President of Taiwan. Much of the rhetoric that we have heard is undoubtedly aimed primarily for domestic consumption and I feel it would be a mistake for us to overreact to this rhetoric and take actions that might inflame a situation that will cool if left alone.

My primary concern is seeing that there is peace in Asia. I have traveled extensively in Asia and met many wonderful people. I have confidence that the people of the region want peace. They want the politicians and government officials to stay out of their way as they do business across borders and build a better life for their families. If politicians and so-called leaders would listen to their people's wishes instead of trying to increase their own power by whipping their people into a frenzy with uncalled for rhetoric Asia and the world would be much better off.

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Question:

Is the Administration supportive of letting the Leahy Amendment expire at the end of this fiscal year?

Answer:

The Administration shares the strong concerns of Congress about the events in East Timor that originally led to imposition of the restrictions that the Leahy Amendment places on resumption of any IMET or programs with Indonesia. In fact, the Administration put in place restrictions on military-to-military ties before the Leahy amendment came into effect which included and exceeded in scope the conditions in the Leahy Amendment. We agree that the Indonesian government and armed forces (TNI) need to make significant progress before the United States resumes normal military-to-military ties.

We oppose as a matter of principle legislative restrictions which restrict the flexibility of the Administration to reassess policy and react in a timely manner to changing developments. In particular, Indonesia is undergoing a rapid transition to greater democracy and is attempting to reform key institutions, including the military; the Administration wishes to be in a position to provide incentives to the TNI for further reform, if circumstances warrant. Therefore, the

Administration supports allowing the Leahy Amendment to expire.