



U.S.-CHINA ECONOMIC AND SECURITY  
REVIEW COMMISSION

## **Hearing on Taiwan-China: Recent Economic, Political, and Military Developments Across the Strait, and Implications for the United States**

### **Opening Statement of Commissioner Patrick A. Mulloy March 18, 2010 Washington, DC**

Good morning and welcome to this year's third hearing of the U.S.-China Economic and Security Review Commission. Today's hearing will address recent developments and future trends in the cross-Strait relationship, and what these developments and trends may mean for the United States.

Since the Chinese Communist Party came to power in October 1949, Taiwan has been a key factor in U.S.-China relations. Our Government recognized the non-Communist government of Taiwan as the legitimate government of all of China for over a quarter century. In 1979 when Washington formally established diplomatic relations with the People's Republic of China, Congress passed the Taiwan Relations Act, to govern our relations with Taiwan.

The May 2008 inauguration of Taiwan's President Ma Ying-jeou heralded significant developments in the cross-Strait relationship. Direct air, sea, and mail links between the two have been officially established since his Presidency began. Cross-Strait trade continues to expand, and China is now Taiwan's largest trading partner. Trade between China and the Taiwan will probably further expand if they sign the Economic Cooperation Framework Agreement (ECFA) now being negotiated. Taiwan is now the largest foreign investor in China. These and other cross-Strait developments will affect the United States and its relationships with both China and Taiwan.

To help us better understand these issues, we will be joined today by a number of experts from the Administration, academia, and private organizations. In particular, we are pleased to welcome several members of Congress who have taken time out of their busy schedule to join us. This morning Senator Sherrod Brown from Ohio, Congressman Lincoln Diaz-Balart from Florida, and Congressman Phil Gingrey from Georgia will present their views on the U.S.-Taiwan-China triangular relationship.

We are also delighted to have Mr. Robert Scher, Deputy Assistant Secretary of State for East Asian and Pacific Affairs, and Mr. Michael Schiffer, Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs, to present the Obama Administration's perspective.

I now turn the hearing over to Commissioner Wortzel for his opening statement.

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