

**S. 693: THE TAIWAN SECURITY ENHANCEMENT
ACT**

HEARING
BEFORE THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

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S. 693: THE TAIWAN SECURITY ENHANCEMENT ACT

AUGUST 4, 1999

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:35 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Jesse Helms (chairman of the committee) presiding.

Present: Senators Helms, Coverdell, Thomas, Biden, and Kerry.

The CHAIRMAN. The committee will come to order.

We have an array of distinguished witnesses today, a full schedule. And on behalf of the committee, I extend our welcome to each and every one of them.

The first being Senator Max Baucus, who is known to all of us, as is Assistant Secretary Roth, Deputy Assistant Secretary Campbell, and our private panelists. We are genuinely grateful to all of you for coming today.

Specifically, our purpose is to examine S. 693, the Taiwan Security Enhancement Act, which Senator Torricelli and I introduced sometime earlier this year. I think it was in March. This legislation will ensure that Taiwan will have essential self-defense capabilities. And to accomplish that, we propose to bolster the process for defense sales to Taiwan, and help Taiwan achieve and maintain an adequate military readiness.

Now, the need to enhance our defense relationship with Taiwan, I think, is obvious. First, the reunification of Taiwan has become an increasingly high agitation issue for Beijing now that they have reabsorbed Hong Kong and, as of this coming December, Macau.

Second, Beijing constantly demonstrates a willingness to use intimidation to achieve its goals. China fired missiles off of Taiwan's coast in 1995 and 1996, and is now engaged in a massive missile buildup opposite Taiwan, according to the February 1999 Pentagon report to Congress. Beijing is also undergoing a multifaceted military buildup, which includes increased emphasis on logistical improvements for a Taiwan scenario. And if one adds to this buildup the ugly, threatening rhetoric aimed at Taiwan by the highest levels of the Chinese Government, one can see the very real threat that Taiwan may face.

Third, part of Beijing's strategy is to continue its pressure on the United States to limit or cease arms sales to Taiwan. And this had the effect at various times on successive administrations in this country. Of course, it was the Reagan administration that signed the regrettable 1982 communique, which set a ceiling on arms

sales to Taiwan, and promised China that we would gradually reduce these sales.

Over the years, the United States has refused to sell Taiwan needed defense items, such as submarines and missiles, solely to assuage China. Just 2 weeks ago, the Clinton administration withheld several arms sales notifications to Congress, and is reported to be considering further such measures in an obvious attempt to curry favor with Beijing and punish Taiwan for President Lee's recent remarks on Taiwan's status.

And, last, our friends in Taiwan have military capabilities that have operated in virtual isolation for more than 20 years. Taiwan's military does not conduct joint exercises with the U.S. military, and is not even able to observe many of our exercises. No U.S. officers above the rank of colonel or Navy captain can go to Taiwan. And those who do are limited in the things they can do and say. This has certainly had a corrosive effect on Taiwan's military preparedness at exactly the time Taiwan faces a growing military threat from China.

So, United States strategic interests, United States law, and United States moral values dictate, it seems to me, that we assist our long-time friends in Taiwan in meeting these challenges. And that is why Senator Torricelli and I have introduced this bill.

I look forward to hearing from our distinguished witnesses, but, first, I look forward to hearing from Senator Biden.

Senator BIDEN. Thank you, Mr. Chairman.

I think that we occasionally need an important bill like this to both attract the caliber of witnesses you have assembled today, as well as to prove to people that we do not agree on everything. Because, of late, that has been the case.

Mr. Chairman, let me first commend you for holding this hearing to examine S. 693, the Taiwan Security Enhancement Act. And let me also welcome the very distinguished panel of witnesses. I look forward to hearing each of their testimony.

As some in this hearing room may know, the chairman and I are among a handful of current Members of the Senate who were here to vote for the Taiwan Relations Act, or against it, 20 years ago. As I have said many times before, over the past 20 years, there has been no Member of the Senate who has been a more loyal friend of Taiwan than the chairman. Like the chairman, I, too, am proud of my vote 20 years ago to help pass the Taiwan Relations Act. And the TRA has helped preserve, in my view, peace and stability in the Western Pacific and created an environment in which Taiwan has thrived.

Taiwan today is an economically and culturally vibrant, multi-party democracy. And Taiwan's transformation, I think, would not have been possible without the United States' commitment to its security, as enshrined in the TRA. China should have no doubt that our commitment remains firm. The United States believes China and Taiwan should settle their differences peacefully, through dialog, on the basis of mutual respect.

Mr. Chairman, it is precisely because I share your commitment to Taiwan's security, and to the Taiwan Relations Act as the law of the land, that I have such grave reservations about the Taiwan Security Enhancement Act, which is the subject of today's hearing.

Far from enhancing Taiwan's security, I am concerned that passage of this legislation would be the equivalent of waving a red cape in front of Beijing and inviting China to charge.

First, there is no security measure included in this act that is precluded by the Taiwan Relations Act, the TRA. Let me repeat that. Nothing contemplated in S. 693 is prohibited by the TRA. In fact, some of the enhancements suggested in the bill, such as increased military exchanges, better access to U.S. military schools, improved missile defense, airborne early warning aircraft, advanced medium-range air-to-air missile technology, anti-submarine warfare equipment, et cetera, are already part of the administration's security policy toward Taiwan.

Recent U.S. defense sales to Taiwan have included 150 F-16 fighters, advanced Patriot missile batteries, Perry- and Knox-class frigates, the E2T Airborne Early Warning Aircraft. Of course, some aspects of our security relationship are not publicized very much. And that is as it should be, in my opinion. But as a result of this low profile, results-oriented approach, some Members of Congress and the public may get the mistaken impression that the U.S. is neglecting Taiwan. In my view, nothing could be further from the truth.

Few people, for instance, know that Taiwan's Chief of General Staff, a four-star general who is currently Taiwan's Defense Minister, visited Washington last October to meet with Secretary of Defense Cohen. Three- and four-star generals routinely visit the Pentagon and other military installations—usually with very little hoopla.

My second concern is the bill's mistaken conclusion that Taiwan's security is primarily a function of its military capabilities. While it is true that deterrence is a significant component of Taiwan's security, in my view, the reality is that no amount of weaponry alone can guarantee Taiwan's security. Taiwan's security, in my view, flows from its democratic form of government, its growing economic, cultural, and political contacts with the mainland, and, ultimately, the United States' abiding commitment to a peaceful resolution of the Taiwan question.

In my opinion, we should concentrate on strengthening those areas, rather than spend time pre-authorizing the sales of weapon systems, some of which do not even exist yet. None of the authorizations included in section 5 of the bill, as I read the bill, is necessary, in my view. The administration already has all the authority it needs, under the TRA, to sell such defensive weapon systems to Taiwan as are deemed necessary to meet Taiwan's legitimate defense needs.

And, finally, Mr. Chairman, I am concerned that this bill is very ill-timed. U.S. relations with China leave a lot to be desired at the moment, to say the very least. And as Taiwan's Defense Minister told a visiting staff member of the committee 2 months ago, poor U.S.-China relations are bad news for cross-Strait relations, for Taiwan-Chinese relations.

There is no single issue with greater potential to bring the United States and China into conflict than Taiwan. And a surefire way to spark such a conflict is for the U.S. to reinforce the growing

perception in Beijing, however mistaken it may be, that the United States is hostile to China or pursuing the fragmentation of China.

President Lee Teng-hui's July 9 statement that China and Taiwan should conduct their affairs on the basis of a special state-to-state—and that is to quote—“special state-to-state”—end of quote—relations has rattled Beijing and injected a measure of uncertainty about Taiwan's future into the cross-Strait dynamic. Now is not the time for the U.S. to add to that uncertainty by modifying the very foundation upon which six successive U.S. administrations have constructed their Chinese policy.

We should follow the old maxim: “If it ain't broke, do not fix it.” Mr. Chairman, I think this is premature. I understand your intentions. I believe they are obviously well-intended. There is nothing in the Taiwan Relations Act that would preclude anything that you are contemplating from going forward. I think we should let things simmer down a little bit, rather than heat up.

And I thank the chair for his indulgence.

The CHAIRMAN. Very well.

Senator Baucus visited me on the floor the other day, and said he wanted to comment on this, in opposition to the bill. And we welcome him. He suggested 5 to 7 minutes, but we are going to turn the red light on at 10 minutes and give you a little extra time.

Senator Baucus, we are glad to have you.

STATEMENT OF HON. MAX S. BAUCUS, U.S. SENATOR FROM MONTANA

Senator BAUCUS. Thank you very much, Mr. Chairman. I very much appreciate your courtesy, as well as that of Senator Biden and all the rest of the committee. And I will be less than 10 minutes. I know you have a full agenda, so I will be very brief.

I, Mr. Chairman, share the motivation underlying the Taiwan Security Enhancement Act. I, too, am concerned about the security and stability of Taiwan. But I believe that this is the wrong approach at the wrong time.

The one-China policy has served the People's Republic of China, Taiwan, the United States, and the world very well for over a quarter of a century. It has led to peace and stability across the Taiwan Strait and the region. In Taiwan, we have seen the development of a flourishing and vibrant democracy, a prosperous and dynamic high-tech economy, envied by the entire world, and security.

In the PRC, we have seen the opening up to the West, double-digit economic growth, a more responsible involvement in global affairs, liberalizing trends domestically, and security. For the United States, we have gotten over a quarter of a century of stability in Asia, the maintenance of workable relations with both the PRC and Taiwan, and the ability to influence both the PRC and Taiwan in the direction of modernity and responsibility on the world scene. And the world has seen peace, stability and economic prosperity in the region.

There are some who criticize the Taiwan Relations Act and the three communiques. They say that this framework is simply an artifact of the cold war, an artifact that is irrelevant with the end of the Soviet Union and the enormous political and economic changes in Taiwan. I see no alternative at the present time to this frame-

work that we have helped so much to construct. It is not perfect. It is not neat. But it has benefited everyone. And at least in the near term, there is nothing better.

Over the long term, I believe that the current framework will not be sustainable. But change and adjustment must be done with great care and great caution. There can be no unilateral redefinition.

The message that we in the United States have given to Beijing and Taipei from the beginning of the normalization process has been that they must negotiate together to resolve their differences. Settlement must be found by peaceful means. And there should be no unilateral steps taken to change the situation. That message is the same today.

I want to take a moment to commend President Clinton for his active role that he has taken in trying to calm things down between Taipei and Beijing. I was extremely glad that the President called Chinese President Jiang Zemin to encourage restraint. His public comments, as well as his dispatch of Assistant Secretary Roth to Beijing and AIT Director Bush to Taipei have helped.

What is needed now, more than ever, is dialog across the Taiwan Strait—dialog without Taiwan attempting to change the framework unilaterally, and dialog without the PRC making belligerent threats, taking military action, or trying in other ways to squeeze Taiwan.

Let me conclude with a few comments about the WTO. The PRC is the world's most populous country. Taiwan is the twelfth largest economy in the world. It makes no sense to have them outside the WTO. The Taiwan agreement is finished. The Chinese agreement almost done. I urge Beijing to come back to the negotiating table now and complete the agreement quickly. The Congress can then approve permanent NTR. And we will see both Taipei and Beijing committed to the WTO this fall.

A peaceful resolution of the Taiwan issue is deeply in the interest of all parties and of the entire region. We must avoid confrontation, which would inevitably draw the United States into it in some way. It is a delicate balance across the Taiwan Strait, and I do not believe that the Taiwan Security Enhancement Act is the way to maintain peace and stability and continued economic growth in the region.

Again, Mr. Chairman and Senator Biden, I thank you for giving me the opportunity to present my thoughts to the committee today, and I urge you to do what is right. And that is, maintain peace and the continuation of the one-China policy.

The CHAIRMAN. Thank you, Senator. I noticed you abbreviated your statement somewhat. So, without objection, the full statement as prepared will appear in the record.

[The prepared statement of Senator Baucus follows:]

PREPARED STATEMENT OF SENATOR MAX BAUCUS

I appreciate the opportunity to appear before the Foreign Relations Committee today as you consider the Taiwan Security Enhancement Act.

I have had a long interest and involvement in our nation's China policy. I share the motivation of the authors of the Taiwan Security Enhancement Act, which I believe is concern for the security and stability of Taiwan. But, as a good friend and supporter of Taiwan, I believe this is the wrong approach at the wrong time.

The "One China" policy has served the People's Republic of China, Taiwan, the United States, and the world very well for over a quarter of a century. It has led to peace and stability across the Taiwan Strait and in the region. All sides, the United States, the PRC, and Taiwan, have prospered, both economically and politically, since the opening of China in 1972 with the Shanghai Communiqué.

What has been the result of the "One China" policy for Taiwan?

Development of a flourishing and vibrant democracy, a prosperous and dynamic high tech economy envied by the entire world, and security.

What has been the result for the PRC?

An opening up to the West, double digit economic growth, a more responsible involvement in global affairs, liberalizing trends domestically, \$30 billion in investment from Taiwan, and security.

What has been the result for the United States?

Over a quarter of a century of stability in Asia, the maintenance of workable relations with both the PRC and Taiwan, and the ability to influence both the PRC and Taiwan in the direction of modernity and responsibility on the world scene.

What has been the result for the World?

Peace, stability, and economic prosperity in the region and, I hope, WTO membership for both the PRC and Taiwan at the WTO Ministerial in Seattle this fall, with the attendant benefits to global economic growth.

There are some who criticize the Taiwan Relations Act and the three communiqués, that is, the Shanghai Communiqué of 1972, the Normalization Agreement of 1979, and the Arms Sales Agreement of 1982. They say that this framework for the interaction among the PRC, Taiwan, and the United States is simply an artifact of the Cold War, an artifact that is increasingly irrelevant with the fall of the Soviet Union and the end of the Cold War, and even more irrelevant given the enormous political and economic changes and progress we have witnessed within Taiwan.

It is true that much has changed in the region over the past decade. But one major reason for many of these changes, and certainly the changes in Taiwan, lies in the existence of the Taiwan Relations Act and the three communiqués and, frankly, their ambiguities.

I see no alternative at the present time to this framework that we helped so much to construct. It is not perfect. It is not neat. But, at least in the near term, there is nothing better than the framework created by the Taiwan Relations Act and the three communiqués. Over the long term, the current framework will not be sustainable. But change and adjustment must be done with great care and with great caution. Change must not be made through unilateral measures by any party.

The message that we in the United States have given to Beijing and Taipei from the beginning of the normalization process has been that they must negotiate together to resolve their differences, settlement must be found by peaceful means, and there should be no unilateral steps taken to change the situation. This policy has worked. The United States must continue to oppose any effort, by either side, Taiwan or the PRC, to redefine the relationship unilaterally.

I want to take a moment to commend President Clinton for the active role he has taken in trying to calm things down between Taipei and Beijing. I was extremely glad that the President called Chinese President Jiang Zemin to encourage restraint. His public comments, as well as his dispatch of Assistant Secretary of State Stanley Roth to Beijing and AIT Washington Director Richard Bush to Taipei, have helped.

What is needed now, more than ever, is dialogue across the Taiwan Strait—dialogue without Taiwan attempting to change the framework unilaterally, and dialogue without the PRC making belligerent threats or taking military action.

The United States must do everything we can to encourage the resumption and continuation of the cross-Strait dialogue. We saw after 1993, when these talks began, that the result was rapidly improved cooperation—in tourism, investment, communications, and shipping. We must encourage this process. We have read a lot about the possibility that Wang Daohan, China's top negotiator on Taiwan, will not visit Taiwan in the fall. It is important that Taipei and Beijing make this visit happen.

I said earlier that, over the long term, the current framework is not sustainable. There will have to be changes, but they must be the product of discussion and joint agreement. And, whether we like it or not, the United States is going to be a party, one way or another, to any discussion and agreement on change.

Let me turn to the WTO for a moment. The PRC is the world's most populous country and one of the fastest growing economies in the world. Taiwan is the 12th

largest economy in the world, despite a population of only 23 million people, and one of the world's major traders. It makes no sense to have these economies outside the WTO. They must be incorporated into the global system of trade rules.

The Taiwan agreement is finished. The Chinese agreement is almost done. I urge Beijing to come back to the negotiating table now and complete the agreement quickly so that the U.S. Congress can grant them permanent NTR and welcome both Taipei and Beijing as members of the WTO at the Ministerial meeting in Seattle this fall.

I am a firm believer that America's interest is to have China in the WTO, and I appreciate the support this has received from a number of members of this committee. There are solid economic reasons for wanting China to be a member of the WTO. In addition, it would represent one more step in China's integration into the world system, which is critically important to all of us.

A peaceful resolution of the Taiwan issue is deeply in the interest of all parties, and of the entire region. We must avoid confrontation which would, inevitably, draw the United States into it in some way. It is a delicate balance across the Taiwan Strait. I don't believe that the Taiwan Security Enhancement Act is the way to keep the region in peace, with stability and continued economic growth.

Again, thank you for giving me the opportunity to present my thoughts before the committee today.

[The following prepared statement of Senator Thomas was submitted for inclusion in the record.]

PREPARED STATEMENT OF SENATOR CRAIG THOMAS

Thank you Mr. Chairman, and thank you for holding this hearing. I know we have a lot of witnesses this morning, so I will keep my opening brief.

I know there is no member of this Committee, or of the Senate as a whole, with a stronger commitment to the people of Taiwan than you. I also know that you have introduced S. 693 with the intent of strengthening the security of Taiwan. That security is very important to me too. I have made clear both to Beijing and Taipei that any move to settle the cross-Strait issue by less than peaceful means is completely unacceptable.

But as Chairman of the Subcommittee on East Asian and Pacific Affairs, I strongly believe that enactment of S. 693 would actually have the reverse effect. Passage of this bill would be interpreted by the PRC—and reasonably so—as a complete abrogation of the 1982 joint communique, one of the three pillars of our bilateral relationship; as a significant revision of the Taiwan Relations Act (TRA); and as a drastic change in our fundamental policy of maintaining unofficial relations with Taiwan. It would decimate our bilateral relationship with the PRC, and in turn would only make its relations with Taiwan more hostile.

The TRA and joint communique have successfully governed our relationships with both countries for 20 years through both Republican and Democrat administrations. Those two documents have enabled us to maintain good relations with both governments, maintain the security of Taiwan through the sale of purely defensive weapons systems, and encourage cross-Strait dialog—a dialog without which the cross-Strait issue will never be resolved. I do not believe that present circumstances call for the kind of sea changes contained in the bill; as the saying goes, "if it isn't broke, don't fix it."

THE CHAIRMAN. Now, I have just been advised that there will be a vote on the floor at 5 minutes past 11. But let us get started with panel 2: The Honorable Stanley O. Roth, whom all of us know, Assistant Secretary of State for East Asian and Pacific Affairs and Dr. Kurt Campbell, Deputy Assistant Secretary of Defense for Asian and Pacific Affairs.

Mr. Secretary, you may proceed.

STATEMENT OF STANLEY O. ROTH, ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. ROTH. Thank you, Mr. Chairman. It is good to see you again.

I want to start on a completely different topic, but just to give you a very short briefing, because I know it is a high priority for

you. I was in Vietnam last week for consultations. And I wanted to let you know that I put at the top of my meeting with the Deputy Prime Minister, who is also Foreign Minister, the continuing issues concerning the Montagnards that you and I have discussed before.

The CHAIRMAN. Right.

Mr. ROTH. And in particular, the question of visas, so they can be reunited in the United States. And so I wanted you to know that this remains a high priority issue for the administration, not just for you.

The CHAIRMAN. Well, I appreciate that. Is it your opinion that maybe the situation is becoming a bit better?

Mr. ROTH. The situation is becoming a bit better, but it is not good enough. And I think we should continue to press to make it a lot better. They are both in terms of issues relating to NGO access to the areas themselves and benefits for the people living there. There has been some progress, including the fact that members of your staff were given a visa. But that is not a substitute for better treatment of these people.

There has been some progress on the visa issue. Many cases have been reviewed, but not all of them. And there are still several hundred cases of individuals that are pending, where we have not heard back from Vietnam. And I indicated that this was not acceptable, and we need their help in getting these cases resolved expeditiously, that this was a humanitarian problem. I pointed out that this was a high priority for you. But I indicated it was also a high priority for the administration.

So, I do not want to use too much time, but I did want to let you know that this happened just last week.

The CHAIRMAN. Well, I appreciate your doing that. Let us never forget that these are people who supported the United States when we needed support most in the world. And now they are being kicked around. And I am encouraged by your remarks. But please do just hang in there.

Mr. ROTH. Yes, Senator.

The CHAIRMAN. You may proceed.

Mr. ROTH. In terms of the issue at hand, what I thought I would do is briefly review the context in which this legislation needs to be considered, and then offer remarks about the legislation itself.

The CHAIRMAN. All right.

Mr. ROTH. Obviously the world has changed enormously since we last had a hearing on this subject, on March 25. At that time, you may recall that I was cautiously optimistic. That was because the cross-Strait dialog had taken an historic step forward, with the so-called Wong-Koo meetings, and another round was scheduled. And it appeared that both parties on either side of the Strait were talking to each other, and that such a dialog held out the hopes for progress.

Obviously the situation has turned in a different direction, beginning with the series of events on July 9, when Lee Teng-hui made his interview concerning special state-to-state relations. In my testimony, I have outlined the chronology of what has happened back and forth between the two parties. But in the interest of time, since those facts are well known, I will not go over that now.

I thought what I would do instead is concentrate, first, on U.S. policy. I want to make it very clear that the administration, at every level, from the President on down to your humble servants, have made exactly the same three points to both parties. There are three pillars of the administration policy.

First, the administration's commitment to a one-China policy is unchanged. Regardless of the position of the parties, we have not changed our policy. The President has said that both publicly and privately.

Second, we believe that the best means to resolve these issues is by direct dialog between the parties themselves. We have taken every opportunity, including on my own trip to Beijing last week with Ken Liebenthal from the NSC, to urge the PRC to continue this dialog. It strikes us that it is precisely when times are difficult that you need the dialog. And to cancel it because of disagreements would be a mistake.

China has not yet indicated whether or not these talks will continue in the fall, as had been previously anticipated, but they have put out a lot of hints, suggesting that it would not take place. And we are urging them to continue with this dialog.

The third point that is integral to our position: We have stressed again, at every opportunity, the importance of a peaceful resolution of this issue. And the President has made that absolutely clear, as did Secretary Albright in her meeting with Chinese Foreign Minister Tang in Singapore last week, as did Ken Liebenthal and I in our meetings in Beijing. But China can have no doubts about what the United States position is with respect to peaceful resolution of this issue. And of course the administration has a track record on this point, which you are well aware of.

So, where does this leave us, given all the to-ing and fro-ing that has taken place between the parties and this clear exposition of U.S. views? I think the unfortunate answer is the situation remains tense, and potentially dangerous. That we do not know if the dialog will continue. There are continuing efforts, particularly on the Taiwan side, to try to clarify their position. We saw an effort yesterday in the Financial Times, with a statement by Su Chi. And we hope that the parties will work out a formula between themselves to get the dialog back on track.

Thus far, we do not see any indication that there is mobilization on the PRC side of a military response. That is, as of today. It is very important, from our perspective, that that remain the case in the future, and that China not change its mind. We do not want to see a military response. And we have made that absolutely clear.

But what we do not know is whether our efforts to encourage both sides to engage in this dialog, and if our warnings not to engage in military activities, will work. So this is, as some of the previous speakers have indicated, a dangerous period of time.

One more point, and then I will relate all this to your legislation. There has been a lot of talk, some allegations, that the administration is somehow pressuring Taiwan. And some people cite the fact that I was sent to Beijing and that Richard Bush was sent to Taipei as proof of this pressure. I want to say, Mr. Chairman, frankly, I am a bit surprised by this. Had I been sent to Beijing and had nobody been sent to Taipei, I think the argument would have been

that was tilting, that we would have been seen as leaning toward China and not even talking to the Taiwanese.

In fact, Richard Bush and I were dispatched with identical messages in terms of what we sent to the two sides. And our mission, in addition to listening to what our respective interlocutors had to say, was simply to relay what U.S. policy is, so that there could be no mistake, and the parties understood what we stand for. And that is what we did. But I do not think that constitutes pressure.

We have lived up to our obligations. We always had the intention of proceeding with the Taiwan arms sales before the congressional recess. There was not a single conversation that I was privy to or heard about where there was talk of punishment. You have been around long enough to remember the famous 1970's reassessment of policy toward the Middle East, when there was a desire to pressure Israel through arms sales. Nothing like that was contemplated, to my knowledge, anywhere in the U.S. Government. And we have come up with those arms sales before the notifications, before the recess.

So I am here today to categorically reject the notion that there has been one-sided administration tilt or unfair pressure on Taiwan. We have been scrupulously neutral in our positions in terms of saying what U.S. policy is, identical to each side.

Now, let me turn to the legislation itself. I do this with some trepidation, Mr. Chairman, because it is not a pleasant position to be in—to have to tell the chairman of this committee that the administration strongly opposes a piece of legislation that he has personally authored. Nevertheless, that is the administration's position.

Senator BIDEN. The Bush administration never had any trouble telling us that. Do not feel so bad.

Mr. ROTH. I think the chairman deserves some deference.

In any case, let me lay out the arguments, and permit us to get to the question and answer period.

I think there are two fundamental points, and then a number of specifics. But what I would like to do in my oral remarks is concentrate on the fundamental points, which actually have been made by Senator Biden in his opening remarks.

First, I believe the biggest fundamental flaw in the legislation is that it focuses on the narrow military aspects of the relationship, and assumes that that is the basis for Taiwan's security. Obviously having a strong defensive capability on Taiwan's part is important. A weak Taiwan might send the wrong signal to the other side and encourage activities that we do not want to see.

But, having said that, there is also the reality that a military solution alone for an island of 22 million people, facing a nation of 1.3 billion people, is a rather difficult proposition. And Taiwan's security is not simply a matter, or even primarily a matter, of hardware and of the balance of forces in that sense. I think that the geopolitical situation is actually the critical determinant.

By that, I mean several things. Obviously, the relationship across the Strait, between Taiwan and China, has a huge impact on the security of Taiwan. And that is why we have pressed so hard for the cross-Strait dialog, because that is the mechanism to resolve these issues peacefully.

Second, the U.S. relationship with the PRC is critical. Because, as Senator Biden mentioned, it is precisely when U.S.-PRC relations are strong that history has shown that China-PRC relations prosper and that U.S.-Taiwan relations prosper. It is not only not a zero-sum game, it is the opposite.

So, Taiwan's security is really a complex equation that only partially depends on the hardware, but depends far more on the overall environment. And the question then is, at this dangerous moment of high tension, would the passage of this legislation, which seeks to change the rules of the game, be beneficial for that environment or would it be more likely to provoke a response that would hurt Taiwan?

I think I can say with no false—without any hype here, Mr. Chairman, that Taiwan has no better friend in the United States than you. And I think your only intention in offering this legislation is to help promote Taiwan's security. But the administration's judgment is that this legislation not only will not do that, but would endanger that. And that is why we are opposing it—because we think it could risk a dangerous response from the other side, however unjustified that response might be.

The other fundamental point that I wanted to make goes back to the “if it ain't broke, don't fix it” argument that Senator Biden made. I believe the record demonstrates that the Taiwan Relations Act has worked very well. We have, under the Clinton administration, a very robust policy of implementation of this act. Dr. Campbell will provide some of the details in terms of what we have done in terms of defensive weaponry sales and other steps. But I think that our arms sales process is working, despite the fact that we have disagreement over several systems.

But it really is not broken. In fact, the overall relationship has helped to promote a situation that is radically better than where we were 20 years ago, when this act was adopted. Since I already testified in March at great detail about that, I will not go through that lengthy argument again, other than to say that the degree of ties between Taiwan and the PRC that exists today were inconceivable 20 years ago. The cross-Strait dialog was inconceivable 20 years ago. And the atmosphere of peace and stability that enabled Taiwan to get so prosperous and to democratize was inconceivable 20 years ago.

These are all accomplishments of the TRA, which continues to work. So, if it ain't broke, don't fix it.

Beyond that, in my testimony, I have laid out some very specific objections to individual provisions in the bill. It is your call, Mr. Chairman. I can do that now or respond in the Q&A, depending on whether you would like me to finish before the vote.

[The prepared statement of Mr. Roth follows:]

PREPARED STATEMENT OF HON. STANLEY O. ROTH

It is a pleasure to appear before the Committee today, Mr. Chairman, in response to your request for Administration views concerning S. 693, “The Taiwan Security Enhancement Act.” I welcome the opportunity to respond to you on that subject, but I would like to do so in the context of providing you the Administration's assessment of current cross-strait relations.

RECENT EVENTS

When I appeared before this Committee on March 25, I found some cause for optimism about dialogue between Taiwan and the PRC. In October of 1998, Koo Chen-fu, Chairman of Taiwan's Straits Exchange Foundation (SEF) and Taiwan's senior unofficial representative in talks with the PRC, traveled to Shanghai, where he was welcomed by his counterpart, Wang Daohan, the chairman of the PRC Association for Relations Across the Taiwan Strait (ARATS). He then went to Beijing where he stayed in an official state guesthouse, and met with President Jiang Zemin. Koo and Wang agreed to further dialogue on political, economic and other issues, and Wang agreed to make a return visit to Taiwan.

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

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

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

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

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

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

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

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

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

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

As a second step, the Secretary met with PRC Foreign Minister Tang Jiaxuan in Singapore July 25, on the eve of the meeting of the ASEAN Regional Forum (ARF), to make clear our commitment to a one-China policy, a peaceful approach and cross-strait dialogue. Secretary Albright pressed Beijing to continue the cross-strait dialogue and urged them not to use force.

Where does this leave the cross-strait situation today? It is impossible to be certain. There is no sign of imminent hostilities. It appears that PRC military activity is somewhat elevated, but reports in the media have been exaggerated. Nonetheless, the risk of escalation remains. The visit of Wang Daohan to Taiwan has not been officially cancelled, but the situation is serious, and we have urged that the visit proceed. In this period of uncertainty, all the key players will need to navigate with care.

COMMENTS ON "THE TAIWAN SECURITY ENHANCEMENT ACT"

Having set the context for our consideration of "The Taiwan Security Enhancement Act," I would like first to offer a personal observation. Everyone who knows you, Mr. Chairman, knows beyond the slightest doubt that your overwhelming interest in offering this legislation is to strengthen Taiwan's security.

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

Several provisions of this bill lead to this perception. For example, the legislation mandates operational communication links between military headquarters of Taiwan and the U.S. in Hawaii, a linkage more indicative of formal military ties than an unofficial relationship. This perception would be further enforced by the Act's requirement that the Secretary of Defense permit the travel of flag-rank officers to Taiwan. Avoiding such senior military travel has helped this and previous administrations of both parties to have successful working-level contacts while avoiding the cloak of officiality that would be a hindrance to effective exchange.

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

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

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

We see a danger that this bill could be the first step in a process whereby Congress would attempt to mandate specific arms sales, thereby abrogating the long-standing and effective arms sales process that now exists. That very prospect would change the dynamics of the current process, encouraging Taiwan to seek direct Congressional authorization for the sale of desired weapons.

Equally significant, three actions required by the bill raise immediate constitutional concerns: the report detailing the administration's deliberative review of Taiwan's arms sales requests (sec. 4(b)); the plan for "operational training and exchanges of personnel" between the Taiwan and U.S. militaries (sec. 5(b)); and the

establishment of a "secure direct communications" between the U.S. and Taiwan military (sec. 5(c)). All three would unconstitutionally interfere with the President's authority as Commander in Chief and interfere with his ability to carry out his responsibilities for the conduct of foreign relations

In considering all these potentially serious problems with the proposed legislation, Mr. Chairman, I think is worth considering whether there is really a need for this Act. Has the Taiwan Relations Act failed in assisting Taiwan to provide for its security and stability? The track record of four administrations says "no." Despite the difficulties cross-strait relations have encountered since I testified before you in March, the assessment of the Taiwan Relations Act, which I offered then, remains valid:

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

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

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

That shared prosperity has been possible in part because Taiwan has been able, with the support of the United States under the TRA, to strengthen its self-defense capability. The United States has provided a wide range of defensive military equipment to Taiwan, ranging from Knox-class frigates, to anti-submarine S-2T aircraft, to anti-air missiles. Just last week, when some doubted we would move forward on pending sales, we notified to the Congress an additional sale of E-2T early warning aircraft and parts and equipment for F-16 aircraft.

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

In addition to providing military systems, we have provided extensive advice and training opportunities for Taiwan's military. Having an unofficial relationship has not obstructed our ability to have the kinds of contacts necessary to meet our obligations under section 3 of the TRA.

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

CONCLUSION: A SERIOUS DECISION

In concluding, I would like to note that the TRA, for all its considerable success, cannot by itself provide for Taiwan's security. Given the disparity in size between the PRC and Taiwan, the island's security must always depend on more than just military hardware. The TRA must be complemented by peaceful interaction, including dialogue, between Taiwan and the PRC, if we are to reduce tensions and improve security. For twenty years, with the support of the TRA we have seen progress, halting at times, toward such a dialogue. Despite the difficulties of recent weeks, it must continue. It was with that in mind that the President responded to recent statements on both sides of the Strait by reiterating our commitment to dialogue and to a peaceful resolution of differences between Taiwan and the PRC.

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

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

Thank you.

The CHAIRMAN. Mr. Secretary, you are a very articulate man. But I would point out, if you will check the transcript a little bit later, you may want to adjust that. You put all the blame on the President's speech. You did not say anything about the saber rattling of Beijing. You did not say anything about the threats. I think the facts are that Beijing is a belligerent bully, jealous and envious of what Taiwan has accomplished.

Dr. Campbell.

STATEMENT OF KURT CAMPBELL, PH.D., DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF DEFENSE

Dr. CAMPBELL. Thank you very much, Mr. Chairman. It is an honor to be able to appear before you.

And I think Assistant Secretary Roth has given you a broader and I think very accurate foreign policy representation of the cross-strait situation. What I would like to do this morning is to speak specifically and very briefly on the security issues.

First of all, I would like to very quickly associate myself with much of what Senator Biden has said. I think it is very accurate and very clear. One thing in particular that I would like to draw attention to is when he talked about the security dynamic between the United States and Taiwan as being one that has been a low-profile, results-oriented approach, that best be done quietly. And I would like to associate myself with that. I think I have been part of that, and I think it has been very successful.

I would say just very briefly that I think the Taiwan Relations Act is the most successful piece of legislative leadership in modern history in the foreign policy realm. And I think it has been enormously effective in not only securing peace and stability, but an active U.S. role in the preservation of peace and stability in the Western Pacific.

And I also agree that it gives us every bit of authority we need to maintain peace and stability. And I think that is the key. The Taiwan Relations Act gives us what we need to maintain peace and stability.

Very briefly, in terms of your bill, the Taiwan Security Enhancement Act, Mr. Chairman, I just want to say quickly that it is, as Secretary Roth indicated, a very delicate time—potentially even a dangerous time. And I think it behooves us to move very carefully in this context. And what I am worried about are the unintended consequences of the bill. And in my judgment, and I think in the judgment of the Department of Defense, is that the unintended consequences are likely to be dangerous. And so I would urge the committee to indeed re-embrace the Taiwan Relations Act, which I think, as has been already indicated, has served our interests and the interests of Taiwan so very well for these last 20 years.

Since I know you have a vote, I can conclude here, and then, as Mr. Roth indicated, I can take any questions about systems or discussions about the broader security implications or ramifications of what we are facing now subsequently.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Campbell follows:]

PREPARED STATEMENT OF DR. KURT CAMPBELL

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

An overarching national security interest of the United States is preservation of peace and stability in the Asia-Pacific region. United States policy with regard to Taiwan and the PRC is integral to this goal. 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.

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

U.S. POLICY TOWARD TAIWAN

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

- to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States;
- to provide Taiwan with arms of a defensive character; and
- to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan.

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

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

The Chinese deployment of theater missiles has the result of undermining confidence in the PRC's commitment to pursue peaceful means to resolve the long standing cross-Strait dispute. The United States urges restraint in PRC military operations and deployments opposite Taiwan and does not wish to see the development of an arms race in the region. The United States has abided by and will continue to abide by its commitments to Taiwan under the Taiwan Relations Act. Simi-

larly, we believe that Taiwan's security will also be enhanced as we work to improve relations with the PRC.

THE TAIWAN SECURITY ENHANCEMENT ACT

Our unofficial security relationship with Taiwan will remain an important part of maintaining peace and stability in the Taiwan Strait. We share the concerns that are reflected in many of the objectives in the Taiwan Security Enhancement Act. PLA modernization and a host of other factors could present Taiwan with an ever widening array of challenges in the coming years. We believe, however, that the Taiwan Relations Act provides a sufficient basis for U.S. security cooperation with Taiwan and that the Taiwan Security Enhancement Act is unnecessary and could have a counterproductive effect on Taiwan's security. Moreover, Taiwan's security rests not only on its defense posture but also on a continued, constructive cross-Strait dialogue.

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

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

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

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

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

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

U.S.-PRC RELATIONS AND TAIWAN SECURITY

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

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

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

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

The Taiwan Relations Act has been the most successful piece of legislative leadership in foreign policy in recent history. Its framework has contributed to an extended period of peace and prosperity across the Taiwan Strait and has promoted American interests in the western Pacific. This legislation, along with the three communiques, has also secured the foundation for the complex political and security interactions among China, Taiwan and the United States. The Taiwan Security Enhancement Act is unnecessary and potentially counterproductive. The Department of Defense opposes this legislation.

Thank you, Mr. Chairman.

The CHAIRMAN. Very well.

Secretary Roth, the second part of section 3(b) of the Taiwan Relations Act says that "determinations of defense sales to Taiwan should be based solely on our"—meaning the President and Congress—"judgment of the needs of Taiwan." Now, I read that to mean if Taiwan has a valid military requirement for something based on the threat it faces, we should approve that sale. In other words, political factors such as the opinion of dictators in Beijing should not be a consideration.

Do you differ with my interpretation?

Mr. ROTH. If you are asking me, is the criterion for an arms sale whether China approves it or not, the answer clearly is no; that that would be illegal. But it would also be bad policy. That China opposes all arms sales to Taiwan. And as you know, the administration position is we not only abide by our obligations under the TRA to provide defensive weaponry, but we believe that is the correct policy. So we do look at it from the point of view of what Taiwan needs for self-defense.

That, however, is a complicated calculation as to what goes into that. And we sometimes differ with Taiwan in terms of what their needs are. So I would not go to the opposite extreme, and say the mere fact that Taiwan asks for it means that we agree that they should receive it.

The CHAIRMAN. Could you tell me, then, why there was so much agitation at the State Department—they had the nervous jeebies—in opposition to providing Taiwan with an early warning radar, which merely would give the citizens of Taiwan a few minutes' warning that a missile was headed their way? Why did the State Department get so excited about that?

Mr. ROTH. Well, let me go back to what I said previously. First of all, it was always our intention to approve this package of arms sales prior to the recess. And I think there has been a lot of unnecessary concern that this was going to be blocked somehow by a pro-

Beijing State Department that was going to sell out our obligations to Taiwan. And I have tried to say categorically that that is not the case.

There are concerns relating to a very different set of issues, Mr. Chairman, which is the larger set of issues relating to theater missile defense and ballistic missile defense, and the whole range of systems that could be contemplated under that category. And there, there has been a lot of consideration about what should or should not be provided at what point. That is a whole different set of issues where there has been a lot of discussion and no decisions.

So, I do not want to mislead you. But in terms of the narrow, specific sale that has now been notified, there was no guerrilla warfare from the State Department.

The CHAIRMAN. Well, is the State Department now committed to providing this early warning to Taiwan?

Mr. ROTH. Are you are referring to the planes that were just notified? Let me defer that to my colleague.

The CHAIRMAN. You have approved it, but you have not notified; is that what you are saying?

Mr. ROTH. I think I am thinking of the sale we just notified. Let me defer to Dr. Campbell.

Dr. CAMPBELL. Mr. Chairman, I think there has been a slight bit of confusion. If you are talking about the early warning radar discussions that were held earlier this year, our understanding, of course, is that the administration agrees that Taiwan has a need for an appropriate early warning radar system. We have begun both intensive technical review, both internally and with Taiwan authorities, and we anticipate making final decisions at next year's arms talks.

And that has been notified both to all parties on Capitol Hill and it has been informed to interlocutors in Taiwan, as well. And I will tell you, I think that is a unified decision that the administration has taken.

It is unfair to characterize it as opposition within the State Department. I have been part of those discussions. The discussions are intense in terms of talking about what is appropriate. Remember, we have never provided these kinds of systems, really, to any country before. There are a lot of technical issues associated with releasability. I am comfortable that we have made the right decision. And we are in the midst of very, as I said, intense both internal deliberations and also discussions with Taiwan as we speak.

The CHAIRMAN. I am a little bit confused. You said you have advised, informed, Taiwan. I understood that you were in the process of deciding. What did you advise Taiwan about?

Dr. CAMPBELL. We advised them that we agreed that there is a need for an early warning capability, and an early warning capability associated with the radar system. But, remember, as I said, Mr. Chairman, we have never had to consider this kind of request from any country before. So the technical issues are very difficult.

The CHAIRMAN. OK. My time is just about up. Just a second now. In other words, the State Department has taken the view that the April agreement is a commitment to provide the early warning radar; is that right?

Mr. ROTH. Let me apologize for the confusion I may have just created, since I misunderstood the original question. I thought it applied to the sale that has already been notified. Now that I understand the question, the position is exactly as Dr. Campbell has represented. We have made a determination that a capability is needed for early warning, and we have agreed to address it in the context of next year's consultations with Taiwan.

We have not worked out all the specifics, but we have had the decision in principle that a capability is needed. And we will be working on that and will be consulting with the Hill. But we have not made a definitive decision, notified to the Congress yet, on a specific system.

The CHAIRMAN. But you have still got them dangling on the string, because they do not know what you are going to do. I am sure you did advise them that you are thinking about it.

Senator Biden.

Senator BIDEN. Thank you very much.

Let me make sure I understand about the radars. What we are talking about is a land-based radar that is part of a TMD, or maybe—

Dr. CAMPBELL. No. In fact, Senator Biden—not to interrupt you—

Senator BIDEN. Interrupt me. I want to get it straight.

Dr. CAMPBELL. This is a system that is designed—or will be designed—for early warning, exactly as the chairman indicated.

Senator BIDEN. I understand that. But they have E-2's now, and you have agreed to sell them more E-2's, right?

Dr. CAMPBELL. Yes.

Senator BIDEN. So it is not like they are blind now, right?

Dr. CAMPBELL. That is correct.

Senator BIDEN. Since there is a vote on and there is not much time, one of the things that I think has prompted—and this is me speaking, not for the chairman, and the chairman will correct me if I am wrong—I think one of the things that has prompted this legislation is not merely the PRC's saber rattling or placement of systems aimed at Taiwan, additional systems. I think much of it has to do with whether or not there is a belief on the part of those who introduced the legislation whether this President will in fact give everything that Taiwan needs, legitimately needs, for its defense.

I may be wrong about that, but I think that is what it is about. Nobody argues—nobody argues that I have heard so far, and I am anxious to hear the next panel—that everything that is contemplated in this legislation is not already allowed in the Taiwan Relations Act. This is kind of like a pre-approval. And what it is all about, as I see it, is putting the administration, from the perspective of those who think it is not doing enough, in the position of having to do what the Congress would like it to do and they are afraid the administration will not do.

Now, I am in the minority, so I can afford to not be taken seriously, and I can say things that maybe I would not say were I chairman. But the bottom line is there is a lack of trust here. Just like some of us did not trust the Reagan administration and what

they told us, a lot of folks here do not trust the Clinton administration and what you all are telling them.

One of the questions I have for you, Mr. Roth, is would you be prepared to commit—and this may not be enough to stem the tide here to pass this legislation—but would you be prepared to—I mean would you consider communicating to the administration that if they were prepared to consult with the appropriate committees up here prior to an arms sale, not for the normal reasons—usually we seek prior consultation because we may not want an administration to transfer certain arms; here, it is the flip. Here, the flip is that you come up here with a plate full of goodies that are going to be sent to Taiwan in an arms sale, and the likelihood is you are going to have people here saying: Why is not there more on the plate?

And so, as an alternative here, would you take back the message that there should, in my view, be some consideration to more advance consultation with this committee? I am assuming this act does not become law, either because there is not sufficient votes or it is vetoed and there is no ability to override the veto. Would you be able to come back here to this committee and to the Armed Services Committee and the Intelligence Committees, and say, look, this is what we intend, do you all think we should do more? Would you make your case to us before we do what we now do—we make an internal decision, we inform you of that decision?

I absolutely think that just as you say cross-Strait discussions are important, cross-branch dialog, up-street, down-street relations are important here. Because the bottom line of all this is I think it is being driven by the fact that there is a concern—a concern that this administration will not do all that it is called for to do; that is, stand with Taiwan, consistent with the Taiwan Relations Act that was voted 20 years ago.

Would you consider delivering that message and be willing to get back to us, or at least to me and the committee, to determine whether or not you are willing to enhance that consultation?

Mr. ROTH. Of course, we will take the message back.

Senator BIDEN. Let me put it another way. If you all do not do it, you are all going to get what you do not want. So take some advice from a guy who may not know much about the politics of this place, get smart quick. Otherwise the boss is going to win. And it is not a good idea that he win this one.

I am going to go vote before I get myself in more trouble, Mr. Chairman.

The CHAIRMAN. We have to do this in tandem now.

When the United States sent aircraft carriers to the Taiwan Strait in 1996, were there secure communications directly between the U.S. and Taiwan? Either one of you may answer.

Dr. CAMPBELL. Mr. Chairman, as you know, the Taiwan Relations Act specifies that dialog, both on political and security issues, be handled through AIT, our representatives in Taipei.

The CHAIRMAN. So the answer is no; is that right?

Dr. CAMPBELL. If I can, let me just finish, if I can, Mr. Chairman. That office does have classified capabilities and secure communications. They were used extensively during that crisis.

But let me just underscore. Those are Americans in that office. And so the message was then subsequently passed from AIT to Taiwan officials. I would say and just underscore to you, during that time we did have extensive discussions with AIT, yes.

The CHAIRMAN. Gee, I am all alone here, and I am enjoying this now.

Secretary Roth, the Secretary of Energy recently visited Taiwan; is that correct?

Mr. ROTH. Yes.

The CHAIRMAN. Why does the State Department continue to limit the rank of military officers who can visit Taiwan?

Mr. ROTH. Well, it is not a question of the rank of military officers. There is a whole government-wide policy that includes the State Department.

The CHAIRMAN. Well, I understand that. I am asking you why.

Mr. ROTH. The answer is that we approve those visits at any level that we believe are consistent with an unofficial relationship. President Clinton made the determination in his first term that since we had a robust economic relationship and that the PRC had a robust economic relationship with Taiwan, that it was appropriate for economic officials, up to the level of cabinet rank, as appropriate, to visit Taiwan. And so, under that policy, several economic officials, including Secretary Richardson, have done.

At the same time, a decision was made to continue the policy of all the preceding administrations, that senior diplomatic officials, including my level and up at the State Department, and senior military officials, I believe above the level of O-6, would not, as that would be more indicative of an official relationship, which we do not have. That has been the rationale.

The CHAIRMAN. You know, what you are saying to me in plain language? This Government is a bunch of nervous nellys, afraid that they will offend mainland China. That is what I get out of all of this. And I do not like it. And sure, Joe has referred to my working on this bill that is before us. But I think morality has got to enter this somehow, in terms of our attitudes toward governments.

Here you have a nation which is cutthroat in its economic dealings with the rest of the world. You find out how much green they bought from us, and how they have done it on the basis of prices and so forth and so on. But a nation that treats its political prisoners the way Red China does, you know, they conduct a blood type to find out what kind of heart they have and so forth, and people with \$45,000 U.S. dollars can go in there, and if they match the heart, they can pay the money and get the heart after the political prisoner has been taken out in the yard and shot in the head.

Now, I would be just as hard on Taiwan or any other nation on that sort of thing. And there has been incident after incident. And I deal constantly with young Chinese students in this country. They are not Taiwanese people, they are from mainland China. But they are here and they are free, they feel, to say what they believe.

Do you ever talk to them?

Mr. ROTH. Certainly I have met with—

The CHAIRMAN. What do they tell you?

Mr. ROTH. Well, each individual generally tells me their saga of what their problem was with the Chinese Government, and they give me their assessment of the situation.

The CHAIRMAN. I know that.

Mr. ROTH. They obviously are extremely critical of the human rights practices of China.

The CHAIRMAN. But I am talking about these kids who are disgusted with their own country and its moral practices. And we stand back and we do not say a thing and do not smell a thing. And if Taiwan goes down the tube, well, that is just too bad.

I will tell you, I am in a fix and I am going to miss a vote if I—let me do this. Let me declare a recess for just a minute or two. Paul Coverdell will come back and he will preside. I want the other members of the committee to have a chance to talk with you.

Mr. ROTH. And I would like to respond to some of your comments, too, once you are back.

The CHAIRMAN. Pardon me?

Mr. ROTH. I would like to respond to some of your observations when you have returned.

The CHAIRMAN. All right. That is fair enough.

The committee will stand in recess momentarily.

[Recess.]

Senator COVERDELL [presiding]. Let me bring the committee back to order.

I apologize to the panelists, as has the chairman, for the unpredictable nature of the Senate.

Both you, Mr. Secretary, and Mr. Campbell, referred to the opening statement of Senator Biden often and frequently, and in particular to the statement, "If it ain't broke, don't fix it." It strikes me that there is at least the nature of incongruity here. If you have a Washington Post editorial this morning, the opening paragraph: "In just the past few days, China has illegally seized a Taiwanese ship, sent jet fighters provocatively across the Taiwan Strait, repeatedly hurled threats at Taiwan and its elected President, and test fired a new ballistic missile built in part on stolen U.S. technology. It also has cracked down on a peaceful spiritual sect, rounding up hundreds of members for some old-fashioned communist reeducation, and has, on Monday, sentenced two pro-democracy activists to terms of 8 and 9 years in prison on charges of subverting state power."

The editorial goes on. It is substantially critical of the administration—and this comes to another one of your statements, Secretary Roth—implying, in general, that there is reinforcement of a world bully and turning a back on a world ally. That is the general nature of it.

You protested that as an incorrect characterization of the administration's policy, but, nevertheless, for whatever reason, there seems to be a growing perception that this is reflective of the administration, because it is being read and said everywhere in the country. So I would like each of you, beginning with you, Secretary Roth, to begin with what do you think is at the base of this misperception, this inability to understand the administration's policy here?

And then, if both of you would comment on the suggestion that everything is just fine—it ain't broke, don't mess with it. It strikes me that I know you are talking about TRA-specific, nevertheless, we are here today because I think everybody is alarmed.

Mr. Secretary.

Mr. ROTH. I welcome this opportunity, since I woke up with some dismay to this editorial, which I think was an intellectual hodge-podge. And so I would like to try to provide the administration's perspective.

To say that the Taiwan Relations Act is working, in terms of promoting the interests of peace and stability in the Strait is not to say that all is well either with China's internal policies on human rights or on U.S.-China relations. They are distinct issues. And the notion that the administration simply accepts any Chinese behavior is ridiculous.

If you look at our annual human rights report, which China believes is a scathing attack—and it is, because that is the situation—we call it as we see it. If you ask about our efforts to try to secure a resolution in the U.N. Commission on Human Rights in Geneva on an annual basis, despite strenuous PRC opposition, we do it. We do it because it is right, because the situation calls for it. And we regret that other countries have not chosen to support us. But we have gone ahead anyway.

We have not been intimidated by the opposition of Beijing. We have tried to advance a human rights dialog with China. The President and the Secretary have pushed hard to try to get them not only to sign but ratify human rights covenants. We have publicly criticized the crackdown on dissidents. We have publicly criticized the crackdown on Falun Gong.

So we have not been silent. And the notion that somehow we are accepting this behavior and linking it to Taiwan, I just do not see the relationship. There are lots of problems in our bilateral relationship with China that we seek to address in a lot of different venues. But that does not focus in on the narrow issue of whether or not this particular legislation makes sense and whether that will work. So I hope we can distinguish between the issues.

I have been called to testify at numerous point, and undoubtedly will again in the future, about various aspects of China policy, whether it is human rights, nonproliferation, Tibet, and so forth. And we have positions on all of these issues. So this is not to say that if it ain't broke, don't fix it, that there are no problems with China. Nor is it to say—coming to the narrow issue—that we are satisfied with the current situation in cross-Strait.

I think it is very clear, by the high level of attention we have given from the President down, that we are concerned about the situation in the Strait. And what we are trying to do is make clear that both parties understand just how determined we are to insist on peaceful resolution through dialog. And that is why the President has made his comments.

That is why I was dispatched to Beijing with Ken Liebenthal, why Richard Bush was dispatched to AIT, and why we continue to emphasize these points. It is precisely because things are not good that we are trying to play our role, which is as the stabilizer, to

try to calm the situation down, to urge restraint on the parties, and to get this back in the channel of dialog. So that is the posture.

Senator COVERDELL. Dr. Campbell.

Dr. CAMPBELL. Senator, I think you ask a fundamental and extremely difficult question. And I was just reflecting on it. I will try not to give you an overly academic answer.

But as I think about it, I believe that the heart of this is we are on the verge, as many have said, the Pacific century, which will likely be the Pacific being the most dynamic, important and potentially the most dangerous area for American foreign policy. And at the center of that is the character and nature of our relationship with China.

And I think what you see in the United States are struggles, defining what our interests are, what kind of relationship we need to have with China. China, for us, encompasses almost every kind of challenge that a nation can face. It is both a rising power in the international system—that is always hard for those powers that are status quo powers. It has a growing military. It is developing capabilities that we have to look at very carefully. It is not a threat militarily to the United States now, but it could be in the future.

It plays an important role in human rights, as Secretary Roth has stated, in proliferation, and in all matter of regional diplomacy, in North Korea, South Asia. It can be the key to peace and stability. It has a system of government, as Chairman Helms has said, that is antithetical to our own. And of course, at the middle of this is this complex relationship vis-a-vis Taiwan.

I would tell you that my own sense is that this is going to be one of those issues that will be debated within the context of the American polity for years to come. What is interesting, I think I would just note, is that the divisions do not break down along party lines. You have got divisions within parties. You have got debates on a whole host of issues.

I think the administration has done what it can to articulate why it is in U.S. interests to have a relationship with Beijing. It is going to be difficult. It is going to be subject to tremendous criticism. But I think it is the right thing to do. It is the right thing to do not just because we have key security issues in preserving peace and stability in the Asia-Pacific region, but simply because we cannot ignore China. China is going to be with us in the next century, whether we like it or not. And we better adjust to that as soon as possible.

Senator COVERDELL. Will you acknowledge that on the balance of the public expressions made today that—I do not think all this national conclusion that this administration in these last several weeks have been weighted against, it has not been a balance. You said, well, we have sent both countries simultaneously.

Mr. ROTH. With the same message.

Senator COVERDELL. With the same message. Something has not worked, because there is too much international comment suggesting that it is not the same message. It does not have an equilibrium to it. Normally this does not happen, just falling out of a shoe. If you really believe—and I assume that you do—that it needs to be an equal message to both, do you think that there is any modification called for here, given the analysis that all of us

are waking up, like you this morning, reading, not only in the Washington Post but across the country?

Mr. ROTH. If you are asking me do I think there needs to be a modification in administration policy, I would say no. If you are asking me do I think that the parties on either side of the Strait need to continue making efforts to come up with a mutually acceptable formulation that lets them get the dialog back on track, I would say the answer is yes. What has changed has not been U.S. policy. What has changed has been the policy of the parties out there on either side of the Strait.

And so I think we have always taken the position, this administration and all our predecessors, that it is between the parties themselves to work out the precise formulas under which they conduct cross-Strait dialog and regulate their own relationships. But we do not get in the middle. We are not a mediator. We are not a negotiator. We do not propose language to them. We are not negotiating this for them.

But what we have said is that it is important on both sides to get to the table and keep to the table and make progress on working these issues out peacefully. That is the effort that now is still underway out there. As I indicated just yesterday, you saw in Su Chi's statement to the Financial Times yet another effort from the Taiwan side to offer a formulation designed to be reassuring, since it again referenced the one-China policy.

So it is up to the parties to make these formulations and to work it out. And what we have urged them to do is to be flexible, but meanwhile, urge restraint.

Senator COVERDELL. Dr. Campbell, do you want to comment on that?

Dr. CAMPBELL. I think the message that I take from the Senate today, Senator, is described I think very accurately by Senator Biden. I think we have to listen very carefully to the message you are giving us today. And I accept it. And I think, in terms of consultation and discussion with the Senate, I take it on, for myself, to do a better job along those lines.

Senator COVERDELL. Within the appropriate discretion, what is your assessment of the risk level, where we sit right now? I would say that the incidents are not less heeded; they are more. What should we read from this? Is there a misreading of our intentions here? Are we being misjudged on either side, or both? Are we in a green situation, a yellow or red?

Mr. ROTH. Well, you are asking the right question. I am not sure if I can tell you the right answers, because this depends on the actions of others, and particularly in determinations made by two parties. We have been as clear and as unequivocal as we can be about our determination to see a peaceful resolution. And as I said earlier, we have a track record on this, so people know we are serious. And this message has been communicated privately, as well as publicly.

But what you are asking me is, will this be sufficient? And that requires me to speak for other governments, which I cannot do. And so all I could say is that we have laid down every marker that we know how to lay down about the seriousness with which we

take this issue. And, meanwhile, we continue, on specific terms, to call for restraint.

You undoubtedly saw the press article yesterday about the flights, the sorties, that are being conducted by both sides, approaching the median line in the Strait. And we have made not one, not two, but six demarches in the past 48 hours, in Beijing, in Taipei, in Washington, on the civilian side and on the military side, again, with the same message to both: Exercise restraint. Do not push this to confrontation. The risk of an accident, much less a deliberate confrontation, is high. It is not in your interest, it is not in the other side's interest, and it is not in our interest, and do not do it.

So we are trying very actively—this is not a passive administration policy—to push the idea of restraint. But I cannot give you an unequivocal guarantee, much as I would like to, that it is necessarily going to work.

Senator COVERDELL. Dr. Campbell.

Dr. CAMPBELL. Senator, I would put it at yellow. I think, as Assistant Secretary Roth has indicated, both sides tend to use military forces to signal. And I think one of the things that we have to be careful about is that I think both Taiwan and the PRC sometimes believe that they have an ability to signal in ways that the other side understands completely. And I think our experience certainly during the cold war and other experiences indicates that that kind of signalling is often very much misunderstood by the other side.

And I think what we worry about are circumstances, again, like Secretary Roth has indicated, are when you have got forces in proximity, trying to signal the other side, look, we mean business, we are serious, on whatever particular issue, that there are potentials for accidents and miscalculation. And I would say that the greatest concern that we at the Department of Defense has, and I think the administration has, is for an inadvertent or an accidental act.

Which, frankly, leads us back to where Secretary Roth began today. Which is that the most important thing that can happen is for lines of communication to be reestablished, without preconditions. And those lines of communications should be on a range of issues, not least of which, we think, issues designed to preclude the possibility of this kind of miscalculation or accident.

Ultimately, however, it is not our choice. One of the six assurances that we provided to Taiwan—and in fact, we informed the PRC in the 1980's—is that we will not interfere in their complex diplomacy. And so while we can make suggestions that this kind of mechanism might be useful, we cannot insist on it and we cannot inject ourselves into it.

I think one of the principles that is absolutely clear is that when we become more directly involved in this complex cross-Strait security dimension, the potential for instability probably grows, rather than is reduced.

Senator COVERDELL. Interesting.

Senator Kerry.

Senator KERRY. Mr. Chairman, thank you very much.

Obviously a topic of enormous consequence in so many different ways. I find myself exceedingly sympathetic to the chairman of the

committee, Senator Helms, and the sentiment that he is expressing—the notion that there ought to be some clarity. But I obviously—maybe not obviously—find myself sharing the position of Senator Biden and others that the methodology is at least provocative and potentially dangerous.

But there is a fine line, clearly, that needs to be walked here. And I wonder if we are walking it correctly, if there is not something short of what the chairman seeks to do in his legislation, but greater than what is on the table today.

Reading your testimony, Mr. Secretary Roth, you say: “Both missions had the same objective”—this in your trips to Taipei and Beijing—“to listen to senior leaders, to make sure they understood the United States’ firm adherence to its longstanding policies, one-China, and our insistence on peaceful resolution of differences.”

Well, the one-China part, we can all understand. What does it mean, “insistence on peaceful resolution of differences”? Is not the ambiguity that has purposefully existed in that in fact potentially leading China, in the wake of other aspects of the U.S.-China relationship, to make some judgments that might push the limits, absent some greater clarity to that particular sentence? What is your reaction to that?

Mr. ROTH. Well, I think that sentence was chosen to try to reduce, not increase, ambiguity. The notion is that this is not a mere talking point, when we say, you know, if you use the standard rhetoric—and in cross-Strait issues, people tend to use the same rhetoric with almost theological significance—so you always say the United States has an abiding interest in the peaceful resolution of these issues.

My goal in drafting this sentence was to get away from that diplomatic language and just make it clear that what we are saying to people is this matters to us, that we take this very seriously—what I have said earlier today. We have a track record about how seriously we take this. And understand that this has to be resolved peacefully.

Senator KERRY. Well, speaking of the track record, Mr. Secretary—and I say this as the devil’s advocate—but many people in the Congress today, and publicly, have written about and argued that the administration has not gotten very much for its constructive engagement policy with China. And the question, therefore, is being asked: Are they interpreting, therefore, the track record of the last years and where we currently are in a way that leads them to make some of these decisions, in a way that emboldens them, which then leads Senator Helms and others to believe we have to be more clear about what this means to us and what we might do?

Could one follow from the other, logically?

Mr. ROTH. Well, perhaps I was being too diplomatic. When I was referring to the track record, I was talking about our actions in March 1996.

Senator KERRY. You are talking about the up-scaling in the Strait?

Mr. ROTH. The deployment of the two carriers in response to what we felt were provocative actions by the PRC, that threatened the peace and stability of the region. And consequently, at that point, the administration acted, and acted decisively.

Senator KERRY. So that is the message you want China to clearly understand?

Mr. ROTH. That we are serious about peaceful resolution.

Senator KERRY. What would you say to those critics who suggest that—when you look at the crackdown on dissidents, when you look at—I do not want to have to run through the whole record, you know the litany—what is your response to that, that in fact you are not getting very much from China, and therefore, your saber rattling in response is hollow? Again, a devil's advocate question.

Mr. ROTH. I am not sure I understand the two linkages. If you are asking me about engagement policy in general with China and whether it has worked, we have always taken the position that this is designed to achieve results, and that the proof of the pudding is in the eating. That it is not engagement, full-out engagement, but that it is engagement for the sake of making progress on issues. And if it does not succeed, then we will have to try something else.

And we have argued, and I think with a pretty good case, that in some areas we have made considerable progress, in some areas we have made slight progress, and in some areas we have not made progress. So the record is open. But I certainly would not accept that engagement has failed across the board. I think there is a lot to show for it in some areas quite specifically, including on the nonproliferation side, including on some of our foreign policy areas where we work, on North Korea, South Asia and a few other areas.

So I think it is a mixed record. But I do not see how the overall debate about the effectiveness of engagement policy relates to the credibility on cross-Strait, where I think there is a very specific track record of the administration's seriousness on this issue.

Senator KERRY. And in your judgment, then, there can be no ambiguity in the leaders' of China's minds with respect to what that phrase means and what our position is?

Mr. ROTH. I hope not. I cannot speak for the leaders of China. But I think we have made our positions very clear.

Senator KERRY. Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. Are you through?

Senator BIDEN. I just have one question, Mr. Chairman. And I know we have an important panel waiting.

China has deployed a large number of short-range missiles opposite Taiwan, and may deploy more missiles over the next 5 years. What can and should the U.S. do to increase Taiwan's ability to defend itself from this new threat?

Mr. ROTH. Well, I think the first point is, and a point the administration has emphasized particularly to the PRC, is that China's actions matter. And that if China is perceived as acquiring major new capabilities, that that is going to trigger reasonable demands for U.S. responses. And I have specifically testified here previously—and let me repeat again today—that the administration has not precluded the sale of TMD to Taiwan, because we are specifically going to have to see, once the systems mature, as Dr. Campbell indicated, whether it is an appropriate response to the threat.

But what we said to the PRC is this is the moment for diplomacy. They are supposed to be having cross-Strait dialog. And one

of the things that would make the most sense to be talking about with Taiwan would be the whole issue of missiles and TMD. You do not want them to get TMD; they do not want to be threatened by missiles. This is an obvious basis for discussion. And perhaps you two can work something out. If not, our options are open. So that is been the primary response that we have made.

Senator BIDEN. Thank you, Mr. Chairman.

The CHAIRMAN. Gentlemen, thank you very much.

Dr. CAMPBELL. I would say just very quickly that the key here in the short term is going to be restraint. And it is absolutely critical for the PRC, over the next year or two, to demonstrate restraint when it comes to the deployment and development of systems across the Taiwan Strait.

The CHAIRMAN. But what are you going to do if they continue to thumb their noses at you and steal our secrets and make the big "B" out of them? I think we are just scared to death of them.

Mr. ROTH. Well, Mr. Chairman, maybe I can respond to that, because I had asked prior to the recess to respond to you. Because you have made this statement that this administration is scared to death of them and this administration does not deal with them on a government-to-government level because we are afraid of their response.

And even though I know this argument is not going to persuade you, I think it is important for the record to indicate, first of all, every administration since 1979, including 12 years of Reagan and Bush, has had the policy of not having senior diplomats and military officials travel there. This is not a new policy.

But, furthermore, every major country in the world, every major power on every continent, behaves in exactly the same fashion. And the notion that this is simply cowardice on the part of every country in the world and every administration in the U.S. for the last 20 years I think is not fair. I think this has been a pragmatic formulation that has worked to promote peace and stability and Taiwan's own interest. And so I think that is the basis for it.

The CHAIRMAN. Well, I thank you, gentlemen. It is just a fact that Communist China has not been as belligerent in previous administrations. But I thank you for coming this morning. We have got the home team coming in on the panel now.

We are honored to have some officials of previous administrations: The Hon. Richard V. Allen, one of Ronald Reagan's right-hand men, whom I have known ever since then, and very well. And then there is the Hon. Caspar Weinberger, who is a great patriot and a good friend. Dr. David M. Lampton, director of China Studies at Johns Hopkins University. And last, and certainly not least, Jim Woolsey, formerly of the CIA.

Since we always begin on the left, and I do not know exactly why that is—

Senator BIDEN. It is a good habit, Mr. Chairman. It is a good habit.

The CHAIRMAN. Well, from the other view, it is on the right.

Mr. Allen, if you will proceed, sir.

**STATEMENT OF RICHARD V. ALLEN, ALLEN & COMPANY,
WASHINGTON, DC**

Mr. ALLEN. Thank you, Mr. Chairman, Senator Biden, Senator Coverdell, Senator Kerry, and other members of the committee who may come in. I am pleased to have an opportunity to share my views with you on this important legislation.

The United States has longstanding and solemn responsibilities toward Taiwan. This bill is timely and necessary primarily because the future security of Taiwan has been jeopardized by the policies of the administration and by the words and actions of the President and Secretary of State. Unless the Congress acts promptly to do something, Taiwan's future as the only Chinese democracy may be threatened.

The United States needs to have a straightforward, productive, positive, and normal relationship with the People's Republic of China. It has striven to do so. But a sound relationship with China does not mean that this country is obliged to respond to China's demands in a matter absolutely vital to our national security interests in the Pacific Basin and, more importantly, an obligation that is rooted in the law of the United States.

When President Jimmy Carter announced, on December 15, 1978, that he intended to establish formal diplomatic relations with the PRC, it came as a great surprise, and especially to Congress. On January 29, 1979, the President sent to Congress a draft bill. It was vague and feckless. The Congress immediately recognized the inherent risks in these Carter proposals, and set out to remedy them with tough, unambiguous and bipartisan language.

The final version of the Taiwan Relations Act, completely and dramatically different from Mr. Carter's version, was approved on March 29, 2 months after its introduction, in the Senate by a vote of 90 to 6 and in the House by 345 to 55. As Senator Biden noted, both you and he were there to cast that vote.

President Carter did not even try to resist, and signed that act on April 10, 1979. The clear intent of Congress was to assert its inherent constitutional powers to remedy a dangerously defective administration approach to a vital national security interest. As one expert put it, Congress, as an institution, brought all of its foreign affairs authorities to bear in enacting one of the most successful legislative initiatives of foreign policymaking in U.S. history.

The fundamental changes imposed by Congress conferred great significance on the future of our relationship with Taiwan, especially in providing adequate weapons to Taiwan so that it might defend itself against the only source of future aggression: the People's Republic of China.

The PRC insists that its version of the future of Taiwan is the only valid outcome. In its eyes, Taiwan is a renegade province, ruled by a nonexistent, illegal clique. And it has not renounced the use of force to reincorporate Taiwan.

We are in a period now of rough sailing in our relations with the People's Republic of China. And there is no question that the bombing of the Chinese Embassy in Belgrade was a monumental blunder, even if it was an accident. It fanned nationalist sentiment, and allowed mobs to attack our Embassy in retaliation, in an ominous signal—not just petulant behavior that would pass by temporarily.

Its vituperative attacks on the United States and those who insist that Taiwan's safety represents a vital American interest is unceasing.

S. 693 makes 20 important findings, and then proceeds to direct the Departments of State and Defense to make available a variety of defensive weapons that are going to update and modernize Taiwan's ability to defend itself. The administration argues that the Taiwan Relations Act is working and does not require adjustment or amplification. The administration also considers S. 693 to be intrusive, by placing unwanted restrictions on the ability of the executive branch to conduct foreign affairs, and it is congressional micromanagement.

These arguments are certainly not valid in the matter of Taiwan security. The Congress has a special ongoing responsibility to ensure that the law is upheld. If the Taiwan Relations Act were now being implemented fully or faithfully, there would be no need for Congress to exert its prerogatives and to draft S. 693 in the first place. In the 6½ years of the Clinton administration, the effectiveness of the TRA has been slowly eroded.

And numbers do not tell the story alone. Notably eroded since the visit of President Clinton to China last June, when he inexplicably embraced Beijing's "three noes" regarding Taiwan. This indeed was an important tilt, a change in U.S. policy. It sent a message. And I believe it was the wrong one.

From the outset, Beijing has simply rejected the Taiwan Relations Act as a gross interference in its internal affairs. China repeatedly declares the TRA to be null and void, of no significance whatever. It insists that the three communiqués are the only basis for the Sino-American relationship. I have heard that argument for years, especially since Deng Tsiao Peng recited it to George Bush, then candidate for Vice President, and me in August 1980, in a pre-election trip that we took.

This, Mr. Chairman, is the nub of the argument: Does the law of the land, the Taiwan Relations Act, take precedence over diplomatic communiqués? The administration may think it does not. Finding 11 of S. 693 puts it clearly: "As has been affirmed on several occasions by the executive branch of government, the provisions of the Taiwan Relations Act take legal precedence over any communiqué with the People's Republic of China."

The administration, I think, misleads the Congress and the American people when it insists that it has been just following the precedence of previous administrations. According to the legal advisor of the State Department in 1982: These communiqués do not constitute a treaty or a legally binding international agreement, creating obligations and rights under international law, but, rather, are statements of future U.S. policy.

I now come to the central point of S. 693, the provision of defensive armaments to Taiwan. The very first stated purpose of the Taiwan Relations Act is to help maintain peace, security and stability in the western Pacific. The law states that to accomplish this, "the President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment and the needs of Taiwan."

If the administration really believes that the defense of Taiwan's democracy is hinged to the continuity of its capability to deter war, why does it threaten to penalize Taiwan by withholding arms transfers and technical cooperation? Why did the Secretary of State make the incredible statement that Taiwanese elaboration of President Lee Teng-hui's July 9 speech "does not quite do it," as if to put Taiwan in the corner, and as if to pressure it to hurry up and sign some interim agreements, leading to the reunification with the PRC.

Should President Lee Teng-hui issue a full *mea culpa* and petition Beijing for its understanding? Does not this policy stance actually put the United States on the side of a repressive and hostile PRC regime? The same folks who gave us Tiananmen Square, repress and jail democratic dissidents, who mobilized to crush spiritual movements like the Falun Gong and issue an arrest warrant for its leader who lives in the United States, who systematically violates every principle of human rights, who continue to subjugate Tibet.

At what price can we finally achieve, or purchase, a decent and stable relationship with the People's Republic of China?

Some specialists argue that China would be willing to fight the United States over Taiwan, either now or soon. And that this new possibility introduces a new dimension to our policy deliberations. It is the dimension of risk, which is inherent in every aspect of our foreign policy, and certainly was a characteristic of the cold war. Risk was the essence of our response to the Soviet Union.

Given the pace of China's military power and its buildup far in excess of its defensive requirements, we must fairly conclude that China anticipates that it will need to project its power in the region, perhaps to displace eventually the United States as the principal determinant of what goes on in the western Pacific, or to demonstrate sufficient muscle to persuade its neighbors to go along and get along on China's terms. But the most ominous reason, Mr. Chairman, for the accumulation of military power appears to be the prospective subjugation of Taiwan, preferably by threat of force and, in extremis, the actual use of force, while being able to deter the United States from intervening.

We need to look at our own capabilities and our long-term strategy. We cannot and should not proceed on the assumption that we will be drawn into conflict with China for any reason, yet neither can we afford to abandon our role or our capabilities in the region. Like all legislation, the Taiwan Relations Act is not frozen in time.

S. 693 is consistent with the Taiwan Relations Act. It properly elaborates the TRA in strategic conditions that prevail today and into the next decade. It is a response to present needs and is but the continuation of an insurance policy wisely enacted through congressional initiative 20 years ago.

Thank you.

[The prepared statement of Mr. Allen follows:]

PREPARED STATEMENT OF RICHARD V. ALLEN

S.693, A BILL TO ASSIST IN THE ENHANCEMENT OF THE SECURITY OF TAIWAN, AND FOR OTHER PURPOSES

Mr. Chairman, Senator Torricelli and Members of the Committee: I am pleased to have an opportunity to discuss this important joint initiative, to fulfill long-standing and solemn responsibilities of the United States toward Taiwan. This Bill is timely and necessary, primarily because the future security of Taiwan, the Republic of China, has been unfortunately jeopardized by the policies of the Administration and by the words and actions of the President and the Secretary of State. Unless the Congress acts promptly, Taiwan's future as the only Chinese democracy in the world may be threatened.

The United States should have a productive, straightforward and normal relationship with the People's Republic of China. My views are not intended to antagonize or confront those who may disagree with them, least of all the Government of China. But in my view a sound relationship with China does not mean that this country should be obliged to respond to China's demands in a matter that is absolutely vital to our national security interests in the Pacific Basin, and, more important, an obligation that is rooted in law.

Cross-Strait relations has been an issue of interest to me for decades, at least since the mid-1950s. In 1968 I served as foreign policy coordinator for Richard Nixon during his campaign for the presidency, and assisted in his now-famous October 1967 Foreign Affairs article, "Asia After Vietnam," in which he signaled his intention for an "opening" to China. I was Deputy Assistant to the President when he announced his historic 1972 trip to China. From 1977-1980 I served as chief foreign policy advisor to Ronald Reagan, and between the 1980 nominating convention and the formal start of the campaign, I initiated a trip to China with the George Bush, then the nominee for Vice President, to meet with Chinese leaders, including Deng Tsiao Peng, to explain what a Reagan-Bush administration China policy would be if the ticket were elected in November of that year. I worked directly with candidate and then President Reagan on every aspect of his policy toward China and Taiwan during the first year of his Administration.

When President Jimmy Carter announced on December 15, 1978 that he intended to establish formal diplomatic relations with the People's Republic of China, it came as a great surprise, especially to Congress. On January 29, 1979, the President sent to Congress a draft Bill; it was vague and feckless. The Congress immediately recognized the inherent risks in the Carter proposals, and set out to remedy them with tough and unambiguous language. Within five weeks both Houses of Congress had finished hearings and reported amended versions of the Bill, which was further amended on the floor of the House and Senate. Additional strengthening came in a joint conference, and the final version, completely and dramatically different from Mr. Carter's version, was approved on March 29, 1979, precisely two months after being introduced. That final version was approved in the Senate by a vote of 90 to 6, and in the House by 345 to 55. Faced with such overwhelming Congressional sentiment, President Carter did not try to resist, and signed the act on April 10, 1979. That swift legislative path, especially on such a critically important piece of legislation, was remarkable. It faithfully reflected the strong feelings of the Congress and the American people.

Perhaps more remarkable was the clear intent of Congress to assert its inherent constitutional powers in pursuit of a remedy for what it perceived to be a dangerously defective Administration approach to a vital national security interest. As one expert analyst so eloquently put it, "Congress as an institution brought all of its foreign affairs authorities to bear in enacting one of the most successful legislative initiatives of foreign policy making in U.S. history. . . . this law stands as a model of decisive action by Congress with energy and dispatch to secure and advance the nation's foreign interests. By an unusual exercise of bicameral and bipartisan cooperation, Congress used the legislative power competently at a moment of dramatic change in U.S. policy to serve both the ends of the executive and the national interest."¹

Very significant is that the Congress responded to defective policy proposals of the President by making the best of what it clearly perceived to be an undesirable and, in the eyes of many, dangerous situation. Moreover, the fundamental changes imposed by Congress conferred great significance on the future of our relationship with Taiwan, especially in the sector of providing adequate weapons to Taiwan so that

¹Terry Emerson, "The Taiwan Relations Act—Successful Foreign Policy Making By Congress," Address to The Asia Society, Los Angeles, April 22, 1988.

it might defend itself against the only real source of future aggression, the PRC, and it included specific language identifying boycotts and embargoes as a "threat to peace" and "of grave concern" to the United States.

So, twenty years later the United States again finds itself in a state of relative confusion vis-a-vis China and the handling of Taiwan's future security. The PRC has adroitly played a waiting game, insisting that its version of the future of Taiwan is the only valid outcome; in its eyes, Taiwan is a "renegade" province ruled by a non-existent, illegal clique, and it has not renounced the use of force to reincorporate Taiwan under Beijing's control. The issue of Hong Kong having been "solved," China will reacquire control of Macao later this year, leaving only Taiwan as an outstanding "issue."

I cite this important history because we have clearly entered a period of rough sailing in our relations with the People's Republic of China. There is no question that the bombing of the Chinese Embassy in Belgrade was a monumental blunder, whether an accident or not, and that China is incensed. But China's disproportionate reaction, fanning nationalistic sentiment and allowing mobs to attack our Embassy in retaliation is an ominous signal, not just petulant behavior. Its vituperative attacks on the United States and on those who insist that Taiwan's safety represent a vital American national security interest has been unceasing. Perhaps stung by the documented nuclear espionage revelations of the Cox Committee, as well as the disclosure of its brazen attempts to influence U.S. elections through illegal campaign contributions, not to mention the Administration's mishandling of its prospective entry into the WTO, China feels that the best defense is a vigorous offense, and that leverage over the United States can be found in the unremitting hostility of a victim.

The Bill (S. 693) the Committee now considers makes twenty important findings and then proceeds to direct the Departments of State and Defense to make available a variety of defensive weapons that will update and modernize Taiwan's ability to defend itself. The Administration opposes the Bill, as we have heard today; it argues that the Taiwan Relations Act is working and does not require adjustment or amplification. Moreover, it is clear that the Administration entertains a real fear of further "upsetting" the PRC.

It seems that the Administration also considers S. 693 to be intrusive, in that it would place unwanted restrictions on the ability of the Executive Branch to conduct foreign affairs and would amount to Congressional "micromanagement." Perhaps these arguments could be considered in the context of other policy matters, but are certainly not valid in the matter of Taiwan's security. The Congress has a special, ongoing responsibility to insure that the law, reflecting both its legislative intent and the overwhelming support of the American people, is upheld.

In my view, the Taiwan Relations Act is clearly not now being implemented fully or faithfully; if it were, there would have been no need for Congress to assert its prerogative, no need to draft S. 693 in the first place. During the twelve years of the Reagan and Bush Administration, the TRA was implemented to the satisfaction of the Congress, even though there were occasional disagreements on details. In the six and a half years of the Clinton Administration, the TRA has been slowly eroded, and notably since the visit of President Clinton to China last June, when he inexplicably embraced Beijing's "three noes" regarding Taiwan. This was an important tilt, a change in U.S. policy. The Taiwan Relations Act gives great latitude to the President, who implements the law on a day-to-day basis and conducts relations with Taiwan and the PRC.

From the outset, Beijing has simply rejected the Taiwan Relations Act as a gross interference in its "internal affairs." China repeatedly declares the TRA to be null and void, of no significance whatever. It insists that the three communiques are the only basis for the Sino-American relationship. I have heard that argument since Deng Tsiao Peng recited it to me in August 1980.

This, Mr. Chairman, is the nub of the argument: does the law of the land, the Taiwan Relations Act, take precedence over diplomatic communiques? The Administration may think it does not, and in this respect it seems to lean toward agreement with the PRC interpretation. However, Finding (11) of S. 693 puts it clearly: "As has been affirmed on several occasions by the Executive Branch of Government, the provisions of the Taiwan Relations Act take legal precedence over any communique with the People's Republic of China." It is clearly the prerogative of Congress to state this in an unambiguous way; in fact, it is necessary to do so because the Administration misleads the Congress and the American people when it insists it has just been following the precedents of previous Administrations. According to the Legal Adviser of the Department of State in 1982, none of these communiques constitutes a treaty or a "legally binding international agreement creating obligations and rights under international law" but rather are statements of future U.S. policy.

I come now to the central point of S. 693, the provision of defensive armaments to Taiwan. The very first stated purpose of the TRA is "to help maintain peace, security and stability in the Western Pacific." To accomplish this, the law states clearly that "the President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan." Mr. Chairman, China continues arming and equipping its forces in a manner far in excess of its legitimate defensive requirements. It has not renounced the use of force against Taiwan, despite the fact that our communiqués with Taiwan are predicated upon the peaceful resolution of differences between the two sides.

Recently, China has announced that it has a neutron weapon; tested a new road mobile missile, the DF-31, and its People's Liberation Air Force has now initiated a sortie rate into the Taiwan Strait at a level not matched since the crisis of 1958, forty-one years ago. Many of these aggressive sorties, especially those involving the Russian SU-27SK, equipped with highly effective missiles, are flying out to the mid-line of the Taiwan Strait. Thus far, the Republic of China Air Force has avoided any mid-line confrontation, but is prepared to respond to any attack. These heavy psychological and simulated assault tactics are provocative in the extreme, and may lend credence to the theory held by some that Beijing, anxious for something special to celebrate at its 50th anniversary of the founding of the PRC on October 1 of this year, would countenance a round of preliminary combat with Taiwan under controlled conditions.

If the Administration really believes that the defense of Taiwan's democracy is hinged to the continuity of its capability to deter war, why does it threaten to penalize Taiwan by withholding arms transfers and technical cooperation? Why did the Secretary of State make the incredible statement that Taiwanese elaboration of President Lee Teng Hui's July 9th speech "doesn't quite do it", as if to put Taiwan in the corner and pressure it to hurry up and sign "interim agreements," leading to reunification with the PRC? Should President Lee Teng Hui issue a full *mea culpa* and petition Beijing for its understanding? After all, for Taiwan, preservation of its freedom to choose is essentially a matter of life or death.

Doesn't this policy stance actually put the United States on the side of the repressive and hostile PRC regime? The same folks who gave us Tiananmen Square; who repress and jail democratic dissidents; who mobilize to crush spiritual movements like the Falun Gong and issue an arrest warrant for its leader who lives in the U.S.; who systematically violate every principle of human rights; who continue to subjugate Tibet? At what price can we finally achieve, or purchase, a decent and stable relationship with the People's Republic of China?

Last week *The Economist* put it correctly when it wrote: "The threat of force has become almost a kneejerk reaction for China's leaders whenever Taiwan displeases them. They need to realize that this hinders rather than helps China's goal of reunification. Not only does it antagonize Taiwan's people; it also helps to build up other countries' support for Taiwan's right to decide its own future. . . . to draw Taiwan into reunion, China will need to win the support of Taiwan's people. Its current behavior is a demonstration of how not to do it." (July 24th 1999, p. 18).

Some specialists argue that China would be willing to fight the United States over Taiwan, either now or soon, and that this new possibility introduces a new dimension to our policy deliberations. Given the pace of China's military power buildup, far in excess of its defensive requirements, we must fairly conclude that China anticipates that it will need to project its power in the region. One purpose of doing that would be to displace, eventually, the United States as the principal determinant of security in the Western Pacific; another would be to demonstrate sufficient muscle to persuade its neighbors to "go along and get along," provided it will be on China's terms; but the most ominous reason for the accumulation of military power appears to be the subjugation of Taiwan, preferably by the threat of force, and in extremis the actual use of force, while being able to deter the United States from intervening.

This evolving situation requires us to look again at our own capabilities and our long-term strategy. We cannot and should not proceed on the assumption that we will be drawn into conflict with China for any reason, yet neither can we afford to abandon our role in the region.

Earlier this year the Department of Defense provided the Congress with its assessment of The Security Situation in the Taiwan Strait. It forecasts that "by 2005 the PLA will possess the capability to attack Taiwan with air and missile strikes which would degrade key military facilities and damage the island's economic infrastructure . . . retain the ability to interdict and blockade the island's principal ports." In view of this increasing threat, the provisions of S.693 will be of major assistance to Taiwan in its effort to remain free, democratic and prosperous. That is what Taiwan wants, and it is what we ought to want as well.

Like all legislation, the Taiwan Relations Act is not frozen in time. S. 693 is consistent with the Taiwan Relations Act; it properly elaborates the TRA in the strategic conditions that prevail today and into the next decade. It is a response to present needs, and is but the continuation of an insurance policy wisely enacted through Congressional initiative twenty years ago.

The CHAIRMAN. Mr. Allen, thank you very much.

Secretary Weinberger. And let me say that these two gentlemen happen to be on the program at a dinner I attended not long ago. And they were eloquent that night, as well. We welcome you, sir. You may proceed.

**STATEMENT OF CASPAR W. WEINBERGER, CHAIRMAN,
FORBES, INC., WASHINGTON, DC**

Mr. WEINBERGER. Thank you very much, Mr. Chairman. I am honored, of course, to be called to testify before this committee on these very important questions and particularly this important legislation that you are considering. I thought I would just make a few brief remarks, rather than a long formal statement, and would be glad to try to respond to questions that you might ask.

The Taiwan Security Enhancement Act does seem to me to be one that is vitally needed now. And I am going to look back to the August 17, 1982 communique, and then look forward to the act that you are considering.

A great many people have taken the basic position, or seem to take the position, that Mr. Allen pointed out recently, that the communiqués changed everything and constituted a binding promise on us not to carry out the terms of the Taiwan Relations Act to maintain Taiwan's defensive position, but to reduce the amount of support we were going to supply to Taiwan down till it got to zero.

I think it should be clear, and one of the best things about the Senate bill you are considering, is that it makes it very clear that the communique did not override the statute, which should have been obvious to everyone, and that a communique cannot do anything other than do what it purports to do. Which is a summary of talks that can never supersede or change the meaning of the Taiwan Relations Act or our basic policy.

The communique is basically somewhat ambiguous, but it certainly does require us to keep on helping Taiwan maintain some kind of defensive capabilities, although it does have the basic thrust of going down to the zero point on supplying those. As I think most people here particularly know, communiqués are nearly always written before the meetings. Sometimes the meeting is basically simply so that the communique can be issued. And they do not purport to do anything other than summarize what people drafting the communique from both sides rather hope will come out of the meeting.

To the best of my knowledge, there was no Defense Department participation in the preparation of that communique. And it seemed to be, to my knowledge—or at least it was promoted at the time—as being based on the assumption that the PRC itself would also greatly reduce its armaments and reduce its forces. And it of course has done neither, quite to the contrary. So I do not think that we should be hampered by, or felt that we are in any way

bound by, what is said by the communique, nor should we accept the argument that the communique sets the policy of the United States.

I think we also have to consider China's changed attitudes. When I was Secretary of Defense, I made two or three trips there at their request, and they came over here, and we had a very well-established, healthy, military-to-military relationship. It was because at that time what they most wanted was a defensive capability against the long, 1,800-mile border they had with the then-Soviet Union. And we worked with them to help them improve, in ways that they wanted, their defensive capabilities. And it was basically consistent with our policies at the time.

What has changed now in the last 2 or 3 years—or more than that, I guess about the last 4 or 5 years—is their apparent desires and goals with respect to their defense. They no longer seem to be nearly as interested in getting a defensive capability since the collapse of the Soviet Union as they are to get an offensive capability, getting the kinds of weapons that would be primarily of use in offensive operations.

They have been very aggressive in their foreign policy, particularly with respect to the Spratly Islands, and dropping their missiles in Taiwan's waters and various quite incendiary statements by their high officials. And they have been certainly acquiring nuclear and neutron bomb capabilities, some of which they had, and some of which they are acquiring with American technologies, acquired as detailed in the Cox report.

They have also expressed vigorous anger at the renewal of the Japanese-U.S. security pact, which is a defensive pact. And it always leaves me a little suspicious when anybody is very angry about the renewal of a defensive pact, because it makes me suspect that they might possibly have offensive intentions in mind which the defensive pact would weaken.

They have also expressed their fury at our working with Japan and Taiwan on missile defenses, despite the fact that they have a very large number of rockets aimed at Taiwan. And there has been a very heavy increase in both their arms and submarines facing Taiwan, as was pointed out in, I think, an extremely perceptive editorial in the Washington Post that was put into the record earlier today.

So all of that I think emphasizes very strongly the need for the clarity and strength that is set out in the Helms bill. The Helms bill calls for lifting restrictions on arms sales. And I heard it criticized on that ground just a moment ago by the State Department representative. It calls for ending the ban on high-level military exchanges. And that would certainly be welcomed, because there is now an artificiality to that, that even goes to the extent of requiring any of the Taiwan military officials to meet with United States military officials in some kind of unofficial building instead of the Pentagon.

And also the bill provides for providing Taiwan with key weapon systems, including theater missile defense. And I would hope that the early warning radar would be included in that. All of this would make it much harder for the Chinese military to use, or even to threaten, force against Taiwan.

President Lee's statements have been cited on all sides of all kinds of arguments recently, but what they do is simply recognize the facts as they are—the fact that there are two separate states now, with a state-to-state relationship, and that the unification which was before emphasized, they repeated again in the statement of Mr. Koo, the head of their Trans-Strait Negotiating Committee, that the unification might come when China itself, the mainland, changes, but that that has not been the case and it is not now the case.

The forces that the PRC has created in China only emphasize, I think, China's aggressive intentions to win back Taiwan, and therefore Taiwan's need for support and clarification and help. And that is what I think the bill that is before you does and why I think that bill should be enacted in the form in which it is now.

Thank you very much, sir.

The CHAIRMAN. Mr. Secretary, thank you very much.

Dr. Lampton.

STATEMENT OF DAVID M. LAMPTON, PH.D., DIRECTOR, CHINESE STUDIES, JOHNS HOPKINS-SAIS AND THE NIXON CENTER, WASHINGTON, DC

Dr. LAMPTON. Thank you, Mr. Chairman and members of the committee. I appreciate the opportunity to be with you and share my views. And I would ask that the full written testimony be included in the record.

The CHAIRMAN. It will.

Dr. LAMPTON. Thank you.

The chairman of this committee played a major role in developing the Taiwan Relations Act 20 years ago. And as everybody here has said, this has been a very successful piece of legislation. I think it has served our country well, and the people of Taiwan well. Therefore, it is with considerable forethought that I say that the proposed legislation will undo the good work of the Taiwan Relations Act.

My areas of concern with respect to S. 693 fall into six areas. And I would like to associate myself with the remarks at the start of this hearing by Senator Biden and Senator Baucus.

My first concern is that the TRA, in conjunction with the three communiqués and other statements and correspondence, has provided a very successful framework for managing a complicated and sensitive three-way relationship. The proposed legislation is therefore unnecessary. The 20 years since adoption of the TRA have witnessed enormous progress on Taiwan, and I will not bore you with it all.

With respect to cross-Strait security, however, while there are worries—and these are legitimate worries, including China's naval and air force and missile modernization—there is also progress in cross-Strait security to report. Put bluntly, if security were perceived to be so tenuous on Taiwan, and cross-Strait ties so perilous, why is it that 40,000 Taiwan firms have contracted \$40 billion of investment on the mainland? Why is it that one-third of Taiwan's total information industry output is produced in plants located on the mainland?

The proposed legislation also is unnecessary because considerable authority proposed in S. 693 already exist in the TRA, particularly with respect to defensive weapon sales. Further, the premise that weapon sales have been inadequate is undermined by the figures on past and current arms sales and delivery to Taiwan, which I provide in my written testimony. These sales and deliveries have included F-16's, the Patriot missile, Perry- and Knox-class frigates, and, most recently, early warning radars and aircraft parts.

Indeed, many of the analysts in our U.S. Defense Department and elsewhere in the security community in Washington argue that Taiwan's biggest problem is absorbing and maintaining weapons and training an adequate number of personnel to use the equipment already provided. Figures provided in my written testimony show that 1997 FMS, foreign military sales, deliveries were eight and a half times bigger than the 1981 level in constant 1982 dollars.

Second, as I mentioned to President Lee Teng-hui when I had the opportunity to meet with him on June 24 of this year, in order to achieve comprehensive security, we need to focus not simply on military prowess and hardware, as important as those are, but also on the incentives for Beijing to avoid employing coercion. Conceding that there is an important role for deterrence, we need to ask why Beijing has not, for the most part, exerted force against Taiwan during the last three decades? An important part of the answer lies in U.S. military power and credibility, as well as the limitations on Beijing's own power.

But this is only part of the answer. The more comprehensive explanation is that there has been a balanced framework of three considerations in Beijing's calculus. First, the United States must be credible and constant. Beijing launched missiles in 1995 and 1996, in part, because Washington was not credible, either in terms of observing past agreements and understandings with the PRC or in terms of meeting military threats against Taiwan.

Second, Beijing must believe that time is not working against eventual reunification. And, third, Beijing must have a stake in a positive framework of cooperation with America that makes coercion very expensive to its interests.

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

Third, the proposed legislation would amount to a substantial restoration of the 1954 Mutual Defense Treaty with Taiwan, and therefore be inconsistent with the cornerstone of the normalization agreements of December 1978. Further, at the same time that America must seek to deter the use of force by the PRC—and I do think we are all very concerned to do that—the United States also must discourage Taipei from so taking U.S. military support for granted that various political forces on the island feel they can change the status quo with impunity, and drag the United States into conflict.

The fourth concern, relates to the bill's provisions with respect to theater missile defense. To be talking about, quote, "authorizing," end quote, the provision of Upper-Tier, presumably, high-altitude systems, that have not yet gone beyond testing or the drawing board is both premature and it is unwise.

It is premature because usually before encouraging weapon sales, we want to fully understand what we are proposing to transfer, both in terms of the level of technology and the obligations it might impose on the United States. The bill's provisions are unwise because, if enacted, those provisions would accelerate the already worrisome growth of short-range and other missiles in the PRC, and provide an incentive for a regional arms race.

Fifth, the timing of this bill is particularly unfortunate given the convergence of the following developments: the uproar over President Lee Teng-hui's July 9 remarks, the already deteriorated state of U.S.-China relations in the wake of the mistaken bombing of the Belgrade Embassy, and the very unfortunate and I think reprehensible anti-American violence in the aftermath of that tragedy.

Sixth, therefore, at this moment in U.S.-China-Taiwan relations, Washington ought to be pursuing available opportunities to enhance the security and welfare of all the people involved. Here I have in mind Beijing and Taipei's accession to the World Trade Organization. Once both the mainland and Taiwan are in the WTO, each will have obligations to conduct its economic relations with the other according to international norms and in more efficient ways than now possible.

So my principal recommendation is just very simple. Let us concentrate our efforts in directions for the moment that foster positive interaction. There is plenty of time to consider other alternatives should they prove advisable.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Lampton follows:]

PREPARED STATEMENT OF DAVID M. LAMPTON

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

Mr. Chairman and Committee Members, I appreciate the opportunity to testify before you and provide my views on "S. 693, The Taiwan Security Enhancement Act." The Chairman of this Committee played a major role in developing the Taiwan Relations Act (TRA) twenty years ago. That legislation, as I testified before this Committee on March 25th of this year, has contributed to stability in East Asia and fostered an environment that has allowed the people of Taiwan to make the stunning social, economic, and political progress over the last two decades that we all admire.

Therefore, it is with considerable forethought that I say that the proposed legislation will undo the good work of the TRA. Were the proposed legislation to become law it would make unachievable the principal objective of the TRA, which was "to help maintain peace, security, and stability in the Western Pacific."¹ Were this bill to become law it would not enhance the security of Taiwan's people about which all Americans are concerned, it would not promote regional stability, none of our allies in the region would be reassured by its passage, and its passage would increase the chances that American fighting men and women will become embroiled in hostilities.

The Taiwan Strait, is one of three or four flashpoints in the world today that could rapidly explode to drag America into direct conflict involving significant pow-

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

ers—the Balkans, the Middle East, and the Korean Peninsula are surely three others. This suggests that America must manage its involvement in cross-Strait relations with the utmost care. And further, because the People's Republic of China (PRC) is an important player in all four potential flash points mentioned above, a productive relationship with Beijing is not a luxury, it is essential. We could simply forget Chinese cooperation either bilaterally or multilaterally in these hotspots if the proposed legislation is adopted.

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

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

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

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

The proposed legislation not only is unnecessary because there is little evidence that Taiwan's security concerns have inhibited social, political, or economic progress, the legislation also is unnecessary because considerable legislative authority proposed in "S. 693" already exists in the TRA. With respect to the more specific provisions of "S. 693," for example, many of the measures outlined in Sec. 5-f-1-4 and 5-g-1-4, and elsewhere in the bill, merely "authorize" the president to approve sales for which the TRA already provides authority. Under the TRA, the U.S. Government has a mandate to provide Taiwan with "arms of a defensive character" (TRA, 2-b-5).

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

Redundancy aside, there is an inaccurate premise underlying the Taiwan Security Enhancement Act which is stated in "Finding (20)—The current defense relationship between the United States and Taiwan is deficient in terms of its capacity over the long term to counter and deter potential aggression against Taiwan by the People's Republic of China." This premise is undermined not only by U.S. behavior during the last twenty years, particularly in March 1996, and by Taiwan's progress over the two decades since the adoption of the TRA, it also is undermined by the figures on past and current arms sales and deliveries to Taiwan. These sales and/or deliveries have included F-16s, the Patriot missile, Perry- and Knox-class frigates, and most recently early-warning radars. Indeed, many analysts in our U.S. defense agencies argue that Taiwan's problem is absorbing weapons and training an adequate number of personnel to use the equipment already provided. Further, the idea that the August 1982 United States-China Joint Communiqué on U.S. Arms Sales to Taiwan has hamstrung transfers to the island is belied by the figures provided in Appendix A. If one looks at the constant dollar figures in the right-hand column, annual foreign military sales (FMS) deliveries have been much bigger in the 1990s

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

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

than they were in the 1980s, much less the 1970s; this is true even if one does not attach undue importance to the 1997 deliveries that were about 8.5 times the 1981 level because of the delivery of big ticket items, including the first F-16s. In fact, the PRC complains bitterly that U.S. sales have violated the 1982 solemn commitment of the United States.

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

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

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

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

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

- First, the United States must be credible and constant. Beijing launched missiles in 1995-96, in part, because Washington wasn't credible either in terms

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

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

⁶American Assembly, "Taiwan and America: How to Contribute to Peace and Prosperity in Asia and the World," forthcoming American Assembly, summer 1999, p. 7 (draft).

⁷American Assembly, "Taiwan and America: How to Contribute to Peace and Prosperity in Asia and the World," forthcoming American Assembly, summer 1999, p. 15 (draft).

of observing past agreements and understandings with the PRC or in terms of meeting military threats against Taiwan;

- Second, Beijing must believe that time is not working against eventual “reunification.” Concisely, there has to be hope; and,
- Third, Beijing must have a genuine stake in a positive framework of cooperation with America and the West that makes the use of coercion very expensive to its other interests.

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

What is notable from the last two decades’ experience is that Taiwan’s security is most compromised when Washington and Beijing are unable to manage their own bilateral ties effectively. It is no accident that the 1982 Arms Sales Communique was signed at a point of stress in U.S.-China ties; that missiles were fired at another point of stress in the mid-1990s; and that the “Three No’s” (to which I know the Chairman of this Committee is opposed) was promulgated publicly in the aftermath of the mid-1990s problems. In short, an unproductive and conflict-laden U.S.-China relationship is bad for Taiwan’s security because it produces efforts to improve ties that do not always reassure residents of Taiwan. If I could convince my friends in Taiwan of just one thing, it would be that they do not have an interest in hostile U.S.-China ties.

Further, the passage of “S. 693” would reinforce the erroneous but widely held belief in the PRC that the United States is affirmatively dedicated, per se, to Taiwan’s permanent separation from the rest of China. We all should remember that the “One China, Peacefully Achieved, Policy” has not simply been the policy of six successive U.S. administrations, it was fundamental to the Cairo Declaration of 1943 and has been United States policy since at least that time. If Washington is perceived to be moving away from the “One China, Peacefully Achieved, Policy,” Beijing will be even less willing to renounce its threat to use force against Taiwan. In the end, Taiwan’s comprehensive security can only be negotiated across the Strait, not assured by Washington. And, as the Hippocratic Oath suggests, “First do no harm.”

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

What is referred to as “The Plan” in “S. 693” (5-b-1-3 and 5-c) and other portions of the bill, if adopted as law, would constitute a substantial functional reconstitution of the Defense Treaty with Taiwan and would remove a cornerstone from the edifice of normalization between the United States and the PRC. In particular, I have in mind such proposed activities as enhancement of programs and arrangements for operational training and exchanges of military personnel in areas such as doctrine, force planning, and operational methods “between the armed forces of the United States and Taiwan.” Also, the proposed “secure direct communications between the United States Pacific Command and the Taiwan Military Command” move in the same direction.

Beyond the risks that these provisions present to the architecture of normalization with the PRC, I have other reservations about moving in this direction. I noted with interest one of this bill’s co-sponsors (Senator Torricelli) characterization (as reported by Taiwan’s news service, CNA) of the July 9, 1999 interview by Taiwan President Lee Teng-hui⁸ as “not helpful” and the Senator’s well-grounded worry that Taiwan is “running the risk of isolating itself.”⁹ More to the point in the context of the present discussion, however, is the fact that at the same time that America must seek to deter the use of force by the PRC against the people of Taiwan, Washington also must discourage Taiwan from so taking U.S. military support for granted that various political forces on the island feel they can seek to change the status quo with impunity and drag the United States into a conflict that is neither in our interests, in Taiwan’s own interests, in the interests of regional peace and stability, nor is it necessary. To put it most starkly, in seeking to achieve only the

⁸Lee Teng-hui, “Response to Questions Submitted by Deutsche Welle,” July 9, 1999 (Document provided by TECRO).

⁹Central News Agency, Taipei, “US Senator Says Taiwan Risking Isolation in Redefinition of Taipei-Beijing Ties,” in BBC Summary of World Broadcasts, July 17, 1999, FE/D3589/F.

most modest of improvements in a very good status quo, some in Taiwan are not only putting that status quo at risk, they also may be jeopardizing the regional stability that has served everyone in the Pacific Basin so well for the last quarter century. In my view, the increment of gain being sought by some in Taiwan is not worth the risk Americans are being asked to shoulder.

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

4. Another area of concern relates to the bill's provisions with respect to Theater Missile Defenses (TMD)—5-d-1-2. To be talking about "authorizing" the provision of (presumably high altitude) systems that have not yet gone beyond testing or the drawing board is both premature and unwise

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

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

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

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

5. The timing of this bill is particularly unfortunate, given the convergence of the following developments: the uproar over President Lee Teng-hui's July 9, 1999 remarks; the already deteriorated state of U.S.-China relations in the wake of the May 8 Belgrade bombing error; and the anti-American violence in the aftermath of that tragedy

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

6. At this moment in U.S.-China-Taipei relations, Washington ought to be pursuing available opportunities that truly will enhance the security and welfare of all our people—here I have in mind Beijing and Taipei's accession to the World Trade Organization

With the prospect that cross-Strait dialogue will suffer an unfortunate setback because of Beijing's apparent unwillingness to continue the dialogue in light of recent events, it is important that as many avenues for positive cross-Strait interaction be nurtured as possible. It also is important that we not only integrate Beijing into the global free-trade regime under commercially sound conditions, but that we also find ways to constructively involve the people of Taiwan in the institutions of the world order as well. To be frank, Taiwan will in all probability be unable to enter the

WTO unless Beijing does. But, once negotiations with Beijing reach a satisfactory conclusion, both can participate in the world trade body.

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

My principal recommendation is, therefore, very simple. Let's concentrate our efforts in directions that foster positive interaction. There is plenty of time to consider other alternatives should they prove advisable. The major provisions of this bill will neither enhance Taiwan's security or regional stability nor are they consistent with my understanding of American interests.

APPENDIX A

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

(All figures in thousands of U.S. dollars)

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

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

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

The CHAIRMAN. Thank you, sir.

[The following statement was submitted by Senator Helms in response to Dr. Lampton's prepared statement.]

ADDITIONAL STATEMENT OF SENATOR JESSE HELMS

Dr. Lampton's use of statistics on defense sales to Taiwan is highly misleading. In his testimony, Dr. Lampton notes that inflation-adjusted defense sale deliveries to Taiwan are much higher in the 1990's than they were in the 1980's. What he failed to state, and what the statistics he himself provided to the committee display, is that inflation-adjusted defense sale *agreements* with Taiwan have been trending downward since fiscal 1983, the first full year after the signing of the 1982 Communique.

The cuts in agreed defense sales have been particularly sharp during the Clinton administration. In the first four fiscal years of the Clinton administration (1994-1997), defense sale agreements with Taiwan averaged just \$215 million (in 1982 constant dollars). This contrasts to the \$350 million average level of the early 1990's and the \$500-\$600 million level of the early 1980's.

This cut of more than 60 percent since the early 1980's will soon manifest itself in sharply lower defense deliveries to Taiwan. The multi-year lag time between defense agreements and deliveries (which alone accounts for the higher deliveries in the 1990's) is about to catch up with Taiwan, at precisely the time Red China's military buildup kicks into high gear. This trend, if not reversed quickly, will have profoundly negative consequences for Taiwan's, and America's, national security.

The CHAIRMAN. Mr. Woolsey.

**STATEMENT OF R. JAMES WOOLSEY, SHEA & GARDNER,
WASHINGTON, DC**

Mr. WOOLSEY. Thank you, Mr. Chairman. I am honored to be part of this distinguished panel. And I appreciate the chairman's and staff's indulgence, in view of the fact that I have just returned to town, in letting me testify extemporaneously from notes. I will be about the same length as the previous speakers, if that is all right.

I support the Taiwan Security Enhancement Act, Mr. Chairman. I believe that under current circumstances, this package is a reasonable one: the increase in staff at the American Institute in Taiwan, the required Presidential report on Taiwan, defense requests, the reassertion of the primacy of the Taiwan Relations Act over the 1982 communique about arms sales, the enhancement of operational training and exercises, the establishment of secure communications channels between the U.S. and Taiwan military commands, and the authorization—not the mandating—of certain arms sales.

It gives me some pause, I must admit, that this list is somewhat detailed. I served as general counsel to the Senate Armed Services Committee, under Senator Stennis, and have served three times as a Presidential appointee, in the Defense Department, the State Department and the intelligence community, in both Republican and Democratic administrations. And, frankly, I can teach this issue of executive versus congressional prerogatives in the foreign policy arena either round or flat.

But I am generally of the view that detailed implementation is best left to the executive. There may be one or two aspects of this bill that it would be wise to compromise on, as the committee deliberates and the process moves forward.

But I am also quite aware that Lord Bryce said that in this arena of foreign policy, the United States Constitution is essentially an invitation to struggle. And in my judgment, where, as here, the executive branch's policy is both wrong-headed and dangerous, Congress has a duty to the country to try to correct it. And I believe that is what you are trying to do with this bill.

The current situation is, I believe, dangerous. There has been much commentary about the Washington Post editorial this morning. I, too, would endorse it. The PRC has been sending modern fighter aircraft into the Strait. It recently seized a Taiwanese ship. It fired its new ballistic missile, the DF-31, on which, as someone put it, U.S. taxpayers should perhaps be receiving licensing fees.

This has followed the stage-managed damage by bussed-in crowds to attack the United States Embassy in Beijing, a massive crackdown on the threat posed, as Beijing sees it, by middle-aged people who like to do breathing exercises, and the brutal sentencing of those who seek to organize true democracy for China.

I would suggest that although the triggering incidents leading to this series of events seem diverse—our tragic mistake in bombing the Chinese Embassy in Belgrade, President Lee Teng-hui's comment about state-to-state relations being the proper basis for PRC-Taiwan negotiations, and the silent demonstration in Beijing by the Falun Gong sect—the underlying sources of the PRC's behavior are, I believe, essentially two. One, fear of potential political unrest stemming from economic change in China; and, two, U.S. policy itself.

First, the disestablishment of the large state-owned enterprises in China over the long run will bring some economic freedoms, I believe, that will quite possibly help change China and Chinese society and make it more conducive, over time, to political freedoms as well. But in the short run, the unemployment from the disestablishment of those enterprises can lead to substantial instability. And the temptation for any autocracy or dictatorship, in the event of fearing instability, is often to play the card of nationalism. Nationalism is most conveniently, by Beijing, directed against Taiwan.

I believe that it would be excellent if we could see normal trade relations between the United States and China. I was sorry to see the administration delay some months ago the negotiations over the WTO, especially in light of Zhu Rongji's efforts to compromise. In light of some of the criticisms that I am making of the administration for being too lenient with the PRC, I want to say that I believe that with respect to the WTO negotiations, it has been too rigid. It is almost as if the administration were taking a leaf from the Book of Common Prayer: We have left undone those things we ought to have done and we have done those things which we ought not to have done.

Second, although in the above instance I think the administration offered insufficient encouragement to Zhu Rongji and other reformers by its negotiating tactics, in many steps, particularly regarding Taiwan, the administration has essentially appeased the PRC. There really is no other word for it. And thus, in effect, I believe it has encouraged policies of hard-line factions in the PRC, particularly with respect to Taiwan.

I think the administration has done this by reversing its campaign criticism of the Bush administration for being too accommodating to the, quote, "butchers of Tiananmen." It has declared a strategic partnership with Beijing, a phrase that, given the military source and meaning of the word strategic, the vast majority of people would interpret as meaning a de facto military alliance. The President has echoed, in his statement in China, Beijing's formulation of the "three noes," without clearly, at the same time, spelling out that it would be unacceptable for the PRC to use force in the Taiwan Strait.

The administration has subordinated relations with the region's democracies—Japan, South Korea and Taiwan—by acquiescing to PRC pressure, for example, that the President not even visit Japan

on his trip last year to the PRC. The President has spoken favorably of the PRC takeover of Hong Kong as a model for relations between the PRC and Taiwan. The administration has severely restricted arms sales, even I think of clearly defensive systems, to Taiwan. And it has, instead of apologizing once, clearly, for the tragic bombing of the PRC Embassy in Belgrade, apologized so many times at so many levels and so effusively that it has demeaned the currency of diplomatic communications on such a subject.

I believe that the administration also, in some ways most tragically, has maintained a strategic ambiguity about whether or not the United States would protect Taiwan if it were attacked by the PRC. And a number of these steps—somewhat recent ones—have undercut the laudable, if somewhat delayed, dispatch of the two aircraft carriers to the waters near Taiwan in 1996, at the time of the last crisis.

Mr. Chairman, I believe this is a very dangerous stance by the President and the administration, potentially even a tragic stance. When dictatorships see prey such as, for example, Germany viewed Czechoslovakia in 1938, they need to be deterred in order for peace to be protected. The sort of ambiguity the administration espouses was the heart of Britain's and France's position with respect to Germany's eastern neighbors in the 1930's. Needless to say, that policy of ambiguity did not work well.

Probably no one was more surprised than Hitler when the indecisive Western governments that abandoned Czechoslovakia stood by Poland in 1939, and World War II began. And the ambiguity of a number of European powers' guarantees to one another in 1915 famously contributed to the outbreak of World War I.

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

I take the administration's points—in conclusion, Mr. Chairman—that military, U.S.-PRC relations redound to Taiwan's benefit. And I also acknowledge that President Lee Teng-hui's recent remarks, departing from the fictitious, but diplomatically useful one-China formulation, have given Beijing an excuse for saber rattling.

It is worth noting that one of the most skillful and successful diplomats in history, Tallyrand, once said that language was given to man to conceal thought. And however understandable President Lee's comments were in the light of Taiwan's vigorous and free political debate, I would advance the somewhat old-fashioned notion that there are some things best left unsaid by those at the top of government. And I believe that was one of them.

He even exceeded what most of the leaders of the opposition party, whose platform supports independence, have been saying in recent years: that since independence is a reality, one does not need to speak of it. But the key point, Mr. Chairman, came up in your questioning of Assistant Secretary Roth. The best way, in my

view, to have sound relations with a nation like China, the PRC today, is not to be, as you put it, a nervous nelly. We need to be polite and diplomatic, I believe. We need to acknowledge and reward efforts to work with us, such as those that Zhu Rongji made on the WTO negotiations.

But, over the long run, it is very dangerous to meet the aggressive moves of dictatorships against their potential prey with appeasement. Appeasement may buy you some time in the short run. Chamberlain was sure that the sellout of Czechoslovakia at Munich in 1938 would bring peace in our time. It did. But his time only lasted 1 year.

I believe that clear, not ambiguous, American support for Taiwan's right to be protected from the use of force by Beijing is an essential part of maintaining peace in the Taiwan Strait. The administration has turned instead to appeasement and ambiguity. In the interest of peace, the executive branch needs to be brought up short and forced to change what is, I believe, its very short-sighted policy.

This bill can help bring that about, and I would urge that Congress move forward with it.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Four very interesting witnesses. Very colorful. We have another vote in about 15 minutes. I am going to ask one question and one question only, and I would like for any of you to answer it. I have had several of my friends signal me that they like my bill, our bill, Mr. Torricelli's and mine. But they say: "Do not you think that you are provoking the ire of Beijing?" And my retort was that I will be astonished if it did not. I did not want to send them a love letter. I want them to understand that at least there is one Senator who feels that they have gone far enough in kicking around a very fine, independent, free enterprise government.

Now, I do not dispute anything about Beijing's frowning upon it. But my question is, how would you propose that we manage the predictable verbal outrage that will come from Beijing if and when this bill is passed and we have implemented its provisions?

Mr. Allen, Mr. Weinberger? I do not know whether Dr. Lampton will want to part, but he may.

Mr. ALLEN. Mr. Chairman, if I may respond briefly. I have had some experience at being shouted at by Deng Xiaoping in the Great Hall of the People in 1980, when George Bush and I went there. I would say that we have had an unending torrent of abuse, threats and implications imprecations from the People's Republic of China over many years. And we simply listen to that, we reject that which is absolutely outrageous, and we simply do not respond in kind.

Of course there will be a torrent of abuse. There always is. But the torrent of abuse, in terms of the future mistreatment of Taiwan will be infinitely worse if we do not take some action to shore up the administration's dangerously deficient policies.

The CHAIRMAN. Mr. Weinberger.

Mr. WEINBERGER. Well, there are many ways we could respond to the torrent of abuse that is undoubtedly going to flow. We did, I think, the proper thing with that in connection with the Japan-

U.S. security agreement, Senator. We ignored it. We paid no attention to the fact that they objected to our renewing that defense agreement. I hope we will continue that policy of ignoring their objections to our working with Taiwan and Japan on missile defense, which I think we need urgently.

There is one third course, which I took, which may not be recommended. I was being given, when I was over there at their request, working with them to improve their defenses, I was given the standard Taiwan lecture, which is about 45 minutes. And they said I made the most effective response they had ever seen to it. I fell asleep.

So that I think that you are going to have to expect this torrent of abuse. And I think we have to ignore it, because we cannot allow our policy to be dictated or formed by objections that will come from, I think in a totally unfounded way, from this kind of regime.

The CHAIRMAN. Thank you.

Dr. Lampton.

Dr. LAMPTON. I think we not only have to be prepared to respond, but we have to think what response we are going to ask the Taiwan people to have to make. And I think, just objectively speaking, we are going to see capital flight. We are going to see less investment and economic growth in Taiwan. We are going to see higher taxes.

And as much as I am worried about our response, it is, in the end, the people of Taiwan that are 95 miles to 100 miles off the shore of China. And I am more worried about their response and what they can do than us. We have lots of options.

My concern about this bill is the people of Taiwan. And it is their response and their options that I think are going to be jeopardized. Thank you.

The CHAIRMAN. Mr. Woolsey.

Mr. WOOLSEY. I would smile, be friendly and businesslike, work as closely as they are willing to with them on WTO membership and trade matters, and go right about our business. I would not shift as a result of the invective that is sure to come. The invective is worse, and will be worse, because of a number of the indirect encouragements that they have been given over the course of the last several years, I think, by the administration's behavior. But one has to stop some time or it is a continued downhill slope.

So I think we just have to sort of take it and proceed, and try to work with them on whatever we can work with them on.

The CHAIRMAN. Very well. Thank you, gentlemen.

Senator Biden.

Senator BIDEN. Thank you.

Mr. Allen and Secretary Weinberger, do you think that Mr. Woolsey is correct in that we should move forward with WTO with the Chinese, for the PRC?

Mr. ALLEN. I do.

Senator BIDEN. Do you, Mr. Secretary?

Mr. WEINBERGER. I think that when the necessary conditions have been established in mainland China that we have been talking about, it would be acceptable to do that, yes.

Senator BIDEN. But they do not exist now, do they?

Mr. WEINBERGER. They do not exist now.

Senator BIDEN. So right now, you would not—in other words, you do not think the President made a mistake in not going forward with the——

Mr. WEINBERGER. Well, I do not want to go that far, Senator. I think he made a mistake in leading them right up to the well, and thinking he was going to let them drink from it. And then he backed away at the very last minute, after they had made some concessions, which of course now they have completely withdrawn. It may have been that if those concessions had been accepted that the conditions would have changed sufficiently so that we could go ahead with it. But I think the fault was twofold.

It was the fact that they did not change the conditions, but also the fact that we gave, through President Clinton, gave them every reason to believe that they would have the opportunity to enter.

Senator BIDEN. I do not know of three people who know this town and Congress better than the three of you. And I do not know where you all were when this was going on. If any of you think that the President of the United States could have successfully concluded WTO negotiations, no matter what the Chinese said, in the light of the, quote, “stealing of all of our secrets,” unquote, you all are, with due respect, rookies and not the pros I think you are.

I remember getting a phone call from a high administration official, saying they think they can move this deal and close it; what did I think the Congress would do if they did? And I said I thought that Congress would crucify them, and there would be such a backlash that you would see relations pushed back.

I do not know where you guys have been. You might have been out of town during that period. But anyone who wants to go on record as saying you think, if you were heading the administration, that you could have pushed through a WTO that could be purchased up here and bought, I would like you to go on record and tell me.

Mr. WEINBERGER. Well, Senator, let me suggest to you that the Chinese offered a number of concessions only because they had been encouraged by Mr. Clinton to believe that they were going to be admitted to the WTO.

Senator BIDEN. That is correct.

Mr. WEINBERGER. And so, under those circumstances, you certainly would not want to go ahead with it if they were not going to keep those concessions. And no one knew whether they were or not. So, I was in town, if you asked where I was.

Senator BIDEN. In the meantime, there was a little bit of a flap that occurred in town here. I do not think you guys are being fair about that part of it. I respect your position on your disagreement with this administration's relationship with the PRC as it relates to Taiwan. I respect that. And I think you make some valid points.

The only thing you did not bring out was the umbrella. And you are a very colorful fellow, Mr. Woolsey. You are to foreign policy what Griffin Bell has become to constitutional policy. And that is a high compliment. But I do not disagree with—I do not take issue with your grave concern about where this administration is listing, limping, moving, however you want to characterize it. But I think it is a little exaggerated to suggest that there could have been the

possibility of WTO—but, at any rate, I have a number of questions. I will not take the time now.

Mr. WOOLSEY. Senator Biden, you have a point about the confluence of the issuance of the Cox Committee report and the strong public and congressional feeling about the WTO. But that very confluence was a result of some 4 or 5 months of delay within the administration in declassifying the Cox Committee report. If that had been done promptly, one would have had a 4- or 5-month period before Zhu Rongji came here.

So I think there is more in the control of the administration than that. But I think you do have a point with respect to the timing, the way it worked out with the Cox Committee report and the WTO negotiations. It would have been a very bold move, indeed, given all that had happened at that point. But I still rest my case.

Mr. ALLEN. Which may have succeeded, with political courage and the ability to persuade.

Senator BIDEN. You all know Jesse Helms.

Mr. ALLEN. Yes, sir.

Senator BIDEN. I have no further questions.

Mr. WEINBERGER. Senator, I am tempted to point out to you that admission to the WTO could be considered in some quarters as suitable punishment for China.

Senator BIDEN. By the way, I do not disagree with you. I do not disagree with you.

Thank you for your testimony.

The CHAIRMAN. Senator Coverdell.

Senator COVERDELL. Mr. Chairman, I have no questions. I compliment the panel for their remarks. They are very insightful. The entire day has been.

I think this panel has probably more accurately reflected the level of risk than some of the previous panelists have, and have underscored the severe complexity and danger that we are confronted with right now.

I appreciate the chairman having called this group together. I appreciate the panelists. And there is the vote, so I did it exactly right.

The CHAIRMAN. Gentlemen, there goes the voting light.

Senator Kerry, I did not see you come back in.

Senator KERRY. I apologize.

The CHAIRMAN. Proceed.

Senator KERRY. Thank you very much, Mr. Chairman. You were not here when I praised your concern, and expressed my sincere sympathy for the feelings and concerns that I think motivate you to bring this legislation. I did not embrace it in its entirety, but I think something short of it might conceivably be of interest.

And I just wanted to sort that out a little bit with this very distinguished panel. And I welcome all of you back here. I appreciate your input on this very, very much.

One point of view is obviously that we can go ahead and do this, create this relationship that, in a sense, would codify what most people express, both privately and in their ambiguity language, the reality of our relationship is—which is anything less than a peaceful transition is unacceptable. That is the policy.

If that is true, this would, in effect, state that in a more clear way. Which is what the Washington Post, in effect, said we should do somehow.

The question is, obviously, what are the implications of that? Do we trigger something that we then regret? Do we create greater instability, which is what Dr. Lampton has been suggesting we might create? And is there something short of that which might accomplish the goals without the down sides, if there are any?

Address, if you would, perhaps each of you, the sort of “if it ain’t broke, don’t fix it” comment we have heard several times today. Now, I agree with all of you. I think the administration is coming—not all of you, because not everybody has expressed—there are three of you that—they are coming up a little short in this relationship right now. And anybody who does not acknowledge that is glossing over some realities that are dangerous.

But, at the same time, we have gone through three decades of a balance between Taiwan and the PRC that seems to have, in effect, worked, although it is now entering a more complicated stage. Why not find less—and maybe the word provocative is too strong—but why not find less “in your face” ways of perhaps clarifying and strengthening without necessarily upsetting that balance of 30 years? Does that concern you at all, Mr. Secretary Weinberger? And then I will come to Mr. Allen and Mr. Woolsey.

Mr. WEINBERGER. Senator, I think that is a very good question. And I would put to you the fact that I think an act of this kind is needed, because the President of the United States, in June 1998, went to China, went to Beijing, as Mr. Woolsey correctly pointed, did not even bother to stop at Japan on the way. He spent 9 or 10 days there. And during the course of that, he upset the very carefully constructed—artificial, if you like—formulas in the Taiwan Relations Act. The Taiwan Relations Act said that we do not challenge the fact that all Chinese on either side of the Taiwan Strait maintain there is but one China, and that Taiwan is part of China. We understand that. We understand that all parties argue that.

In Beijing, in June 1998, Mr. Clinton said that we do not support independence for Taiwan. We do not support the idea that there are two China’s, or one Taiwan and one China. And he went further and said we do not believe that Taiwan should be a member in any organization for which statehood is a requirement. So he adopted all of the PRC’s demands, gave up our very carefully constructed mechanisms and ideas that we understood both their claims, but we were not associating ourselves with either one, and did it in a single speech for which we got absolutely nothing over there.

It was, I think, a performance that the Washington Post characterized quite correctly—I keep noting with great approval the Washington Post today—they said “that in classic Clinton fashion, the White House tries to have things both ways, denying that U.S. policy has changed when in fact it has, and not for the better.” And they concluded: “Mr. Clinton has sided with the dictators against the democrats. To pretend that this is no change would only heighten its effect.”

When you have that kind of a sea change, Senator Kerry, I think you need a clarification, a clearing up, that is provided for in this act, to make it very clear that we are going to continue doing what was done under the TRA, before the communique and after the communique, and that we are going to do it on a much more specific basis, because the People's Republic of China's armaments and threatening posture make it necessary to be more specific.

So that is why I think we need the bill.

Senator KERRY. Mr. Allen.

Mr. ALLEN. Very briefly, Senator, you mentioned the delicate balance.

Senator KERRY. Can I ask you both, maybe you would address this, because I think it would be helpful for the record. In the joint communique of August 17, 1982, section 5 says: "The U.S. Government attaches great importance to its relations with China, and reiterates it has no intention of infringing on Chinese sovereignty and territorial integrity or interfering in China's internal affairs, or pursuing a policy of two China's, or one China, one Taiwan."

I am having trouble understanding why what the President did—with the exception of the "three noes"—the "three noes" might go further—but other than that, are not they one in the same?

Mr. WEINBERGER. He accepted not only the "three noes," but he also accepted the fact that a communique could override a statute. And that is what I find particularly troublesome.

Senator KERRY. Yes, Mr. Allen.

Mr. ALLEN. My answer is the same, Senator, essentially. But you mentioned the word balance. And my concern is that we are about to become imbalanced. The dynamics have changed.

In that connection, Mr. Chairman, with your permission, I would like to have introduced into the record a recent study by Richard Fisher, entitled "Dynamic Elements in the Cross-Straits Military Balance," if that would be acceptable.

The CHAIRMAN. It will be done by unanimous consent.

[The study, with related documents, referred to is in the appendix on page 63.]

Mr. ALLEN. The second thing I would like to point out very briefly is that I read, to my great consternation, just yesterday—I was out of the country, along with Secretary Weinberger, as a matter of fact—a report in the Washington Times, in which Admiral Dennis Blair, U.S. Pacific Commander in Chief, who was on my staff in the Reagan administration as a young naval officer, said that we should not defend Taiwan if it should declare its independence. He said that Taiwan was, quote, "the t-u-r-d in the punch bowl of U.S.-China relations. And that if Taiwan were to declare independence, I do not think we should support them at all."

Now, this is not administration talk. But it is the kind of thing that upsets people, and certainly would give the Taiwanese great pause. If this is an accurate remark, it is an inflammatory remark. And it just heightens the sensitivity of the Congress, the Senate and the House, and demonstrates that the administration is simply not clear in its policies.

Senator KERRY. Understood. You are raising your hand, Dr. Lampton.

Dr. LAMPTON. I just wanted to address—you were asking what could be done to clarify things without necessarily pursuing this legislation. I would make three very clear statements. I think some clarification is needed. I would, first of all, say, as Speaker Gingrich said when he went to the PRC and Taiwan, no force, period. That would be the end of that statement.

Second, no unilateral independence with U.S. support. I would be equally clear in stating that. And, finally, get talking and start confidence-building measures. And that would be the clarification I would be looking for.

Senator KERRY. We are on the back end of a vote, and I do not want to abuse the process. Let me just say, Mr. Chairman, that I think this is timely, obviously, but it is very important to have this contribution.

The CHAIRMAN. Yes.

Senator KERRY. And I think we really need to think hard about how we are going to pursue a different course from the one we are on now, which I think is adding to the ambiguities and, frankly, ultimately, the instabilities.

Mr. WOOLSEY. Senator, just a couple of sentences.

The CHAIRMAN. Go right ahead.

Mr. WOOLSEY. I was just going to respond to the 30 years balance, and "it ain't broke, don't fix it." The 30 years, most of the 30 years, we had one Communist dictatorship and one autocracy. And in that circumstance, things could be more or less stable, at least after 1969. The changes in the PRC, the economic changes which I describe, and democratization in Taiwan, leading indirectly to statements such as President Lee Teng-hui's, has changed the situation. And it makes it harder for Taiwan and it makes it harder for China, and it makes it harder for us, because our foreign policy is always a mixture of realpolitik and Wilsonianism, and this is now a democracy. These are our folks. And that makes it harder.

Senator KERRY. A very good point. But is not part of the realpolitik also that if you overly link and overly raise expectations, you create a capacity for some, conceivably, in Taiwan to then say, OK, they are so close to us now and so tied in, we are declaring our independence because they cannot do anything about it, and you have in fact invited a greater potential for that confrontation and viability? It is exactly that very dicey balance that we have walked to avoid.

Mr. WOOLSEY. It is exactly that tightrope.

Senator KERRY. And we create an umbrella that we do not mean to create.

Mr. WOOLSEY. That tightrope we were on for a while. And my fear is that the administration has tilted rather hard to falling off the tightrope in one direction.

The CHAIRMAN. Secretary Weinberger, you have the last word.

Mr. WEINBERGER. Yes, Mr. Chairman, I know you are properly trying to get back to a vote. But let me just make one point that I think is critical here. If there is the slightest feeling on the part of the PRC that we would not support Taiwan, that all of this mixing words and metaphors and going back and forth in communiqués and all the rest would lead them to believe that we would not support Taiwan if Taiwan were attacked, is the most

dangerous thing that we could be doing. And that is why I think it is essential to have a bill like this passed, that would make it very clear that we would not only never put Taiwan in that position, but that China should never be under the slightest misapprehension that that might occur.

That is why I think it is so vital that this kind of debate be held, which I compliment the committee for having.

Senator KERRY. Could I ask one question in followup? I think it is a very important one.

The CHAIRMAN. Go ahead.

Senator KERRY. Let us assume we go the road you say. And I agree we have got to change the balance a little. But if we did that, would you be willing to accept the notion that you say we will defend you if you are attacked, but if you declare independence unilaterally, do not count on us; can that be done?

Mr. WEINBERGER. No, I do not think so, Senator.

Senator KERRY. Well, that is the danger.

Mr. WEINBERGER. Because I do not think we are in any position to dictate to a country such as Taiwan, that has been a very good friend of ours and is independent in almost every sense, what they can or cannot do. We cannot decide for them whether they will go for independence.

Senator KERRY. We can decide whether or not young Americans are going to be sucked into something, though.

Mr. WEINBERGER. The independent thing strategically is not to have Taiwan overrun by the People's Republic, and the world know that the United States does not stand by its allies.

Senator KERRY. That was a good discussion.

Thank you, Mr. Chairman.

The CHAIRMAN. We have got to stop sometime.

Thank you, gentlemen, so much for coming. I wish we could go 2 more hours. Maybe we can do that sometime.

There being no business to come before the committee, we stand adjourned.

[Whereupon, at 12:55 p.m., the hearing was adjourned.]

APPENDIX

RESPONSES OF ASSISTANT SECRETARY STANLEY O. ROTH TO QUESTION SUBMITTED FOR THE RECORD

Question 1. The Pentagon report issued earlier this year on the military balance in the Taiwan Strait makes the case that Taiwan has a legitimate need to counter Chinese submarines, has lost its air superiority vis-a-vis China and could thus use help in the air-to-air arena, and has a clear need for missile defense. Why should we not interpret the Administration's opposition to the sale of submarines and AIM-120's to Taiwan, and its reluctance to move quickly on missile defense, as a violation of the Taiwan Relations Act?

Answer. The Administration has steadfastly fulfilled the provisions of the Taiwan Relations Act and has helped ensure the security of Taiwan. In accordance with the act, we have made available to Taiwan those defense articles and defense services necessary to enable Taiwan to maintain a sufficient self-defense capability, in accordance with our judgment of their needs. We have successfully helped Taiwan to satisfy its legitimate defense needs in accordance with the TRA and we will continue to do so.

In making our judgment of which defense articles to sell to Taiwan to meet its legitimate self-defense needs, we consider such factors as the nature of the technology, its impact on Taiwan's security, and the impact of the proposed transfer on U.S. capabilities and technological advantage.

On the question of missile defense, I would note that we have helped Taiwan meet its air defense needs, for example, by selling the Modified Air Defense System (MADS). As I said in my prepared statement, the Administration does not preclude the possible sale of TMD systems to Taiwan in the future. But, making this determination now, when the systems are still under development, and not yet even available to U.S. forces, is certainly premature.

In addition to providing defense systems to Taiwan, we promote peace and security in the region through our forward deployed forces. We have also made it abundantly clear that the United States has an abiding interest in the peaceful resolution of cross-Strait differences. It is clear that Taiwan's security will depend on more than just military factors alone. Peaceful interaction, including dialogue, between Taiwan and the PRC is needed if we are to see tensions reduced.

Question 2. In your testimony, you allude to the fact that the administration has denied certain systems to Taiwan because they are not strictly defensive. Please inform the committee as to how the administration thinks Taiwan might use diesel submarines, AIM-120 missiles, and Aegis systems in an offensive manner.

Answer. Consistent with our policy and the Taiwan Relations Act, we have not approved the release of weapons we believe to be inherently offensive. For example, submarines, because of their capacity for power projection and stealth attack on surface vessels in international shipping lanes, are inherently offensive in character. Instead, we have made available a variety of defensive systems to help Taiwan fulfill its ASW and other mission requirements. We are prepared to discuss this issue with committee staff in conjunction with our assessment of Taiwan's self-defense missions and needs.

Question 3. In your testimony, you raise constitutional concerns over section 4(b) of the S. 693, which requires an annual Report on Taiwan arms sales. Please cite the constitutional clause on which you base this assertion. Please inform the committee as to how section 4(b) is inconsistent with section 3(b) of the Taiwan Relations Act.

Answer. The expression of constitutional concern about section 4(b) of S. 693 reflects the legal conclusion that has been adopted by the Department of Justice as the Administration position. Justice's concern is that the provision will be unconsti-

tutional in certain applications. The basis of this concern is the need to protect the confidentiality that is essential to the Executive's conduct of international negotiations and to avoid improper intrusions upon the President's broad authority to control the disclosure of national security and foreign relations information. The authority to protect military and diplomatic secrets flows from the President's constitutional duties "both as Commander-in-Chief and as the Nation's organ for foreign affairs." *United States v. Nixon*, 418 U.S. 683, 710 (1974) (quoting *C. & S. Air Lines v. Waterman S.S. Corp.*, 333 U.S. 103, 111, (1948). Furthermore, the Supreme Court has recognized that because "[the President's] authority to classify and control access to information bearing on national security . . . flows primarily from this constitutional investment of power in the President [as Commander-in-Chief]," it "exists quite apart from any explicit congressional grant." *Department of Navy v. Egan*, 484 U.S. 518, 527 (1988). Accordingly, Justice has long believed it "clear that the President has the constitutional authority to control the disclosure of the content of [international] negotiations to Congress." *Issue Raised by Foreign Relations Authorization Bill*, 14 Op. O.L.C. 37, 44, (1990); see also, e.g., *The Disclosure of Documents to the House Committee on Government Operations—Boycotts—Export Administration Act*, 1 Op. O.L.C. 269, 270 (1977). We respectfully request that you direct any further questions about the constitutionality of section 4(b) to the Department of Justice.

The requirement for annual reports in Section 4(b) is also unnecessary and redundant. Throughout the year, the Administration briefs the relevant committees on Taiwan's broad defense requirements and on our decisions after the annual talks with Taiwan. We also notify Congress of our decisions to sell major systems in accordance with the relevant provisions of law.

We are ready to discuss ways to improve consultations with Congress on assessments of security factors in the area and Taiwan's self defense missions and needs.

Question 4. The Pentagon informs the committee that it interprets the April agreement "in principle" concerning an early warning radar system for Taiwan as a commitment to sell a radar system, once technical issues are worked out. Does the State Department concur with the Pentagon's interpretation? Does the NSC concur?

Answer. Our policy is to not discuss particular weapons systems being considered for sale to Taiwan. On April 29, A/S Barbara Larkin advised Sen. Helms (as well as Rep. Gilman), in a classified letter, of the Administration's position regarding early warning radar for Taiwan. We have nothing further to add.

Question 5. Is it true that as part of the National Defense University's "Capstone" program that every new American general and admiral has the opportunity to visit China? Is it true that none of these same officers have the opportunity to visit Taiwan?

Answer. No. All flag rank officers attend Capstone, but not all are offered the opportunity to visit China. The program offers officers the chance for international travel to various parts of the world. A few, but not all, go to China. Visits of U.S. flag rank officers to Taiwan would be inconsistent with the unofficial nature of our relationship with Taiwan.

Question 5a. Notwithstanding our unofficial relationship with Taiwan, why should the committee not view it as a contradiction, and perhaps strategically unsound, that our generals cannot visit Taiwan, considering that they may one day have to help defend Taiwan?

Answer. U.S. policy has been effective in ensuring Taiwan security for the last 20 years. The Administration policy regarding high level visits to Taiwan is governed by the 1994 Taiwan Policy Review. Senior DoD officials interact with their Taiwan military counterparts on a regular basis during unofficial visits to the United States.

Question 6. While you were in the PRC recently, did you and/or Mr. Lieberthal remind the Chinese of our precise defense obligations to Taiwan under the Taiwan Relations Act? Did you demarche the Chinese for beginning the latest flare up in air activity over the Taiwan Strait? Also, did you demarche the Chinese over the Falun Gong come up? Please provide the committee with a synopsis of your July meetings in the PRC.

Answer. Senior Director Kenneth Lieberthal and I traveled to China July 22–24 to meet with senior Chinese officials to discuss a variety of subjects. Our talks focused mainly on the current status of cross-Strait relations, our bilateral relationship, and preparations for the scheduled meeting between Secretary Albright and Foreign Minister Tang at the ASEAN Regional Forum (ARF) meeting in Singapore.

We met with Foreign Minister Tang Jiaxuan, Vice Foreign Minister Yang Jiechi and Assistant Foreign Minister Wang Yi, among others.

In discussing Taiwan, Mr. Lieberthal and I echoed comments made by President Clinton and Secretary Albright and reiterated our long-standing policy, as embodied in the Taiwan Relations Act and the three Communiqués. We stressed that the U.S. has an abiding interest in seeing that the issue is addressed through dialogue and is resolved through peaceful means only. The United States would look with grave concern upon any attempt to settle this issue by force. Going beyond the narrow legal language of the Taiwan Relations Act, we made clear that any use of force would have a severe impact on U.S.-China relations and would prompt a reaction by the United States.

Since the accidental bombing of the Chinese embassy in Belgrade on May 8, we have worked hard to resolve a number of crucial issues in the bilateral relationship with China—cross-Strait issues, human rights, China's accession to the WTO being among the most pressing. We visited Beijing to address these issues and attempt to engage the Chinese in a dialogue that had been abruptly halted following NATO actions in the Balkans. It was also important for us on this trip to gauge Chinese thinking immediately prior to a planned meeting between the Secretary and her Chinese counterpart at the ARF meetings.

With respect to the recent crackdown on the Falun Gong group in China, the Chinese sought to justify their actions. While taking note of their views about cults, we expressed our serious concern with the steps they had taken. We encouraged tolerance by their government towards peaceful expression of views, both political and non-political.

Question 7. In your testimony, you stated that we have demarched both Taiwan and Beijing over the latest air sorties over the Taiwan Strait. In addition, throughout your testimony, you repeatedly refer to urging "the parties" or "both sides" to adhere to a peaceful resolution. Does the administration truly believe that Taiwan could be responsible for a non-peaceful resolution of this dispute? Why should the committee not view the administration's policy, as do many observers, as one of moral equivalence?

Answer. Such a view would be inaccurate. We demarched both sides of the Strait, stressing that air activity on both sides carried with it increased chance of miscalculation or accident, and urged both sides to exercise restraint and to begin dialogue. The administration believes that both sides have a contribution to make in ensuring peace and stability in the cross-Strait region.

RESPONSES OF DEPUTY ASSISTANT SECRETARY KURT CAMPBELL TO QUESTIONS
SUBMITTED FOR THE RECORD

Question 1. Since July 9 has there been an increase in activity by the Chinese and Taiwan Air Forces in the Taiwan Strait? Who started this activity, and when? If the answer is China, then why are we insisting on demarching "both sides" and why did you say in your testimony that your greatest concern over these sorties is fear of an inadvertent act. Shouldn't our greatest fear be over China's willingness, now amply demonstrated over the past few years, to use military threats against Taiwan?

Answer. We are aware that there has been an increase in the number of air sorties flown by the People's Liberation Army Air Force and the Taiwan Air Force. China initiated this new round of air activity in response to Taiwan President Lee Teng-hui's 9 July 1999 remarks redefining the formula for cross-Strait ties as "special state-to-state." We urged both sides to exercise restraint, avoid actions that risk accidents, not to take actions that make meaningful and substantive dialogue more difficult, and to resolve their differences in a peaceful manner.

Question 2. Does this air activity pose a threat to Taiwan? What has the United States done militarily, or does it plan to do militarily, to counter this threat if necessary?

Answer. In evaluating the threat to Taiwan, one must examine both the capability and intentions of the Chinese People's Liberation Army (PLA). PLA Air Force capabilities likely will grow over time. PRC intentions with regard to the use of force against Taiwan are not clear. The PRC and Taiwan emphasize peaceful approaches to the resolution of their differences. Beijing, however, has not abandoned the possible use of force under certain conditions. The United States expects Beijing to continue its commitment to a peaceful resolution of their differences with Taiwan, and considers such commitments in the interests of the PRC, Taiwan, and all of the na-

tions of the Asia Pacific region. The United States remains committed to the provisions of the Taiwan Relations Act.

Question 3. What is the total Chinese sortie count to date? What is the average daily sortie rate since 9 July?

Answer. [Deleted].

Question 4. Did the Chinese Air Force fly up to the mid-line of the Taiwan Strait in 1995 and 1996? Are current flights up to the mid-line of the Taiwan Strait unprecedented in the last year, the last decade, or the last three decades?

Answer. [Deleted].

Question 5. Does China's detaining a Taiwanese merchant ship on its way to one of Taiwan's offshore islands portend any possible hostile Chinese intent toward any of the offshore islands? Is it possible that China could attack these islands?

Answer. [Deleted].

Question 6. When will the recently postponed air defense delegation be sent to Taiwan?

Answer. [Deleted].

Question 7. Could you please inform me how many Chinese short range ballistic missiles the People's Liberation Army maintains in areas near Taiwan? How many land-attack cruise missiles do you expect the PLA to have by 2005? By 2010?

Answer. [Deleted].

Question 8. When do you expect the Chinese Air Force to take delivery of the Russian Su-30 attack fighter?

Answer. [Deleted].

Question 9. When do you expect the Chinese Navy to take delivery of the Russian Sunburn supersonic anti-ship missile? Does the Taiwan Navy have the means to defend against the Sunburn?

Answer. [Deleted].

Question 10. Does the Taiwan Air Force have the means to interdict Chinese long-range surface-to-air missiles that could be moved near the Taiwan Strait?

Answer. [Deleted].

Question 11. Is China developing a terminally guided warhead for the DF-21 missile or for any ballistic missile? If yes, and such a warhead were to be armed with a radio frequency or EMP warhead, could such a missile disable the U.S. 7th Fleet? If there is now, or if there were to be such a Chinese missile program, would that increase the U.S. requirement for Theater Missile Defense in Asia?

Answer. [Deleted].

Question 12. Does the Taiwan Air Force have a helmet sighted air-to-air missile like the Chinese Air Force has for its Su-27 fighters? If not, how does this lack of capability effect Taiwan's air defense capabilities? When will the United States have a helmet sighted missile to sell Taiwan?

Answer. [Deleted].

Question 13. In March, our Commander of U.S. Forces Pacific, Admiral Blair, was quoted as saying that China does not represent a military threat to U.S. interests. This implies either that China represents no threat to Taiwan or that Taiwan is not a U.S. interest. Does the rest of the Pentagon concur with Admiral Blair's view?

Answer. Our fundamental interest in the Taiwan Strait is stability and peaceful resolution of differences. It is understood that as long as Taiwan has a capable defense, the environment will be more conducive to peaceful dialogue, and thus the whole region will be more stable. The Department of Defense is serious about its responsibilities under the Taiwan Relations Act. We provide for Taiwan's defense not only because it is mandated by U.S. law in the TRA, but also because it is in our own national interest.

Question 14. Please provide for the committee a list of planned military exchanges with Taiwan for 1999, or a list of actual exchanges from 1998, in classified form if necessary. Please provide this list in a format similar to that of the Pentagon's "Game Plan for Sino-U.S. Defense Exchanges" that was provided to the committee in February 1999.

Answer. We would be pleased to brief you and members of your staff on past and anticipated future activities with Taiwan's defense establishment.

Question 15. On August 2 Wen Wei Po listed the DF-25 as a missile in the Chinese inventory. Most analysts had considered this missile program terminated and it is generally not listed in the Chinese order of battle. Does China have the DF-25? If so, how many? What are its characteristics and capabilities? Can this missile

be used against Taiwan? Why has this missile been assumed not to be in the Chinese arsenal?

Answer. [Deleted].

DYNAMIC ELEMENTS IN THE CROSS-STRAITS MILITARY BALANCE

(Prepared for the International Forum on The Peace and Security of the Taiwan Strait)

(By Richard D. Fisher, Jr.)

SUMMARY

Continuous evaluation of the military balance between China and Taiwan remains a vital exercise undertaken by all parties with an interest in either preserving or changing the status quo. This process has been assisted by recent reports to the Congress by the U.S. Department of Defense. This paper examines five dynamic elements in determining the future military balance between China and Taiwan.

First, it is necessary to note that China's developing missile-based reconnaissance-strike complex poses perhaps the most profound threat to the military balance on the Taiwan Strait and in Asia generally. China is quickly gathering large numbers of very accurate short-range ballistic and cruise missiles. An information network of new imaging and radar satellites, AWACS and ELINT aircraft will support the rapid targeting of missiles. For Taiwan, this places a growing priority on obtaining an effective missile defense or quickly building a deterrent. Laser-based defenses hold the best long-term prospects for an assured defense against Chinese missiles. China is also making progress in assembling information and electronic warfare assets. Particularly troubling is China's interest in radio frequency weapons. While Taiwan is credited with a large civilian computer and software infrastructure it is not clear that Taiwan has developed as serious an information warfare effort as China's.

China's air force is growing at a sustained pace, with the eventual goal of creating an all-weather strike force. The acquisition of Russian Sukhoi fighters is to be followed by fighter-bombers. These will be armed with modern anti-air and precision attack munitions, and supported by AWACS, ELINT and electronic warfare aircraft. Taiwan faces a real challenge to maintain its technical edge in the air. It requires more and defensible AWACS, active-guided air-to-air missiles, and helmet-sighted missiles. ROC air bases also need greater protection as Taiwan considers the future purchase of V/STOL aircraft to better assure survivability.

The naval balance on the Taiwan Strait is most affected by China's steady acquisition of new Russian and domestic submarines. Russian technology is assisting the development of a new generation of Chinese nuclear attack submarines. China is demonstrating greater competence in modern large surface combatant design. China's near imminent acquisition of the Russian Moskit Anti-ship missile presents a threat that Taiwan cannot defeat. Taiwan's navy has an urgent need for its own submarines and for Aegis radar to help defend against the Moskit and China's ballistic missiles targeted on navy bases.

A final dynamic is the future role of the United States. Will Washington curtail its support for Taipei as its democratic politics increasingly prove the inadequacy of the "One China" policy, or will the U.S. instead continue to support and arm a democratic polity exercising self-determination? The Clinton Administration clearly supports the "One China" formulation, while powerful Congressmen are beginning the debate over selling Taiwan a future generation of weapons. To sustain deterrence on the Taiwan Strait, and to reduce the threat of war, it is critical that the U.S. sell Taiwan anti-missile, submarine, and air combat systems that it needs to respond to China's military modernization. In addition, the U.S. needs to formulate a better military-to-military relationship with Taiwan. And Washington must invest in future-generation military technologies and build sufficient modern weapon systems to deter Chinese attack against Taiwan.

INTRODUCTION

Continuous evaluation of the military balance between the Republic of China and the People's Republic of China remains a vital exercise undertaken by all parties with an interest in either preserving or changing the status quo. This interest is reflected in the very rich open-source literature that constantly evaluates both broad

and specific elements in this evolving military balance.¹ But in recent months, largely in reaction to U.S. Congressional mandates, the U.S. Government has made an unusually detailed contribution to this literature in the form of three reports to the Congress.² To these largely value-free analyses, the report of the Cox Commission released on May 25 added a clear message that China's military build-up posed a challenge to the United States and its Asian friends and allies.

These U.S. reports, plus numerous other information sources, suggest that China's People's Liberation Army (PLA) is making steady progress in acquiring the space, missile, air and naval forces necessary to pose a credible military threat to Taiwan. By the middle of the next decade the PLA could make substantial progress in acquiring new forces that could immobilize and even temporarily isolate Taiwan. Furthermore, these same new PLA forces could deter the United States from coming to Taiwan's assistance as envisioned in the 1979 Taiwan Relations Act. Avoiding this prospect requires that Taiwan obtain a credible missile defense, advanced information systems, submarines, advanced tactical missiles, and perhaps even an offensive strike capability. It also requires that the U.S. make very rapid progress in establishing an Asian missile defense network, creating defensible information assets, upgrading its air combat forces, augmenting its Asian naval power and greatly improving military-to-military contacts with Taiwan.

These requirements create dilemmas in both Taipei and Washington. For the U.S., these measures may further strain already poor relations with Beijing and it is not clear Washington will receive regional support. But absent such U.S. arms sales, Taiwan may be forced to consider acquiring deterrence based on ballistic missiles or other weapons—itsself a destabilizing prospect. The balance of this paper is a brief and blunt examination of specific dynamic military elements in which the PLA is improving its ability to threaten Taiwan, the manner in which Taipei is responding to these threats, and how the U.S. can better assist Taiwan.

DYNAMIC ELEMENT #1: MISSILES AND SPACE

Unlike its air and naval weapon sectors, China's missile and space sector exhibits growing technical competence and receives generous funding support.³ China's most profound challenge to the balance of power on the Taiwan Strait, or in Asia generally, is the PLA's developing "reconnaissance-strike complex" of highly accurate ballistic and cruise missiles, combined with multiple layers of long-range sensors. By 2005, China's developing missile forces will pose a grave threat to Taiwan. Future Chinese satellites and AWACS aircraft likely will be able to provide constant targeting data for missile strikes by GPS-guided short-range ballistic missiles and new cruise missiles to attack airfields, secondary airfields, ports, military command posts, and major government buildings. Missiles and cruise missiles armed with Radio Frequency warheads could attack communication and power grids to sow chaos among the population. American military facilities in Japan and Okinawa—the likely redoubt of forces first to assist Taiwan—also would be vulnerable to new

¹ Though by no means an exhaustive list, recent literature includes: Richard A. Bitzinger and Bates Gill, *Gearing Up For High-Tech Warfare? Chinese and Taiwanese Defense Modernization and Implications For Military Confrontation Across the Taiwan Strait, 1995-2005*, Center For Strategic and Budgetary Assessments, February, 1996; Chong-Pin Lin, "The Military Balance In The Taiwan Straits," in David Shambaugh and Richard H. Yang, eds., *China's Military In Transition*, Oxford: Clarendon Press, 1997, pp. 313-331; Alexander Chieh-cheng Huang, "Taiwan's View of Military Balance and the Challenge It Presents," in James Lilley and Chuck Downs, eds., *Crisis In The Taiwan Strait*, Washington, D.C.: National Defense University and The American Enterprise Institute, 1997, pp. 279-302; Richard Fisher, "China's Arms Require Better U.S. Military Ties With Taiwan," *Heritage Foundation Backgrounder No. 1163*, March 11, 1998; Robert Karniol, "Strong and Self-Reliant," *Jane's Defence Review*, July 8, 1998, pp. 22-27; "The changing face of China," *Jane's Defence Review*, December 16, 1998, pp. 22-28; Anthony Leung, "The Fortress Revisited," *Military Technology*, March, 1999, pp. 71-80; Mark Daly, "Democracy is Taiwan's best shield against China's threat," *Jane's International Defense Review*, April, 1999, pp. 24-29.

² Department of Defense, "Future Military Capabilities And Strategies Of The People's Republic Of China," Report to Congress Pursuant to Section 1226 or the FY98 National Defense Authorization Act, September 1998; "The Security Situation In The Taiwan Strait," Report to Congress Pursuant to the FY99 Appropriations Bill, February 1999; *Report To Congress On Theater Missile Defense Architecture Options In The Asia-Pacific Region*, April 1999.

³ For a comprehensive analysis of China's missile and space ambitions, its current projects, and the structure of the missile and space industries, see Major Mark A. Stokes, "China's Strategic Modernization: Implications For U.S. National Security," FY97 Research Project Under Auspices of USAF Institute For National Security Studies, October 1997 (revised July 1998). An updated version of this paper is to be published by the U.S. Army War College.

medium-range ballistic missiles armed with terminally guided warheads and future long-range cruise missiles.

New PLA Ballistic and Cruise Missiles

A media sensation was created in February when it was leaked from the classified version of the February U.S. Department of Defense Taiwan Straits report that China intended to build 650 of the DF-15 and M-11 short-range ballistic missiles for use against Taiwan.⁴ Taiwan's Ministry of Defense has stated that China currently has 100 M-series missiles. The DF-15 is a sophisticated missile that uses warhead shaping to make radar detection more difficult and a second stage to confuse anti-missile radar. But it may soon get better. At the 1996 Zhuhai show, the author was told that GPS technology was being used to improve the accuracy of the short-range DF-15 missile, and the Pentagon now notes that the DF-15 and M-11 "are expected to incorporate satellite-assisted navigation technology to improve their accuracy."⁵ One Chinese article says a combined GPS/inertial guidance system "can raise impact accuracy by an order of magnitude."⁶ For the DF-15 this could mean improved accuracy from a 300-meter radius to a 30-meter radius. Similar guidance upgrades could also be used to improve the M-11, which sources in Taiwan believe will go to Army units, whereas the DF-15 is controlled by the Second Artillery. Currently, the Second Artillery has one Battalion of DF-15s in the Nanjing Military Region opposite Taiwan, and is thought to be building another. A Battalion of M-11s is thought to be building up for the Army. One Battalion is thought to be able to salvo-launch 36 to 48 missiles simultaneously.

Though less noted, China is improving the 1,125-mile range DF-21 ballistic missile, whose high speed makes it very difficult to intercept. The Second Artillery may have more than 80 of this solid-fueled missile, which is both road- and rail-mobile.⁷ *Jane's Defence Weekly*, citing Japanese military sources, reports that China recently fielded an advanced version of the DF-21, known as the DF-21X.⁸ This new DF-21 may have a new highly accurate warhead that uses navigation satellite data like the U.S. GPS network or radar guidance technology.⁹

As seen in the case of SRBMs, the Second Artillery and other PLA services are likely to have their own land attack cruise missiles now in development. The Pentagon has noted that development of land-attack cruise missiles for theater and strategic missions has a "relatively high development priority" for China and that initial versions "should be ready early in the next century."¹⁰ China's first new land-attack cruise missile is reported by one source to be the 240-mile range YJ-22,¹¹ an advanced development of the C-802 anti-ship cruise missile but with a straight wing and likely a better engine. A long-range strategic version of this cruise missile, similar in capability to early U.S. Tomahawk cruise missiles, will likely enter service after 2005.

Although many new Chinese ballistic and cruise missiles have the option of carrying a small nuclear warhead, China is placing great emphasis on developing powerful non-nuclear warheads. Mounted on new, much more accurate ballistic and cruise missiles, such warheads make possible long-range precision strike missions without recourse to nuclear weapons, thus reducing the prospect of nuclear retaliation.

⁴ These numbers were first revealed in Tony Walker and Stephen Fidler, "US fears on China missile build-up," *The Financial Times*, February 10, 1999, p. 1. Informed sources have told the author that these numbers are indeed in the classified version of "The Security Situation In The Taiwan Strait."

⁵ "The Security Situation In The Taiwan Strait," p. 5.

⁶ Wang Yonggang and Yuan Jianping of Northwestern Polytechnical University, Xian, and Wang Minghai of the Second Artillery Engineering College, "Preliminary Investigation of GPS/INS Integrated Scheme for Ballistic Missiles," *Hangtian Kongzhi (Aerospace Control)*, June 1996, pp. 25-28.

⁷ "Army General Comments on PRC Simulated Missile Exercise," *Tzu-Li Wan-Pao*, January 27, 1999, p. 2, in FBIS-CHI-99-027.

⁸ Paul Beaver, "China Prepares to Field New Missile," *Jane's Defence Weekly*, February 24, 1999, p. 3.

⁹ That China was working on a new, possibly terminally guided warhead for the DF-21 was first revealed to the author at the 1996 Zhuhai Airshow by an engineer from the Beijing Research Institute for Telemetry, which develops advanced guidance systems. See Richard D. Fisher, Jr., "China's Missile Threat," *The Wall Street Journal*, December 30, 1996, p. A8. Chinese interest in a missile with a Pershing II capability can also be inferred from Chinese literature, see, Zhu Bao, "Developmental Prospects for Surface to Surface Missiles," in Xu Daxhe, ed., *Review On Ballistic Missile Technology*, China Aerospace Corporation, Science and Technology Bureau, 1998, pp. 9-19.

¹⁰ *Future Military Capabilities*, p. 4.

¹¹ "CHINA: Ying Ji-2 (C-802)," *Jane's Defence Weekly*, September 9, 1998, p. 75.

China is developing Radio Frequency (RF) weapons¹² that simulate the electromagnetic pulse created by nuclear explosion, which has the effect of wiping out computer and electronic systems. A RF-armed missile might be able to disable a communication grid or a warship without causing great casualties. China is also interested in building cluster munitions for ballistic or cruise missiles that could disable airbase runways. Such cluster warheads eventually could arm medium and short-range ballistic missile or future land-attack cruise missiles.

Anti-Missile, Anti-Satellite, and Space Information Systems

China's government loudly protests U.S. anti-missile plans but says almost nothing about its own anti-missile or anti-satellite programs, or its space warfare plans. The PLA is aware of the need to defend against opposing missiles and of the need to exploit the U.S. military's high dependence on reconnaissance and communication satellites.¹³ PLA literature on future warfare acknowledges the need for a range of systems to deny the enemy's use of space.¹⁴ Engineering reports thought to be co-authored by the head of the China Aero Space Corporation's 2nd Academy, which manufactures surface-to-air missiles, indicate that China may be developing anti-missile or anti-satellite systems.¹⁵

According to Chinese officials interviewed at the 1998 Zhuhai Airshow, China will complete in two years a new version of the FT-2000 surface-to-air missile that could have an anti-tactical ballistic missile (ATBM) capability. The FT-2000 utilizes a passive guidance system designed to home in on electronic warfare aircraft like the U.S. EA-6B Prowler. The next version of the FT-2000 will use active-guided radar and be similar in performance to the Russian Fakel S-300PMU, which China purchased in 1991. These missiles may be related to China's HQ-9 surface-to-air missile program, which sought to marry guidance and command technology from the Russian S-300 and missile-seeker radar from the U.S. Patriot missile. A U.S. source has told the author that China does indeed have an example of the Patriot; at the 1997 Moscow Airshow, an official with a Russian missile design bureau told the author that the HQ-9 will use the same guidance frequency as the Patriot.

Last year the Pentagon reported to Congress that "China already may possess the capability to damage, under specific conditions, optical sensors on satellites that are very vulnerable to damage by lasers. However, given China's current level of interest in laser technology, it is reasonable to assume that Beijing would develop a weapon that could destroy satellites in the future."¹⁶ China has invested heavily in its own laser programs but may also benefit from foreign technology. China is recruiting Russian laser technicians, and Chinese engineers appear to be familiar with current U.S. military laser developments and with the potential for lasers to destroy or disable targets.¹⁷

As it seeks the means to deny space to future adversaries, China is also seeking to better exploit outer space for military missions.¹⁸ China is developing new military satellites for high-resolution imaging, radar imaging, signal intelligence (SIGINT) collection, navigation and communication. At the 1998 Zhuhai Airshow China announced it would launch six reconnaissance satellites: four imaging satellites and two radar satellites. When in orbit, this network will give China coverage of Asia twice daily for regular imaging and once daily for radar images. Radar satellites can penetrate cloud cover and are very useful for finding naval formations

¹² *Future Military Capabilities*, p. 6.

¹³ A U.S. Army war game was said to demonstrate the high vulnerability of U.S. forces in the event of any loss of satellite capabilities. See Sean D. Naylor, "U.S. Army War Game Reveals Satellite Vulnerability," *Defense News*, March 10-16, 1997, p. 50.

¹⁴ See Ch'en Huan, "The Third Military Revolution," *Contemporary Military Affairs*, March 11, 1996, in Michael Pillsbury, ed., *Chinese Views Of Future Warfare* (Washington, D.C.: National Defense University Press, 1997), p. 394; and Major General Zheng Shenxia and Senior Colonel Thang Changzhi, "The Military Revolution In Air Power," *China Military Science*, Spring 1996, in Pillsbury, ed., p. 299.

¹⁵ Yin Xingliang and Chen Dingchang, "Guidance and Control in Terminal Homing Phase of a Space Interceptor," *Systems Engineering and Electronics*, Vol. 17, No. 6 (1995); Yin Xingliang, Chen Dingchang, and Kong Wei, "Tesoc Method Based on Estimated Value Theory for a Space Interceptor in Terminal Homing," *Systems Engineering and Electronics*, Vol. 17, No. 8 (1995), abstracted in *Chinese Aerospace Abstracts*, Vol. 9, No. 1 (1996), p. 49. Chen is thought to be the head of the SASC 2nd Academy.

¹⁶ *Future Military Capabilities*, p. 9.

¹⁷ See article by Guo Jin of the China Aero Space Chanchun Institute of Optics and Fine Mechanics in *Guangxue Jingmi Gongcheng [Optics and Precision Engineering]*, February 1996, pp. 7-14, in FBIS-CST-96-015, February 1, 1996, on the Internet; Ding Bo, Xi Xue, and Yan Ren, "Beam Energy Weaponry, Powerful Like Thunderbolts and Lightning," *Jeifangjun Bao*, December 25, 1995, p. 7, in FBIS-CHI-96-039, February 27, 1996, pp. 22-23.

¹⁸ Richard D. Fisher, Jr., "China Rockets Into Military Space," *The Asian Wall Street Journal*, December 28, 1998, p.6.

at sea. As does the U.S. military, China will also likely seek to integrate access to commercial satellite imaging into its military operations. China has long been a customer for French SPOT satellite images. China is also developing signal and electronic intelligence satellites which can also be used, in conjunction with information from imaging satellites, to provide targeting data for missiles, aircraft and submarine missions. Not content to rely on foreign navigation satellites, like GPS or its Russian counterpart, called GLONASS, China is also developing its own navigation satellite network. At the Zhuhai Airshow China announced that a future navigation satellite network will be based on small satellites—which are less expensive, easier to launch, and can be replaced quickly.

Taiwan's Missile Dilemma: Defense and Deterrence?

Taipei's response to China's developing missile threat has stressed defensive systems. But there are doubts about the validity of reliance on defensive systems and there is clear interest in developing deterrence based on an offensive capability such as missiles. The Patriot PAC-2+ anti-tactical ballistic missile systems that Taiwan purchased starting in 1994 may be capable of intercepting small numbers of DF-15s. But it may not be capable of intercepting potential salvos of 100 or more missiles. This is certainly the case if Taiwan does not receive the AN/BOND long-range phased-array radar that was the subject of a White House/State Dept. vs. Defense Department/Congress debate last April leading up to the annual U.S.-ROC arms talks.¹⁹ This radar is needed to provide long-range cueing to allow the Patriot system time to calculate interceptions in sufficient time. The ROC Navy is also anxious to acquire Aegis radar-equipped destroyers that could also eventually play a role in defending against PLA missiles but the U.S. has not yet decided to sell Taipei these ships.

Recent reports to the Congress openly acknowledge Taiwan's requirement for missiles defense—and their potential inadequacy. The DoD Asian missile architecture report notes that for lower-tier coverage or defense against DF-15 or M-11 missiles, Taiwan would need 12 land-based or 11 sea-based anti-missile batteries. But these cannot defend against faster, longer-range missiles like the DF-21. For longer-range missiles, Taiwan would need either one land or sea-based upper-tier class anti-missile system.²⁰ However, the U.S. DoD Taiwan Straits report flatly acknowledges that missile defenses alone may not be enough. It states: "Exclusive reliance on active missile defenses and associated BM/C3I, however, will not sufficiently offset the overwhelming advantage in offensive missiles which Beijing is projected to possess in 2005."²¹ This and the expected expense, perhaps US\$ 9.23 billion over 8 to 10 years,²² likely propel Taipei's interest in offensive system-based deterrent options.

Taiwan has long harbored the option to develop offensive ballistic and cruise missiles and has the capability to do so. The Tien-Ma missile program may have been suspended in the mid-1990s due to U.S. pressure. This program could be revived, or the Hsiung Feng II anti-ship cruise missile could form the basis of a longer-range land attack system. But for Taiwan to be able to attack mobile and well-concealed DF-15s or M-11s, it will need very capable real-time detection and targeting systems like satellites or airborne synthetic aperture radar (SAR) systems. Taiwan's Rocsat II, which which was slated to be developed in cooperation with Germany's DASA, may have a 2 meter resolution—which could be very useful for military missions.²³ However, this project may fail due to opposition from Beijing.²⁴ But even if this program is successful, finding concealed missiles may require much higher resolution. And given the PLA's emerging anti-satellite capability it would behoove Taipei to seek airborne platforms like unmanned aircraft that can carry powerful SAR systems like the U.S. Global Hawk, now in development. Another deterrent-oriented solution for Taiwan would be to equip its F-16 or Mirage-2000 fighters

¹⁹See April 19 letter from Congressman Ben Gilman to President Bill Clinton; Taiwan Central News Agency, "MND Official: US Should Sell Long-Range Radar To Taiwan," April 24, 1999; Richard Fisher, "Taiwan's radar imperative," *The Washington Times*, April 28, 1999, p. A16.

²⁰ *Report To Congress On Theater Missile Defense . . .*, p. 14.

²¹ *The Security Situation In The Taiwan Strait*, p. 6.

²²Central News Agency, "TMD To Cost Taiwan \$9.23 Billion Over 8-10 Years," March 24, 1999.

²³"China may hit Dasa over development of high-resolution satellite for Taiwan," *Jane's Defence Weekly*, April 14, 1999, p. 22.

²⁴Recent reports indicate Taiwan may withdraw from this deal with DASA due to Beijing's pressure on DASA not to fulfill its contract, "ROCSAT-2 Contract Faces Cancellation," reported on the "Go Taikonauts" web page, www.geocities.com/CapCanaveral/Launchpad/1921/news.htm, accessed on July 19, 1999.

with precision ground-attack systems. These might be less politically provocative than missiles.

What often does not enter the debate over Taiwan's missile defense/deterrent options are laser-based defensive systems. This is due mainly to the fact that no laser anti-missile system exists or is in development that would meet Taiwan's needs. But this, in turn, is due largely to the unwillingness of the mainstream U.S. Pentagon-industry combine to place a priority on laser systems over existing missile-based systems. The near-term laser program, the Tactical High Energy Laser (THEL) came about after Israel concluded that only a laser could defeat a massive artillery rocket attack over the Golan Heights. Israel then convinced the U.S. to fund the THEL program, which could demonstrate a shutdown as early as later this year, and be deployed within three years. Taiwan would require a much more powerful laser capable of two million watts of power. Laser advocates point to the U.S. Navy's Mid-wave Infrared Chemical Laser (MIRACL) as proof of the U.S. ability to build such a high-power laser.

It is also necessary for Taiwan to consider what can be done to expand passive missile defense capabilities. Improving hardened aircraft shelters, building such shelters for important ships, placing key command centers or even air force or army bases underground, and expanding civil defense systems can decrease the effectiveness of PLA missiles.²⁵ Such measures also strengthen deterrence by demonstrating national resolve.

DYNAMIC ELEMENT #2: INFORMATION WARFARE

Perhaps the second most important dynamic element that is receiving a great deal of PLA investment is information warfare. For China this form of warfare offers potential asymmetric advantages that can exploit a growing U.S. and ROC dependence on high-tech information systems for military and civil activities. Information warfare can be roughly described as a spectrum of activities that seek to maximize and secure one's own information sources, while also seeking the means to disrupt, disable or destroy the enemy's information sources. Last year the Pentagon noted that the PLA had "shown an exceptional interest in information warfare and has begun programs to develop IW capabilities at the strategic, operational and tactical levels as part of its overall military modernization effort."²⁶ In the area of Information Operations, China is said to be developing the means for "Computer Network Attack" directed against Taiwan, as well as means to defend its own computer networks.

At the destructive end of the spectrum, China's laser ASAT program addresses a key U.S. vulnerability: growing dependence on satellites for the success of military operations. If U.S. satellites are even temporarily disrupted in the Taiwan area of operations that would have a grave effect on the U.S. ability to assist Taiwan militarily. China's future laser-ASAT capability also serves to negate Taiwan's expensive investment in imaging satellites—unless Taipei is allowed access to U.S. satellite camouflage techniques for its future satellites.

As already noted, China also sees the need to exploit space to expand its military information capabilities. In addition to developing new imaging and radar satellites, it is known that China uses a variety of European, Indian, Russian and even U.S. satellite imaging sources. And as the U.S. is now doing, China can be expected to incorporate commercial imaging into its military operations. These sources will be combined with new airborne intelligence platforms. The PLAAF is building two airborne early warning platforms, the Y-8/Searchwater and the A-50/Phalcon AWACS. In addition, China is modifying Tu-154 transports for ELINT/EW operations.

But these information sources need a secure satellite communications network. At present the PLA lacks its own dedicated modern satcom network. However, at the Zhuhai Airshow China revealed new mobile military very small aperture terminal (VSAT) satellite receiver/transmitters.²⁷ In this connection, the Pentagon notes that China's military communications satellite network is inadequate, and that in a crisis, "the military could preempt the domestic satellite system for combat operations."²⁸ If it did so, the PLA could possibly have access to at least four U.S.-made communication satellites operated by the Asia Pacific Telecommunications Company, and the China Orient Telecom Satellite Company, both of which were linked

²⁵ For a discussion of Taiwan's passive defense options see, Tang Shi Yun, "The Comments of TMD for Taiwan," *Defense Technology Monthly* (Taipei), May, 1999, pp. 100-107.

²⁶ *Future Military Capabilities*, p. 5.

²⁷ Brochure Nanjing Research Institute of Electronics Technology, "3M Offset-Fed Satcom Antenna."

²⁸ *The Security Situation In The Taiwan Strait*, p. 15.

to the Commission of Science, Technology, and Industry for National Defense (COSTIND).²⁹

Down to Earth, the PLA is improving its overall electronic warfare capabilities. China is reported to be co-producing the Russian Zvezda Kh-31P anti-radiation missile, known as the KR-1.³⁰ The Kh-31P was designed by Russia to counter the radar of the Patriot surface-to-air missile, which Taiwan has already purchased, and the U.S. Aegis radar³¹ that Taipei would like to acquire. At the 98 Zhuhai Airshow China revealed its first aircraft electronic intelligence (ELINT) and electronic jamming pods. Modern naval combatants like the Luhai and Luhu exhibit extensive electronic warfare systems. At the 1997 Moscow Airshow the Russians revealed a new GPS jamming device said to be effective for diverting U.S. GPS-guided munitions—such as those used to great effect recently in Yugoslavia. One can reasonably presume Chinese interest in this technology.

China has also shown an interest in stealth and counter-stealth. At the 1998 Zhuhai Airshow a private company was selling stealth coatings and computer programs to aid stealth shaping. Radar reflective coatings could be applied to numerous missiles, aircraft and ships. It can be expected that new Chinese land-attack cruise missiles will benefit from stealth coatings. There are some reports that a new PLA Navy destroyer, the "Yantai," utilizes stealth coatings.³²

More ominously, the 1998 Zhuhai show revealed that China may be already be marketing a counter-stealth radar. Institute No. 23 of the former China Aerospace Corporation, claiming "high anti-stealth capability" was marketing such a radar, called the J-231.³³ While the author cannot verify the performance claims of this radar, if true, then China would possess a system that could begin to negate an area of extensive U.S. investment. Stealth pervades future U.S. weapons systems. Inexpensive anti-stealth radar, if it worked, would undermine an area of technology upon which the U.S. is placing greater dependence.

An area of PLA concentration that could yield great benefits in the future is that of enhanced radiation or directed radiation weapons. These are considered by the U.S. to be "future generation" weapon systems. China has also identified radio frequency (RF) weapons as necessary for future warfare³⁴ and may have obtained information on U.S. RF weapon efforts as a consequence of its espionage in U.S. nuclear weapons laboratories.³⁵ Considered to be related to electronic warfare, RF weapons kill electronic systems and power sources by emitting ultra-high power electronic pulses similar to that unleashed by nuclear explosions. China is developing high-power microwave warheads as one means for delivering RF explosions.³⁶ While the Pentagon has some doubts that such a warhead is feasible, if the Chinese were successful, they could disable power grids, electronic communications, and the electronic systems of a naval battle group with long-range missiles. An outgrowth of this research is China's reported interest in directed energy RF weapons.³⁷ These hold the potential for being able to destroy missiles by exciting engine fuel molecules to explode. The Pentagon concludes, "Chinese deployment of such RF weapons by 2015 is assessed to be technically feasible."³⁸

Taiwan's Information Warfare Response

By virtue of its extensive computer hardware and software sector, the Pentagon has judged Taiwan to be capable of generating offensive and defensive Computer Network Warfare operations. The Pentagon has made special note of Taiwan's creative computer virus and anti-virus software makers.³⁹ Again, the Pentagon has praise for Taiwan's civilian telecommunications capabilities, making progress toward the goal of becoming a regional telecom hub. The Pentagon notes Taiwan's cur-

²⁹ Jeff Gerth, "Reports Show Chinese Military Used American-Made Satellites," *The New York Times*, June 13, 1998, p. A1; Craig Covault, "Chinese Army May Use Next U.S. Satellite," *Aviation Week and Space Technology*, June 1, 1998, p. 22.

³⁰ Douglas Barrie, "China and Russia combine on KR-1," *Flight International*, December 10-16, 1997, p. 17.

³¹ John W.R. Taylor, "Gallery Of Russian Aerospace Weapons," *Air Force Magazine*, March 1996, p. 75.

³² Associated Press, "China Testing Stealth Ship," July 13, 1999. This may refer to the new Luhai-class destroyer No. 167.

³³ Brochure, China Aerospace Co. Institute No. 23, "J-231 Mid-Range Surveillance Radar."

³⁴ *Future Military Capabilities*, p. 6.

³⁵ "The Breach Was Total," *Newsweek*.

³⁶ *The Security Situation In The Taiwan Strait*, p. 7.

³⁷ *Future Military Capabilities*, p. 6.

³⁸ *Ibid.*

³⁹ *The Security Situation In The Taiwan Strait*, p. 16.

rent reliance on reconnaissance aircraft and commercial satellite companies for image intelligence.

The Pentagon cross-straits report, however, does not say much about Taiwan's IW effort, noting that "information on formally integrating IW into the warfighting doctrine is not available."⁴⁰ This could be taken as implied criticism of Taiwan's efforts in this area. A public response occurred in May, when the ROC Ministry of Defense established an "information warfare research and training task force" to meet this growing threat.⁴¹ Beyond issues of doctrine and tactics pertaining to Computer Network Warfare, Taipei has an urgent need to expand its reconnaissance and communications assets. The ROCSAT II imaging satellite is a good start but this needs to be protected as their capability should improve. Taipei also needs more survivable airborne reconnaissance platforms, such as the future U.S. Global Hawk UAV, to provide constant imaging and radar coverage of areas near Taiwan.

DYNAMIC ELEMENT #3: AIR FORCE MODERNIZATION

A third dynamic element affecting the military balance on the Taiwan Strait is the PLA's efforts to develop its Air Force into a modern all-weather air-superiority and strike force. While a slow process, the PLA is devoting greater resources to the purchase of modern Russian and Israeli combat systems and technology to supplement indigenous air combat programs. By the 2005 to 2010 time frame, it is possible that enough new PLAAF elements could come together to allow a significant number of 4th generation fighters, supported by radar and electronic intelligence aircraft, to wrest air superiority away from a ROCAF that has been severely damaged by massive missile strikes.

However, getting to that point will require great effort and resources. Perhaps the most important organization-modernization challenge facing the PLAAF is whether it can develop doctrine, roles and missions necessary for modern air warfare. While clearly a goal, the PLAAF has yet to create an integrated air-defense system that melds fighters, missiles and C4I elements into an efficient network. It is also working to acquire AEW, tanker, and long-range interdiction aircraft armed with modern missiles with which it can fashion an all-weather strike capability. Training is just beginning to move beyond old Soviet-style positive ground control tactics to stress air combat maneuvering on instrumented ranges, aggressor units and advanced air combat simulators.⁴²

The PLAAF has long labored under poor logistic and maintenance conditions. This is partially due to a practice of co-locating aircraft and engine manufacturers, but not ensuring that different manufacturers who produce the same aircraft, can exchange parts between similar airframes and engines. China has been unable to develop advanced jet engines and is only beginning to learn advanced 4th generation aircraft manufacturing techniques. A proliferation of new foreign systems in the 1990s is likely only to compound logistic and maintenance support services.

Influenced largely by the shock of the success of U.S. air forces during the Gulf War plus the Western embargoes, in 1992 China purchased its first batch of 26 Russian Sukhoi Su-27SK fighters, followed by 24 more in 1996, and then an agreement to co-produce 200 more that same year. They will be produced in Shenyang under the designation J-11. The first two reportedly flew in late 1998 and the reported goal is to ramp up production to 15 a year by 2002⁴³—an ambitious goal that may require extensive Russian help. The Su-27 is China's first modern 4th generation fighter with long range, helmet-sighted R-73 short-range AAMs and R-27 semi-active medium-range AAMs. China's Su-27s were the first fighters in Asia to be armed with helmet-sighted missiles—which have conferred a decisive advantage in numerous air combat exercises with U.S. fighters. Successive batches have been upgraded with ECM pods, and the co-produced variants may include upgraded radar that can handle the R-77 active-radar guided medium-range AAM⁴⁴ and the Kh-31P/KR-1 anti-radiation missile.

⁴⁰ Ibid.

⁴¹ Central New Agency, "Military Forms Task Force To Answer Threat Of Information Warfare," May 5, 1999.

⁴² A picture of a new domed air combat simulator obtained at the 1998 Thuhai Airshow can be viewed on www.heritage.org. "Report On The 1998 Thuhai Airshow," Part 2, by Richard Fisher.

⁴³ "China-assembled Su-27s make their first flights," *Jane's Defence Weekly*, February 24, 1999, p. 16.

⁴⁴ Interview, Moscow Airshow, August, 1997. Delivery of the R-77, however, is dependent on Vypel being able to undertake sustained production, which was just getting underway in 1998. After Russia fulfills R-77 orders for Malaysia and India, China may follow. *The Security Situation In The Taiwan Strait* report expects China to have a R-77 like AAM by 2005, but it is more realistic that China will acquire the R-77 before that date.

China is using foreign technology to update its old Russian and domestic designs, but it does not appear that the PLAAF is going to buy them. Russian Phazotron radar and R-27 missiles have been incorporated into the Shenyang J-8IIM which may only be offered for export. And the Russian RD-33 engine is likely to form the core of the Chengdu FC-1 fighter designed to compete in the F-5/Mig-21 replacement market. Co-funded by Pakistan, the FC-1's future is not secure, as it remains uncertain that they will be purchased by the PLAAF. Chengdu is also marketing the J-7MG, the latest in a long line of J-7s that incorporates a new cranked wing, upgraded radar, defensive electronics, and a helmet-sighted version of the PL-9 short-range AAM, which is a copy of the Israeli *Python-3*.⁴⁵

For the future, Shenyang apparently has the lead for a new 5th generation stealthy fighter known in the West as the XXJ. Projections produced by the U.S. Office of Naval Intelligence show the XXJ bearing a resemblance to the U.S. F-15. However, this project could evolve much differently should China succeed in its apparent efforts to gain access to Russia's Mig I.42 5th generation project.⁴⁶ Should it gain access, China would be able to acquire Russia's most advanced radar, electronics and engine technologies. However, recent reports suggest Russia is not yet willing to let China into this program.

The most important current domestic fighter project for the PLAAF is the Chengdu J-10, China's first indigenous 4th generation fighter. After a lengthy development it reportedly flew for the first time in April 1988.⁴⁷ Reports suggest China may buy up to 300 J-10s. Due to Israeli assistance the J-10 is expected to bear a strong resemblance to the canceled *Lavi*. Israel and Russia are competing to provide the radar, electronic and missile subsystems for the J-10, though new Chinese radar and missile could be used. Thought to be powered by the Russian AL-31 engine, there are reports that a twin RD-33 engine J-10 could eventually go to the PLA Navy Air Force.

Regarding dedicated attack aircraft, the 1998 Zhuhai Airshow saw the unveiling of the JH-7 fighter-bomber, which has been in development since the mid-1970s. China apparently will buy a small number for self-sufficiency purposes, but the PLAAF is going to rely on the much more superior Su-30 for attack missions. After several years of negotiations, in early 1999 it became clear that a Chinese purchase of the Su-30 attack fighter was near. By early June reports emerged that China would purchase 72 Su-30s, and co-produce 250 more.⁴⁸ But Chinese military officials in Washington later stated that they would only buy 50, with no deal yet on co-production.⁴⁹

In the Su-30 the PLAAF will receive its first modern all-weather long-range strike fighter.⁵⁰ In essence, the Su-30 is a two-seat Su-27 that has been strengthened and modified for attack missions. The Sukhoi bureau hopes the Su-30 will become comparable to the U.S. Boeing F-15E Strike Eagle, the main U.S. heavy fighter-bomber used to great effect over the Persian Gulf and the Balkans. Both aircraft share similar size and performance characteristics. The Su-30 will have longer unrefueled radius of about 900 miles—less depending on the warload.

Like the F-15E, the Su-30 can be outfitted to carry a range of weapons to include laser-guided bombs and missiles, in addition to anti-radar and anti-ship missiles. It is likely that China will also buy from Russia a package of advanced laser and low-light targeting systems, plus a variety of bombs and missiles to equip its Su-30s. The Kh-31P/KR-1 anti-radar missile will likely be a major weapon for the Su-30.

Full exploitation of these new fighter and attack aircraft will depend on the PLAAF's being able to absorb new support aircraft. The most important is a joint Israeli-Russian project to build an AWACS system based on the Russian A-50 with an Israeli IAI Phalcon phased-array radar. China has committed to buying the prototype and may purchase 3 to 7 more. This AWACS may be competing with a GEC-Marconi Argus radar equipped Il-76 which has been the subject of long discussion. In 1996 China purchased a reported 6 to 8 Racal Searchwater AEW radar to be fitted on the Xian Y-8 transport. The first prototype may have flown in mid-1998.

⁴⁵ It is noteworthy that at the 98 Zhuhai show, Chinese engineers stated that the PLAAF had not purchased the PL-9 HMS for backfitting to J-7 aircraft. It could be that the PLAAF remains pleased with its Russian R-73 HMS AAMs. Pakistan and Bangladesh appear to be initial customers for the F-7MG, which raises the possibility that domestically-produced HMS AAMs will be exported before they enter PLAAF service.

⁴⁶ Simon Saradzhyan, "New Russian Fighter May Never Take Flight," *Defense News*, February 22, 1999, p. 22.

⁴⁷ "China starts to flight test new F-10 fighter," *Flight International*, May 20-26, 1998, p. 5.

⁴⁸ Cary Huang, "Beijing buys Russian jet squadrons," *Hong Kong Standard*, June 21, 1999.

⁴⁹ Barbara Opall-Rome, "China Sets Sights On 50 Su-30s," *Defense News*, July 5, 1999, p. 5.

⁵⁰ For more analysis of China Su-30 purchase, see Richard Fisher, "China's New Sukhois," *Taipei Times*, June 30, 1999, p. 9.

The PLAAF has long sought an aerial refueling capability and has converted a small number of H-6 bombers for this purpose. Russia is heavily marketing the Il-78M tanker, which has appeared at both Zhuhai shows. As India has done, it remains possible that China will purchase the Il-78M after it begins to receive its Su-30s. For ECM/ELINT missions, China is reported to have outfitted four Tu-154 transports with electronic intelligence systems, and has deployed these aircraft to the Nanjing Military Region. China may build another eight of this aircraft.⁵¹ At Zhuhai '98 China revealed a new series of EW/ELINT pods for fighter or attack aircraft.

The PLAAF has had a long-standing requirement to replace its obsolete Xian H-6 medium bombers. There is occasional mention of China interest in purchasing a small number of Russian Tu-22M3 supersonic medium bombers but no order has materialized. It is also possible that Xian may be developing a new design that has not yet been revealed.⁵²

The PLAAF also controls most of China's long-range surface-to-air missiles, like the S300PMU system purchased from Russia in the early 1990s. These missiles are mainly stationed around Beijing, though they were featured in the 1996 exercises near Taiwan. The PLAAF may also control new Russian SA-15 SAMs, which are fast enough to be able to target laser-guided bombs. In Russian service the SA-15 is designed to protect the S-300 from attack. At the 1998 Farnborough Show China revealed its new FT-2000 long-range SAM, which may be based on S-300, clandestinely acquired U.S. Patriot SAM, and Chinese technology. It will initially be guided by passive anti-radiation systems, though an active-guided version may be completed after the year 2000. Sources interviewed at the '98 Zhuhai show indicated this missile eventually would have an anti-tactical ballistic missile (ATBM) capability. For the future, this raises the question of whether the PLAAF will inherit future anti-missile missions.

Taiwan's Challenge: Maintaining Its Aerial Edge

In contrast to the emerging PLA missile threat, Taiwan has for several decades maintained a degree of technical superiority for its air force to deter the Mainland. Air clashes during the 1950s and 1960s demonstrated that the ROCAF could rapidly absorb new technology, like air-to-air missiles, and use them to achieve success. It has also helped that for decades either political turmoil or never-ending reliance on obsolete Russian designs depressed the readiness and training levels of the PLAAF. But in the late 1990s the ROCAF finds that it also must modernize and innovate to stay ahead. It is not enough to have a significant number of 4th generation fighters. These assets require secure aerial radar and electronic support, superior air-to-air missiles, plus the airbase protection and flexibility to survive massive PLA missile strikes.

Within the next few years the ROCAF will comprise about 340 modern frontline fighters supported by about 100 older but upgraded F-5Es.⁵³ China's initial purchases of the Su-27, combined with the competitive prospect of France's sale of Mirage-2000 fighters convinced President Bush to sell 150 F-16 fighters to Taiwan in 1992. These are of the F-16A/B Block 20 MLU version. It is an early F-16A with a lower-thrust engine than current models, but with advanced radar, electronic and cockpit systems that will allow the fitting of a Sharpshooter targeting pod, and later, the active-radar guided AIM-120 AMRAAM medium-range air-to-air missile. Despite repeated requests, the U.S. has not sold Taiwan the AIM-120, which would allow the F-16 to fire on multiple targets without having to maintain a radar lock on the opponents. By the end of 1998 Taiwan received its 60 Mirage-2000-5 fighters from France. This is a very capable interceptor with an 80-mile range radar and the active-radar guided Matra MICA air-to-air missile.

Anti-ship and other ground attack missions will be the main mission for the Ching-Kuo Indigenous Defense Fighter (IDF). This fighter was conceived out of the unwillingness of the U.S. to sell Taiwan the F-16 in the late 1970s. Its performance as a fighter is comparable to the early F-16. Its twin engines confer greater survivability though they could stand to be improved to a higher thrust rating.

In terms of the air-defense balance, it appears that Taiwan now has the edge, but by the end of the next decade that prospect may be uncertain. While the ultimate number of PLAAF Sukhois is unknown, even the prospect of a force of 500 Su-27s and Su-30s is most unsettling. These aircraft would be equipped with helmet sight-

⁵¹ "ELINT aircraft put into service," *Jane's Defence Weekly*, March 24, 1999, p. 29.

⁵² Rumors circulate around an alleged B-9 bomber, that may benefit from advanced Russian bomber designs that lack funding, like the Sukhoi T-60.

⁵³ For analysis of the ROCAF see, Jon Lake, "Airpower Analysis, Taiwan," *World Airpower Journal*, Summer, 1998, pp. 144-157; Leung, pp. 72-75.

ed, and very likely, active-radar air-to-air missiles. They would also be controlled by AWACS, denying Taiwan the advantage of its own E2T AWACS. Furthermore, Taiwan's E-2s would very likely be the target of intense attacks both in the air and on the ground.

At a minimum the ROCAF needs the AIM-120 to give its F-16s a multi-target capability. In addition, the ROCAF should be cleared for early export of the new U.S. AIM-9X, the first U.S. helmet-sighted AAM. This missile uses a Sidewinder motor with a new off-boresight seeker and helmet-display to confer even greater flexibility than the R-73 in PLAAF service.

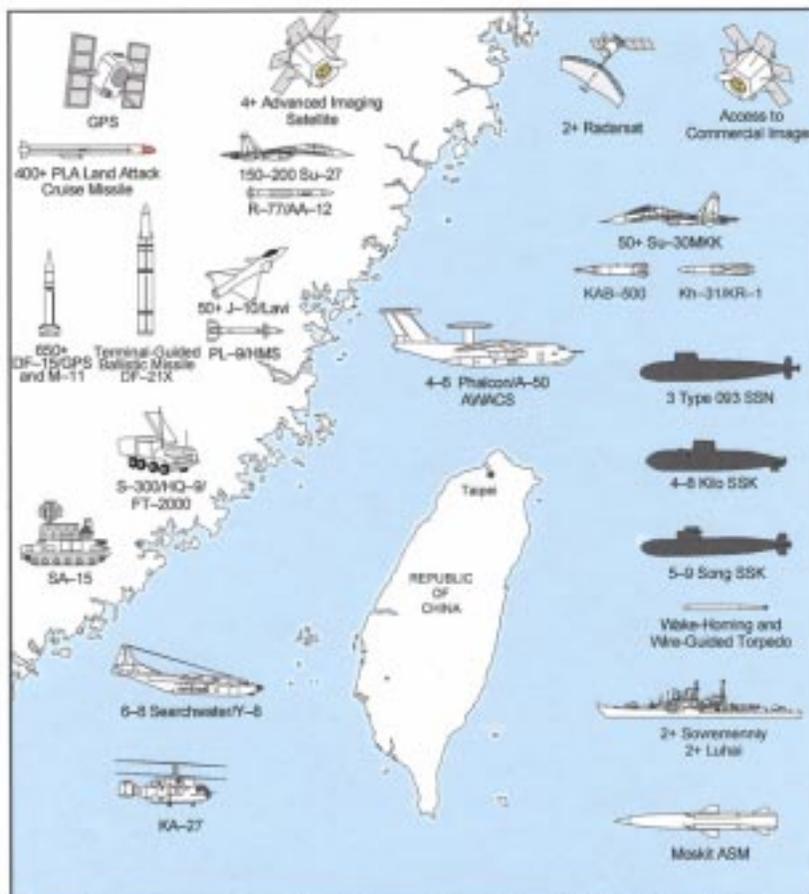
Another pressing requirement is to improve ROC airbase protection against SRBM and Su-30 attack. While ROC airbases are increasingly equipped with hardened air shelters for combat aircraft, these will have to be made better able to withstand missile warheads and laser-guided bombs designed to attack such shelters. For the future it may be prudent for the ROCAF to consider purchasing vertical take-off aircraft like the U.S. Harrier. These could be used to develop dispersal and concealment tactics in anticipation of purchasing the future U.S. Joint Strike Fighter, a version of which will be V/STOL capable.

In addition, the ROCAF also faces the possible prospect of having to contribute to Taiwan's missile defense in the form of counter-force missions against DF-15s and M-11s. Today, the ROCAF has little capability to undertake offensive operations against in the Nanjing Military Region. While both the F-16 and the Mirage-2000-5 are optimized for defensive missions, they could be modified to undertake attack missions. Currently, the most potent attack missile in the ROCAF arsenal is the TV-guided U.S. AMG-65 Maverick A/B. This missile is dependent upon clear weather, whereas the AGM-65D with an imaging-infrared seeker is not. But the U.S. will not sell Taiwan the AGM-65D.⁵⁴ But given the developing missile threat and the growing need for a counter-force response, it would be logical for the U.S. to consider selling Taiwan a longer range stand-off precision attack missile. Such a missile is also needed in view of the PLA's increasingly capable air-defense missiles, like the SA-15 acquired from Russia, and the FT-2000 family of long-range SAMs. Taiwan would at least require a missile like the U.S. Navy SLAM, a Harpoon equipped for precision land attack.

Attacking PLA missile sites, however, requires more than just aircraft and new missiles. It also requires the capability to find DF-15 and M-11 batteries that will likely be on the move and using deception and camouflage tactics. The 4-5 E-2T Hawkeye AWACS in the ROCAF are just adequate for air and naval operations, but are not capable of finding ground-based threats. At best, this would require a combination of powerful reconnaissance satellites supported by aircraft with synthetic aperture radar with moving target indicators (SAR/MTI), like the U.S. J-STARS. Britain has just decided to buy a smaller J-STARS system mounted on a business jet, which might be an option for Taiwan. But for the longer term Taiwan should seek a SAR.MTI equipped unmanned aircraft, such as the U.S. Global Hawk.

⁵⁴ Leung, p. 75.

Impact of Arms Exports to China: Possible High-Tech, Foreign Content PLA Systems Arrayed Against Taiwan in 2010



Sources: ONI, press reports, author interviews. This is an updated version of a chart in Richard Fisher, "Foreign Arms Acquisition and PLA Modernization," for The Conference On The People's Liberation Army, September 15, 1997.

DYNAMIC ELEMENT #4: NAVAL MODERNIZATION

A fourth dynamic element in the cross-straits military balance is that of naval modernization. The Pentagon notes that the PLAN "continues to lag behind other regional navies, including that of Taiwan, in most technological areas, especially air defense, surveillance and C4I."⁵⁵ In addition, the PLAN is just beginning to work out long overseas deployment operations and to develop joint warfare doctrine. However, the PLA Navy is in the midst of an equipment upgrade that promises to greatly complicate Taiwan's naval defense and pose new challenges to U.S. naval forces in Asia. The PLAN is placing emphasis on acquiring modern submarines and better surface combatants, with aircraft carriers remaining a distant goal. The challenge for the PLA will be to integrate missile and air forces into coherent long-range naval operations.

⁵⁵ *The Security Situation In The Taiwan Strait*, p. 10.

The PLAN submarine fleet is expanding in numbers and sophistication due to foreign technology. The PLAN has completed the acquisition of four Russian Kilo-class conventional submarines. The last of two advanced Type 636 model, which are much quieter than the Project 866 Kilo submarines, was delivered last year.⁵⁶ China is said to be negotiating for the purchase of a third Type 636.⁵⁷ All Kilos are apparently stationed with the Easter Fleet, nearest Taiwan. So far, the Kilo in PLAN service has been dogged by problems pertaining to inadequate crew training and a lack of spare parts. Earlier this year the French weekly *Le Monde* reported that China had contracted to purchase 10 Russian submarines, but this has not been verified.⁵⁸

Nevertheless, access to Russian submarine technology has provided a "quantum leap" for China. The Kilo 636 is said to be nearly as quiet as the early version of the U.S. Los Angeles class nuclear submarine.⁵⁹ China is said to have benefited from Russian submarine technology in the area of nuclear reactors, internal acoustic dampening, acoustic tiles, modern mines and torpedoes, diesel and propeller design, gearbox quieting, modern sonar, sonar array and fire control systems.⁶⁰ China's Kilos are likely armed with the Russian wire-guided torpedoes, which adds a new anti-submarine capability to the Chinese submarine fleet. China is also said to have purchased from Kazakhstan the Shkval rocket torpedo. This torpedo travels at a speed of 200 knots, or 5–6 times the speed of a normal torpedo, and is especially suited for attacking large ships such as aircraft carriers.⁶¹

Russian technology is being used to assist all new Chinese submarines. The conventional Song submarine benefits from a Russian designed 7-blade propeller and more Russian technology could be incorporated into future versions of this sub. By one estimate, four to eight more Song's will be build before the introduction of a new variant.⁶² Apparently to keep their submarine yards busy, China will build more of the Ming-class conventional sub, an improved version of the 1950s Russian Romeo design with upgraded engines, sonar and torpedoes. These and remaining Romeos can be used for mining Taiwanese ports and major sea-lanes around Taiwan.

The next few years may also see China produce a new class of nuclear-powered submarine, the Type 093. Again benefiting from Russian technology, the Type 093 is projected by U.S. Office of Naval Intelligence to have a performance similar to the Russian Victor-III nuclear attack submarine. This would be about slightly below the performance of an early Los Angeles, but a great improvement over China's indigenous Han nuclear submarines. By one estimate, 4–6 Type 093s should enter service by 2012.⁶³

PLAN surface combatants could improve rapidly from the strength of domestic design talent and imported technology. China's major domestic surface combatant designs have shown marked improvement from the Luhai to the recently launched Luhai destroyer. The Luhai is the first major PLAN ship to use stealth shaping, using some the design techniques demonstrated in the F25T frigates sold to Thailand. Both the Luhai and the F25T are not as clean as the French LaFayette sold to Taiwan. But at the recent IDEX show the China Shipbuilding Trading Company revealed its F16U frigate design that does show a command of modern warship stealth shaping and the use of vertical-launched missiles.⁶⁴ Following the F25T to Luhai precedent, it is reasonable that in the not too distant future very modern PLAN frigates based in the F16U design will begin to supplement less sophisticated Jiangwei and Jianghu classes.

The Luhai introduced 1980s-level European anti-submarine and fire-control systems and modern U.S. gas turbine engines to the PLAN. The Luhai differs from the Luhai in that it uses Ukrainian gas turbine engines and carries twice the number

⁵⁶ Nikolai Novichkov, "Russia delivers fourth 'Kilo' to China," *Jane's Defence Weekly*, January 13, 1999, p. 19.

⁵⁷ "New PLAN to train, purchase vessels," *Jane's Defence Weekly*, December 16, 1999, p. 25.

⁵⁸ Jacques Isnard, "Chinese Submarine Was 'Submarining' on a freighter in Channel," *Le Monde*, February 4, 1999, p. 4.

⁵⁹ Rupert Pengelley, "Grappling for Submarine Supremacy," *Jane's International Defense Review*, July 1996, p. 51.

⁶⁰ Mark Farrer, "Submarine force in change—the People's Republic of China," *Asia-Pacific Defence Reporter*, October-November, 1998, p. 12–13.

⁶¹ Robert Karniol, "China buys Shkval torpedo from Kazakhstan," *Jane's Defence Weekly*, August 26, 1998, p. 6.

⁶² Farrer, p. 13.

⁶³ Farrer, p. 14.

⁶⁴ "China reveals export frigate," *Jane's International Defense Review*, May 1999, p. 3.

of C-802 missiles (16) and two instead of one helicopter.⁶⁵ While the first Luhai No. 167 is deficient in its air defense, carrying only the Chinese version of the short-range Crotale, it appears to have space in front of the bridge for later fitting of a better vertical-launched SAM.

While the two Russian Sovremenniy class destroyers to be delivered by 2002⁶⁶ may impart greater knowledge of sensors and combat ship design, their real significance for the PLAN is the introduction of two new missiles. The Raduga Moskit anti-ship missile is perhaps the most lethal anti-ship missile in the world, combining a Mach 2.5 speed with a very low-level flight pattern that uses violent end maneuvers to throw off point defenses. After detecting the Moskit, the U.S. Phalanx point defense system, used by most large ROC ships, may have only 2.5 seconds to calculate a fire solution—not enough time before the devastating impact of a 750 lb. warhead. In the Sovremenniy the PLAN also receives its first medium-range naval SAM, the 9M38 (SA-N-7) or 9M38M2 (SA-N-12). The later can intercept targets out to 30 miles, and is comparable to the U.S. Standard naval SAM.

Looking to the future, China very likely is also considering how long-range ballistic and cruise missiles can assist naval operations. With advanced RF warheads and space surveillance, it is possible for the PLA to consider attacking enemy naval formations with ballistic missiles before using aircraft and submarines. RF warheads very neatly use radiation to attack the vulnerable electronic components of the modern naval task force and the radius of their effect means that precision accuracy may not be necessary. New long-range cruise missiles, such as may be based on the YJ-22, offer possibilities for naval-based anti-ship or land attack missions. Both ballistic and cruise missiles, armed with RF or submunition warheads could wreck havoc among ships in ROC naval bases.

The PLAN Air Force does not appear to have a high priority in the overall modernization, but it is showing signs of improvement. This air arm, rather than the PLAAF, may be the first customer for the Xian JH-7 attack fighter that has been in development since the mid-1970s. It was revealed with much fanfare at the 1988 Zhuhai Airshow. Resembling a beefy twin-seat Jaguar, JH-7 promises a respectable 900-mile radius, an all-weather attack radar and low-level navigation and targeting pod which can employ laser-guided bombs. In naval service it will be armed with the C-801 anti-ship missile. With external cueing it could carry the longer-range C-802. Xian may also be planning an electronic warfare version of the JH-7.⁶⁷ While Xian says it has mastered the WS-9 engines based on Rolls Royce Spey Mk 202s, recent reports suggest Xian is trying to buy more Speys to complete the first batch of JH-7s.⁶⁸

PLAN anti-submarine capabilities will receive a major boost with the introduction of four Russian Kamov Ka-28 ASW helicopters.⁶⁹ These will be the first purpose-designed ASW helicopters acquired by the PLA, its existing French Z-1s1 having been modified for ASW duties. The Y-8/Searchwater AEW aircraft are also for the PLAN, and will greatly assist with over-the-horizon targeting for a variety of missiles. Other than a few Y-8 transports converted for maritime surveillance, the PLAN AF lacks a dedicated long-range patrol/ASW aircraft like the U.S. P-3. Perhaps China's interest in the Beriev Be-200 jet-powered amphibian offers an indication how the PLA may fulfill that requirement.

Taiwan's Naval Challenge

Like the Air Force, the ROC Navy has contributed to deterrence by maintaining a technological edge over its PLA counterpart. It has successfully upgraded World War II destroyers to make them more capable than most recent PLAN combatants and its emphasis on ship and air ASW has for the most part compensated for its lack of submarine ASW assets. However, the potential combined effect of growing PLA missile, air and naval capabilities raises the prospect that absent radical im-

⁶⁵"China launches a powerful new super warship," *Jane's Defence Weekly*, February 3, 1999, p. 16.

⁶⁶The two Sovremenniy were launched in late 1988 and in April 1999. The first may be delivered to the PLAN late next year, and the second in 2002. There is one report that China is negotiating for a third Sovremenniy, see, "Second Russian-built PLAN destroyer rolls out," *Jane's Navy International*, June 1999, p. 6.

⁶⁷For much more analysis of the JH-7, based on interviews with Xian officials at the 1998 Zhuhai Airshow, see Richard Fisher, "Xian JH-7/FBC-1: The nine lives of the Flying Leopard," *World Airpower Journal*, Summer, 1999, pp. 22-25.

⁶⁸Douglas Barrie, "Chinese Turn to U.K. Firms To Fill Strike-Fighter Gap," *Defense News*, February 1, 1999, p. 6.

⁶⁹The PLAN has ordered eight Ka-28s, four of an ASW model and four search and rescue versions. It can be expected that more of the ASW variant will be ordered to outfit Luhai destroyers. For more on the Ka-28 see, Piotr Butowski, "Kamovs for the Navy," *Air International*, May 1999, pp. 284-292.

provements, the ROC Navy may not be assured success in its principle counter-blockade missions toward the later part of the next decade.

As PLA naval blockade operations are growing increasingly dependent upon the early destruction of the ROC Navy by air and missile forces in ports, the prospects of the ROC Navy are tied to the success of Taiwan's efforts to defend against missile and air attack. The ROC Navy hopes to play a major role in future missile defense operations by acquiring the U.S. Aegis radar system that will be fitted to an existing, or a Taiwan-produced U.S. destroyer hull. There is interest in either acquiring excess U.S. Spruance-class destroyers for conversion, or building new Burke-class destroyers to accommodate the Aegis system. So far, the U.S. has denied Taiwan's requests for Aegis. It is hard to deny that the ROC Navy has a requirement for self-defense from PLA SRBMs and cruise missiles, and recent Pentagon Asian theater missile defense report notes that one Aegis system could cover Taiwan. The ROC Navy also needs better passive defenses like ship shelters, if possible, to buy time for ships to escape ports under missile attack.

An equal if not more pressing ROC naval requirement is for new submarines. In light of the State Department's long-standing opposition to Taiwan's submarine requests, it is noteworthy that the recent Pentagon cross-straits report boldly states, "Acquisition of additional submarines remains one of Taiwan most important priorities."⁷⁰ The utter cruelty of the U.S. denial was made clear to the author in a recent visit to the ROC submarine squadron.⁷¹ A tour of the rickety 53-year old Guppy, dubbed the "Museum Class," evokes sympathy for the families of their crew. They cannot dive deeper than they are long, meaning they are unsuitable even for their main mission, providing ASW training for ships and aircraft. As a consequence, the two remaining modern Dutch Zwaardvis submersibles are completely occupied with training operations and have little time for their own ASW training. The ROC Navy clearly needs more submarines for ASW missions given the large and growing PLAN submarine force. Taiwanese sources state an immediate requirement for up to six new submarines. If budgets allowed they could use more.

For its surface ships the most pressing needs are in the areas of anti-missile, counter-air and ASW capabilities. The imminent entry of the Moskit into the PLAN creates an urgent need for the Aegis radar, which is the only U.S. radar that can track the Moskit at sufficient range to enable a fire solution for the Standard SAM. Reliance on the Phalanx point-defense gun is not sufficient to counter the danger posed by the Moskit. The Taiwanese Navy also requires better SAMs for some of its ships, like the French LaFayettes, which are armed only with the short-range Sea Chaparral.

DYNAMIC ELEMENT #5: POSTURE OF THE UNITED STATES

A fifth and final dynamic element in the cross-straits strategic balance is the posture of the United States. American support has been vital to Taiwan's survival, and for many years into the future, American military power may remain strong enough to deter overt Chinese military attack on Taiwan. As a consequence, Beijing's goal since the resumption of relations in 1970s has been to curtail U.S. support for Taiwan. Beijing's ultimate goal is to turn Washington into an active or passive supporter for unification under Beijing's terms. Successive U.S. Administrations, including the Clinton Administration, have sought to walk the line that would have them defend Taiwan, but still holding out for the ideal solution in which Beijing and Taipei would solve their differences peacefully under the rubric of "One China." But Taiwan's vigorous democratic politics are straining the limits of the old formula. Will Washington support a democratic Taiwan that is slowly asserting its right of self-determination, or will it join Beijing in insisting that "One China" requires that Taipei eventually subordinate its sovereignty, and possibly much more, to Beijing's dicta? Will the U.S. sell Taiwan a new generation of weapons systems that are required to sustain deterrence on the Taiwan Strait through the next decade? Or will the U.S. decline to do so, leaving Taiwan to determine its own fate alone? The numerous tensions pulling U.S. policymakers each way were fully displayed during the Taiwan Straits crisis of 1995 and 1996. And they are revealing themselves anew in the latest brewing crisis created by President Lee Teng Hui's July 9 statement to a German interviewer.

In the midst of the developing crisis of 1995, the Clinton Administration saw fit to admonish Taiwan's "independence" tendencies by warning Taipei that U.S. defense commitments implied in the Taiwan Relations Act may not apply in the case of a declaration of independence. This warning eventually turned into a public con-

⁷⁰ *The Security Situation In The Taiwan Strait*, p. 11.

⁷¹ Visit to the ROC submarine squadron in Kaohsiung Naval Base, May 1, 1999.

cession to Beijing in the first of the "Three No's," which the U.S. states it will not support independence for Taiwan. This non-support for independence is a key element of policy for the "One China" school, which is now ascendant in the Clinton Administration. After Lee's July 9 statement, the Administration was quick to firmly state its adherence to the "One China" formula as its main attempt to calm growing tensions.⁷² Members of this school tend to view Taiwan's democracy as the root of instability on the Taiwan Strait. For this school continued arms sales to Taiwan is a dispensable irritant in Sino-U.S. relations. Some, like former Ambassador Chas Freeman, assert that "it does not make sense to attempt to sustain Taiwan's current military superiority," given China's military potential.⁷³

Against this, the legal requirements of the Taiwan Relations Act, and congressional activism, serve to restrain the "One China" school. In the wake of Lee's recent statement, it appears that the Administration is curtailing some military contacts with Taiwan to demonstrate its displeasure. This runs smack into a congressional counter-current, this year led by Senator Jesse Helms (R-NC). Helms' Taiwan Security Enhancement Act constitutes a strong flank attack on the "One China" school. The bill asserts that the military balance on the Taiwan Strait is in danger of shifting to China, and that the U.S. should sell Taiwan land and sea-based missile defense systems, satellite early warning data, submarines, AIM-120s, and communications equipment to allow joint operations.⁷⁴ The bill also calls for closer military-to-military relations between the U.S. and Taiwan, and for greater congressional scrutiny over the bureaucratic process that governs U.S. arms sales to Taiwan. As this paper has tried to amply describe, the potential for a real shift in the military balance justifies many of the initiatives called for in Helms' bill. Nevertheless, according to one prominent U.S. analyst, the Helms bill "would likely cause a major rupture in Sino-American relations."⁷⁵

An emerging wild card in the American debate is the U.S. security establishment. In a community that has its share of hawks and doves, the hawks appear to be making headway in the debate over China's strategic intentions and the direction of PLA modernization. This does not mean that there is uniformity of views within the Pentagon or the intelligence community. But there are enough individuals who are able to use the mounting evidence of PLA hostile intent change views of future policy. That the Pentagon would respond to recent congressional mandates with detailed reports of emerging Chinese military capabilities marks the degree to which opinions are evolving in the U.S. security establishment.

While the Pentagon may not be able to change Clinton Administration policy on arms sales to Taiwan, it appears that a change of party in the White House offers the possibility of new attitude toward Taiwan's future military requirements. A question to ask, however, is whether this is time enough to stem a balance of power on the Taiwan Strait that could be rapidly shifting to Beijing's favor by the end of the next decade. To stem this tide the U.S. should:

1. Sell Taiwan the building blocks of a realistic missile defense capability that can shift to laser systems when available. The U.S. should also sell Taiwan long-endurance reconnaissance unmanned aircraft, conventional submarines, active radar guided and helmet-sighted air-to-air missiles, and the necessary systems to allow F-16s to attack SRBMs.

2. Undertake a serious assessment of Taiwan's defense doctrine, capabilities, and how they measure up to the future threat. The U.S. should offer Taipei frank criticism of its defense policies, if that criticism is necessary. There also should be a more active military-to-military relationships between the U.S. and Taiwan. It is unconscionable that most U.S. star or flag rank officers get to travel to China, but not to Taiwan. Taiwan should have access to much higher levels of U.S. military leadership and access to higher levels of U.S. planning and intelligence.

3. For its own part, the U.S. must maintain its technical superiority over the China's military, and retain enough forces in Asia to deter a Taiwan-China conflict. This will require that the U.S. invest heavily in space, laser, radio frequency, missile defense, and communication technologies that will ensure U.S. military superiority. Washington should quickly establish an Asia-wide missile defense network that would become the main mission for the U.S. military beyond the next decade. The U.S. should now build fighter aircraft like the F-

⁷² A defense of the "One China" school is offered by David Shambaugh, "Two Chinas, But Only One Answer," *The Washington Post Outlook*, July 18, 1999, p. B1.

⁷³ Chas. W. Freeman, Jr., "Preventing War in the Taiwan Strait," *Foreign Affairs*, July/August 1998, p. 11.

⁷⁴ S. 693, "Taiwan Security Enhancement Act," Section 5.

⁷⁵ Shambaugh, p. B2.

22 plus advanced missiles that sustain a margin of superiority over China's Sukhois. The Pacific Command should always have access to adequate numbers of submarines and advanced combat aircraft dictated by the requirements of deterrence.

THE TRUTH ABOUT TAIWAN

IF CHINA WANTS REUNION WITH TAIWAN, IT SHOULD LOOK MORE WORTH REUNITING WITH

It seems more like an abstruse semantic debate than a threat to world peace. But, if some Chinese leaders are to be believed, the latest language used by Lee Teng-hui, Taiwan's president, to describe the island's relationship with the mainland could lead to a war. The threat of force has become almost a kneejerk reaction for China's leaders whenever Taiwan displeases them. They need to realise that this hinders rather than helps China's goal of reunification. Not only does it antagonise Taiwan's people; it also helps to build up other countries' support for Taiwan's right to decide its own future.

All Mr. Lee said was that Taiwan sees its relations with China as a "special state-to-state relationship" rather than an "internal" one. Since it is self-evident that the Taiwan of 1999 is not part of China, this seems uncontentious—no more, as Taiwan's officials soothingly point out, than a "clarification" of the status quo. The trouble is that the status quo relies on lack of clarity, and on ambiguity about Taiwan's place in the world. Certainly, China found the elaboration provocative. One of its generals, as happy to mix metaphors as to lob missiles, said that Mr. Lee, "playing with fire", might "drown himself in the boundless ocean of the people's war."

China insists that Taiwan is an "inalienable part of Chinese sovereign territory." So it is riled when official statements seem to rule out reunification. Yet Taiwan's recent history has seen the steady build-up of what in practice looks like the behaviour of an independent state. Taiwan has shed its archaic constitutional links with China; it has given the mainland a helping hand by allowing Taiwanese businessmen to become huge investors there; above all, the island, unlike the mainland, has started to embrace democracy.

First question: what do the Taiwanese want?

Taiwan's swift transition from being one of Asia's most rigid dictatorships to being one of its liveliest new democracies was bound to fray its vestigial ties with China. Only a small minority in Taiwan now favours reunification. Most of its people want a continuation of the separate status that has brought them prosperity and a measure of freedom.

No doubt Mr. Lee's provocative words have much to do with domestic politics. A presidential election is to be held next spring. The man Mr. Lee has chosen as his successor is not very popular, and the ruling party's vote may be split by a challenge from one of its leading figures who is standing as an independent. A confrontation with Beijing may expose the challenger, James Soong, to criticism for being too soft on China. It will certainly pull in votes from pro-independence Taiwanese who would otherwise support the opposition.

All of this puts the West—and especially the United States—in a difficult position. There is widespread sympathy for Taiwan's awkward position in the world. On the other hand, every big country has diplomatic relations with China, and has implicitly or explicitly accepted China's argument that "there is only one China and Taiwan is part of China." Is it not undiplomatic of Mr. Lee to roil the waters, especially if it is for domestic political purposes?

Of course it is. The Americans this week wearily sent officials to try to cool tempers in both Beijing and Taipei. But it is hypocritical for the West to applaud Taiwan's democratic transformation while complaining about an inevitable consequence of that transformation—that the island's status has become a central issue of its politics. The current squabble also highlights another ambiguity in American foreign policy. The United States is both a subscriber to China's formula about "one China" and yet also, through the 1979 Taiwan Relations Act, committed to the defence of Taiwan.

The best hope of ensuring that these contradictions are never put to the test is that China itself will change. Maybe one day Taiwan's people will willingly join a democratic, tolerant China. Or maybe a more liberal China will one day be less hostile to Taiwan's independence. Today both ideas look like pipe-dreams. It is as likely that a future regime in China—"communist" or otherwise—will be even more insecurely sensitive on issues of national sovereignty, even more aggressive in its attitude towards Taiwan. The "generous" reunification terms currently on offer date

from 1981. Then, after the horrors of the cultural revolution, China had a government which enjoyed popular support. It could offer concessions (the one country, two-systems formula later offered to Hong Kong) beyond the scope of a weaker regime. They may not last.

Playing for time still makes sense for Taiwan. But that does not mean keeping quiet about its anomalous international position. The Chinese anger that Mr. Lee has provoked is worrying. But it does at least serve as a reminder that China has never renounced the threat of an invasion. This, most of the world now agrees, is unacceptable. That is the message which now has to be delivered to the government in Beijing.

However the present row resolves itself, the future of Taiwan will soon move up the world's agenda. When Portugal hands Macau back to China in December, Taiwan will be the last item left on China's list of places it wants to reclaim. Once, it was possible for China to tell itself that in Taiwan, as in Hong Kong and Macau, the ruling elite might negotiate a transfer of sovereignty. No longer. To draw Taiwan into reunion, China will need to win the support of Taiwan's people. Its current behaviour is a demonstration of how not to do it.

STATEMENT BY RONALD REAGAN UPON AMBASSADOR GEORGE BUSH'S RETURN FROM
JAPAN AND CHINA—AUGUST 25, 1980, LOS ANGELES, CALIFORNIA

Ten days ago George Bush and I met with you here in Los Angeles on the occasion of his departure for Japan and China, a trip he undertook at my request. As we stressed at the time, the purpose of the trip was to provide for a candid exchange of views with leaders in both countries on a wide range of international topics of mutual interest. Ambassador Bush returned last evening, and has reported his findings in detail.

We are both very pleased with the results of his extensive discussions. In a series of meetings with distinguished leaders in Japan, including Prime Minister Suzuki, Former Prime Ministers Fukuda, Kishi and Miki, Foreign Minister Itch and Minister of International Trade and Industry Tanaka, he had the opportunity to hear their views and recommendations concerning the future of U.S.-Japanese relations.

Our Republican Party Platform stresses that Japan will remain a pillar of our policy for Asia, and a Reagan-Bush Administration will work hard to insure that U.S.-Japanese relations are maintained in excellent condition, based on close consultation and mutual understanding.

Japan's role in the process of insuring peace in Asia is a crucial one, and we must reinforce our ties with this close ally. Japan is our second most important trading partner, and we are her first. We have close ties in other fields, too. A most important example is the U.S.-Japan Mutual Security Treaty which recently marked its twentieth anniversary.

Understanding the Japanese perspective is important for the success of American policy. As Ambassador Bush will tell you in detail, he found Japanese leaders unanimous in their view that the United States must be a strong, reliable, leading partner.

I appreciate receiving their views, and I am grateful to them for the courtesies extended to Ambassador Bush. I would also like to express my appreciation to, and regard for, U.S. Ambassador Mike Mansfield, who also extended many courtesies.

Of equal importance was Ambassador Bush's trip to China, where he held a series of high-level meetings. As I said on August 16, "we have an obvious interest in developing our relationship with China, an interest that goes beyond trade and cultural ties. It is an interest that is fundamental to a Reagan-Bush Administration."

The meetings in Beijing provided for extensive exchanges of views. George has reported to me in great detail the points of similarity and agreement, as well as those of dissimilarity and disagreement. Since the objective of the trip was to have just such an exchange without necessarily reaching agreement, I believe that the objective was reached.

We now have received an updated, first-hand of China's views, and the Chinese leaders have heard our point of view.

While in Beijing, Ambassador Bush and Richard Allen met at length with Vice Premier Deng Xiaoping, Foreign Minister Huang Hua, as well as with other top foreign policy experts and military leaders. I appreciate the courtesies which the Chinese leaders extended to our party, and I also wish to thank U.S. Ambassador Leonard Woodcock for his kind assistance.

We now maintain full and friendly diplomatic relations with China. This relationship began only a few years ago, and it is one which we should develop and strengthen in the years ahead. It is a delicate relationship, and the Reagan-Bush

Administration will handle it with care and respect, with due regard for our own vital interests in the world generally, and in the Pacific region specifically.

China and the United States have a common interest in maintaining peace so that our nations can grow and prosper. Our two-way trade has now reached approximately \$3.5 billion annually, and China's program of modernization depends in a major way on Western and U.S. technology.

Along with many other nations, we and China share a deep concern about the pace and scale of the Soviet military buildup. Chinese leaders agree with Japanese leaders that the United States must be a strong and vigorous defender of the peace, and they specifically favor us bolstering our defenses and our alliances.

It is quite clear that we do not see eye to eye on Taiwan. Thus, this is an appropriate time for me to state our position on this subject.

I'm sure that the Chinese leaders would place no value on our relations with them if they thought we would break commitments to them if a stronger power were to demand it. Based on my long-standing conviction that America can provide leadership and command respect only if it keeps its commitments to its friends, large and small, a Reagan-Bush Administration would observe these five principles in dealing with the China situation.

GUIDING PRINCIPLES FOR THE FAR EAST

First. U.S.-Chinese relations are important to American as well as Chinese interests. Our partnership should be global and strategic. In seeking improved relations with the People's Republic of China, I would extend the hand of friendship to all Chinese. In continuing our relations, which date from the historic opening created by President Nixon, I would continue the process of expanding trade, scientific and cultural ties.

Second. I pledge to work for peace, stability and the economic growth of the Western Pacific area in cooperation with Japan, the People's Republic of China, the Republic of Korea and Taiwan.

Third. I will cooperate and consult with all countries of the area in a mutual effort to stand firm against aggression or search for hegemony which threaten the peace and stability of the area.

Fourth. I intend that United States relations with Taiwan will develop in accordance with the law of our land, the Taiwan Relations Act. This legislation is the product of our democratic process, and is designed to remedy the defects of the totally inadequate legislation proposed by Jimmy Carter.

By accepting China's three conditions for "normalization," Jimmy Carter made concessions that Presidents Nixon and Ford had steadfastly refused to make. I was and am critical of his decision because I believe he made concessions that were not necessary and not in our national interest. I felt that a condition of normalization—by itself a sound policy choice—should have been the retention of a liaison office on Taiwan of equivalent status to the one which we had earlier established in Beijing. With a persistent and principled negotiating position, I believe that normalization could ultimately have been achieved on this basis. But that is behind us now. My present concern is to safeguard the interests of the United States and to enforce the law of the land.

It was the timely action of the Congress, reflecting the strong support of the American people for Taiwan, that forced the changes in the inadequate bill which Mr. Carter proposed. Clearly, the Congress was unwilling to buy the Carter plan, which it believed would have jeopardized Taiwan's security.

This Act, designed by the Congress to provide adequate safeguards for Taiwan's security and well-being, also provides the official basis for our relations with our long-time friend and ally. It declares our official policy to be one of maintaining peace and promoting extensive, close, and friendly relations between the United States and the seventeen million people on Taiwan as well as the one billion people on the China mainland. It specifies that our official policy considers any effort to determine the future of Taiwan by other than peaceful means a threat to peace and of "grave concern" to the United States.

And, most important, it spells out our policy of providing defensive weapons to Taiwan and mandates the United States to maintain the means to "resist any resort to force or other forms of coercion" which threaten the security or the social or economic system of Taiwan.

This Act further spells out, in great detail, how the President of the United States, our highest elected official, shall conduct relations with Taiwan, leaving to his discretion the specific methods of achieving policy objectives. The Act further details how our official personnel (including diplomats) are to administer United States relations with Taiwan through the American Institute in Taiwan. It specifies

that for that purpose they are to resign for the term of their duty in Taiwan and then be reinstated to their former agencies of the U.S. government with no loss of status, seniority or pension rights.

The intent of the Congress is crystal clear. Our official relations with Taiwan will be funded by Congress with public monies, the expenditure of which will be audited by the Comptroller General of the United States; and Congressional oversight will be performed by two standing Committees of the Congress.

You might ask what I would do differently. I would not pretend, as Carter does, that the relationship we now have with Taiwan, enacted by our Congress, is not official.

I am satisfied that this Act provides an official and adequate basis for safeguarding our relationship with Taiwan, and I pledge to enforce it. But I will eliminate petty practices of the Carter Administration which are inappropriate and demeaning to our Chinese friends on Taiwan. For example, it is absurd and not required by the Act that our representatives are not permitted to meet with Taiwanese officials in their offices and ours. I will treat all Chinese officials with fairness and dignity.

I would not impose restrictions which are not required by the Taiwan Relations Act and which contravene its spirit and purpose. Here are other examples of how Carter has gone out of his way to humiliate our friends on Taiwan:

- Taiwanese officials are ignored at senior levels of the U.S. government.
- The Taiwan Relations Act specifically requires that the Taiwanese be permitted to keep the same number of offices in this country as they had before. Previously, Taiwan had 14 such offices. Today there are but nine.
- Taiwanese military officers are no longer permitted to train in the United States or to attend service academies.
- Recently the Carter Administration attempted to ban all imports from Taiwan labeled "Made in the Republic of China," but was forced to rescind the order after opposition began to mount in the Congress.
- The Carter Administration unilaterally imposed a one-year moratorium on arms supplies even though the Act specifies that Taiwan shall be provided with arms of a defense character.
- The Carter Administration abrogated the Civil Aviation Agreement with Taiwan, which had been in effect since 1947, in response to demands from the People's Republic of China.

I recognize that the People's Republic of China is not pleased with the Taiwan Relations Act which the United States Congress insisted on as the official basis for our relations with Taiwan. This was made abundantly clear to Mr. Bush, and, I'm told, is clear to the Carter Administration. But it is the law of our land.

Fifth, as President I will not accept the interference of any foreign power in the process of protecting American interests and carrying out the laws of our land. To do otherwise would be a dereliction of my duty as President.

It is my conclusion that the strict observance of these five principles will be in the best interests of the United States, the People's Republic of China and the people of Taiwan.

The specific implementation of these duties will have to await the results of the election in November, but in deciding what to do I will take into account the views of the People's Republic of China as well as Taiwan. It will be my firm intention to preserve the interests of the United States, and as President I will choose the methods by which this shall best be accomplished.

