



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on China's Military Modernization and the Cross-Strait Balance
Opening Statement of
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Chairman

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Good morning and welcome to the U.S.-China Economic and Security Review Commission's hearing on China's Military Modernization and the Cross-Strait Balance. This important hearing is being co-chaired by Commissioners Stephen Bryen, Thomas Donnelly and me.

Before we begin the hearing, I want to stress that China's military modernization – both nuclear and conventional – has major implications for the United States, Taiwan and our other allies in the Pacific region. After a decade-and-a-half of double-digit growth in annual defense budgets, China has emerged with an arsenal of advanced new weapons and improved command and control systems. And, because the prevention of Taiwan independence is a central mission of China's military, the preponderance of these new weapons and capabilities have been based along China's eastern seaboard within striking range of Taiwan and regionally-based U.S. and allied forces that may be called upon to respond to any potential aggression in the Taiwan Strait.

China's recent deployments of ballistic and cruise missiles, advanced fighter-bombers, and quiet new attack submarines already pose a serious challenge to Taiwan's self-defense forces. Moreover, it appears that China's near-term goal is to develop the capability to preclude U.S. involvement in the event of a showdown over Taiwan. For this reason, it is extremely important that Congress understands what military capabilities China possesses, and will possess, and what challenges those capabilities may present to Taiwan and U.S. forces. We have been aware, for example, that China's modernization efforts have stressed improvements in

naval, air and missile forces. We are also aware that China is actively pursuing unconventional means, such as cyber attack, to forestall or impede a response to potential Chinese aggression towards Taiwan. We will be interested in learning in greater detail the full extent of these improvements, and to what extent these improvements adversely affect our ability to maintain peace through deterrence. We will also want to understand what steps the United States and Taiwan are taking, and should be taking, to address the new and emerging threats brought on by China's modernization efforts.

While China's forces are modernizing at a rapid clip, Taiwan has demonstrated a remarkable lack of urgency in moving forward on the acquisition of essential defense articles that have been offered by the United States. To a significant degree, it appears that an internal political row between Chen Shui-bian's administration and the opposition party is the cause of this delay. But the lack of public outcry makes it unclear whether the Taiwan public has fully embraced the need for these weapons or is willing to foot the bill. This is a dangerous game. While the U.S. has historically demonstrated a ready willingness to assist countries that are committed to their own defense, the American public may be less inclined to assist a country that has abandoned efforts to provide for its own defense needs.

Finally, it is imperative for Washington to understand China's strategy with respect to Taiwan and fully consider how, as a nation, we should respond. For over 25 years successive U.S. administrations have exercised a policy of 'deliberate ambiguity' with regard to our commitment to defend Taiwan, and this policy has effectively deterred both China and Taiwan from taking unilateral actions that would disrupt the peace and stability across the strait. However, in the absence of a clear and vigorous U.S. commitment, China's growing military strength and international confidence may at some point tempt her leaders to make a forceful play for Taiwan. It is important that U.S. lawmakers fully understand the significance of this U.S. commitment, and how it plays out regionally, both now and well into the future. Armed with that understanding, lawmakers will be better able to make informed choices on the necessary appropriations and allocations for U.S. defense spending.

I'll now turn the microphone over to my Vice Chairman, Roger Robinson.