Statement of Mr. Richard Lawless, Deputy Assistant Secretary of Defense, Asian and Pacific Affairs, Before the U.S.-China Economic and Security Review Commission

(Written Text for Submission to the Commission)
February 6, 2004

Introduction

Good afternoon Mr. Chairman and Members of the Commission. Thank you for this opportunity to speak to you about the security situation in the Taiwan Strait. It is especially important to address these issues as we enter a critical election period on Taiwan. In the interest of reserving time to answer any questions you may have, I have prepared a statement that specifically addresses your interest in the views of the Department of Defense toward the U.S.-China-Taiwan trilateral relationship.

The overarching U.S. goal is to preserve peace and stability in the Asia-Pacific region. The policy of the United States toward 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 also seek to maintain fair and balanced relations with China's defense establishment, also because it is good policy. These two approaches are complementary and support our often-stated interest that the PRC and Taiwan 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 regional peace and stability.

U.S. Support for Taiwan's Defense

The United States government is engaged with Taiwan in several ways to ensure the United States is prepared appropriately to implement relevant sections of the Taiwan Relations Act (TRA). The United States actively monitors the security situation in the Taiwan Strait, makes available articles and services to Taiwan to ensure it can maintain a sufficient self-defense capability, works with Taiwan on a series of non-hardware related initiatives to address shortcomings in Taiwan's readiness, and maintains capabilities to assist in the defense of Taiwan if required. To maintain the peace in the Taiwan Strait, President Bush has made clear that the United States opposes the unilateral transformation of Taiwan's status, whether through the use of force or a declaration of independence. The preservation of Taiwan's democracy depends on effectively balancing these two goals, while providing Taipei the support it needs to deter PRC coercion.

The TRA stipulates that "the United States will make available to Taiwan such defense articles and services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The TRA 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 further asserts that "such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress." Section 2(b) states:

> 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.

The United States takes its obligation to assist Taiwan in maintaining a self-defense capability very seriously. The Bush Administration's National Security Strategy that calls for "building a balance of power that favors freedom" identifies the spread and protection of freedom and democracy as a national security objective of the United States. Taiwan's development into a true multi-party democracy over the past decade has strengthened America's commitment to its defense. 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.

Taiwan's Challenges

As it enters the 21st century, Taiwan faces significant challenges. First, the PRC's ambitious military modernization casts a cloud over Beijing's declared preference for resolving differences with Taiwan through peaceful means. Taiwan faces an increasingly powerful PRC with an accelerated military modernization program aimed at improving its force options versus Taiwan, and deterring or countering United States military intervention. This modernization is focused on exploiting vulnerabilities in Taiwan's national- and operational-level command and control system, its integrated air defense system; and reliance on sea lines of communication for sustenance. As the PRC rapidly modernizes its military in order to provide its leadership with credible options for the use of force, Taiwan's relative military strength will deteriorate, unless it makes significant investments into its defense.

As the PRC accelerates its force modernization program, Taiwan remains isolated in the international community, especially in the area of security cooperation. Although several states quietly collaborate with Taipei on security matters, the United States stands alone in its political courage, strategic imperative, and sense of moral responsibility in assisting the security of Taiwan's democracy. Taipei's isolation limits choices on procurement

and force modernization. Taiwan's isolation also constrains its ability to exploit technological, organizational, and doctrinal aspects of the on-going global military transformation. Finally, its isolation creates uncertainties with regard to procurement of foreign weapon systems, which in turn complicates development of a long term, coherent force modernization strategy.

Taiwan's defense establishment faces a wide array of other challenges as it attempts keep pace with developments across the Taiwan Strait. Economic trends, the domestic debate over defense strategy, national identity issues, service parochialism, all complicate Taiwan's force modernization, training, and jointness. As opinion polls consistently indicate a lack of popular concern about attack from China, Taiwan is faced with an increasingly constrained defense budget. Over the last 10 years, Taiwan's defense budget has shrunk in real terms and as a proportion of its gross domestic product (GDP).

Overcoming Challenges

These challenges are serious, but not insurmountable. Our defense relationship with Taiwan seeks to reverse negative trends in its ability to defend itself, possibly obviating the need for massive U.S. intervention in a crisis, and allowing Taiwan's political leaders to determine the island's future from a position of strength. If deterrence fails, Taiwan, supported by the U.S. and its allies, must be prepared to swiftly defeat the PRC's use of force.

The United States maintains an active dialogue with Taiwan's defense authorities to better understand their current capabilities and future requirements, and to assist Taiwan in improving its defense. Since 1997, the Department of Defense has conducted more than a dozen studies, reports, assessments, and surveys that have evaluated Taiwan's legitimate defense needs.

Armed with a solid base of knowledge and consistent with our legal obligations under the Taiwan Relations Act, the U.S. is assisting Taiwan to create a professional, civilian-controlled defense establishment that is modern, joint, and able to function effectively should it be required to defend itself. DoD is supporting Taiwan in developing an integrated national security strategy; joint doctrine; and integrated capabilities for training, employing, and sustaining joint forces.

Taiwan has succeeded in focusing attention on critical steps that must be taken in order to enhance Taiwan's defense in the next 3-5 years. For the first time in 10 years, Taiwan has increased its defense budget as a proportion of its gross domestic product. It has taken positive steps to modernize its C4ISR system and undercut the political and military utility of the PRC's most effective means of coercion -- its growing arsenal of increasingly accurate and lethal conventional ballistic missiles and ever more capable submarine force. It has invested in passive defense systems, streamlined its military

force, addressed pilot shortages, and drafted and implemented a detailed plan for the recruitment and retention of civilian personnel.

While modernizing its force in a focused manner, there is still progress to be made. We believe that Taiwan should devote greater resources to readiness, including personnel management, logistics, maintenance, and training. Taiwan should further strengthen its strategy and force planning processes, and develop the means to identify and correct deficiencies. We also suggest that Taiwan enhance interoperability among its Services, and with the United States and other potential security partners. We also believe that it should better protect classified information and enforce strict discipline in its executive and legislative interaction with the media.

China and U.S.-Taiwan Defense Relations

Our deepening defense cooperation with Taiwan is a direct result of Beijing's increasingly threatening military posture. The PLA's growing sophistication, including its efforts to complicate U.S. intervention, calls for more consistent strategic harmonization between the U.S. and Taiwan to improve Taiwan's ability to defend itself and reduce the danger to U.S. forces should intervention become necessary. The U.S. government's ability to use a wide range of security assistance tools consistent with the nature of the U.S.' unofficial relations with Taiwan can help it improve its defenses, and, should U.S. intervention be necessary, reduce the risk to U.S. forces.

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. Similarly, the U.S. government believes that its commitment to a one-China policy and opposition to any moves by Taiwan unilaterally to change the status quo are keys to maintaining the peace. Nobody should mistake increasing U.S. support for Taiwan's security as an endorsement of Taiwan independence. We seek to preserve a stable, secure environment that helps the people on both sides of the Strait to resolve their differences peacefully.

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 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.