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CHALLENGES FACING THE NEXT U.S. AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA—(INCLUDES NOMINATION HEARING OF ADM. JOSEPH W. PRUEHER)

HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

OCTOBER 27 AND 28, 1999

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THE FUTURE OF U.S.-CHINESE RELATIONS

WEDNESDAY, OCTOBER 27, 1999

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

The committee met, pursuant to notice, at 10:42 a.m. in room SD–419, Dirksen Senate Office Building, Hon. Jesse Helms (chairman of the committee) presiding.

Present: Senators Helms, Hagel, Thomas, Kerry and Feingold.

The CHAIRMAN. Good morning. The committee will come to order.

Senator Biden is in another committee meeting, but he suggested that we proceed without him. I try to have at least one member of both sides here when we have a committee meeting. I will say for the record and for the guests here that this is the time of year when all of the committees are meeting all of the time. Most committees have a scant number of Senators present.

In any case, this morning we are going to consider the subject of the future of U.S.-China relations.

Tomorrow we will hold a hearing on the administration's nominee for the post of U.S. Ambassador to China.

It occurred to me that, prior to that, it might be useful to have an evaluation of the China policy of the United States and the policy of China itself.

We have assembled today a distinguished list of witnesses who, I suspect, will provide a spirited discussion and stimulate some thinking. We all need to do all of the thinking we can constructively regarding this problem.

My own views about China are, I think, fairly well known. I am not going to consume the committee's time with a lengthy statement. However, I will be posing a few questions here and there that may help frame the debate today.

For example, I would like to know: No. 1, how is it that our relations with China have reached such a low ebb after 7 years of painstaking efforts by the administration to cater to Red China's every whim and wish?

No. 2, how is it that after 7 more years of Most Favored Nation, [MFN], after an unprecedented transfer of technology, after red carpet treatment for an unending series of Chinese officials, after unquestioned access to our capital markets and opting not to introduce U.N. human rights resolutions, after turning a blind eye to China's land grabs in the Spratley Islands and after openly siding with China versus Taiwan, the Clinton administration still has not been able to establish a better relationship with Beijing?

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Why, after all of this deference, have the Chinese frozen our vaunted military relationship, cutoff the dialog on proliferation and human rights, and ordered the U.S. military out of Hong Kong?

Why wouldn't Jiang Zemin pick up the hot line when President Clinton called last May as the Chinese Government was ransacking our embassy and reducing our Ambassador to a prisoner?

Yes, the Chinese Embassy was bombed—accidentally. I am going to hear that over and over again and have already. Some suggest that is the reason for China's actions. But is it not clear, especially when one examines the lack of progress on all of the other fronts prior to that unfortunate bombing, such as China's draconian crackdown on various things, its mercantile trade practices, a clearly offensive military buildup, further provocations in the Spratley Islands, along with a tirade of abusive threats and maneuvers against Taiwan, I say to the committee and to those interested, is it not obvious that something is amiss?

These are some of the questions that come to mind.

But now, let's hear from our witnesses, after, of course, we have yielded to the Senator from Delaware, if he should get here. But I suggest we proceed.

Mr. Cox, I appreciate your being here this morning. You may proceed, sir.

STATEMENT OF HON. CHRIS COX, U.S. REPRESENTATIVE FROM CALIFORNIA

Mr. COX. Thank you, Senator. I thank this committee. I appreciate the opportunity to appear before you to share my views on the appropriate American policy toward the People's Republic of China.

Before doing that, I want also to take the opportunity to emphasize the debt of gratitude that is owed to the chairman and every member of this committee by all who labor for freedom in China, for your leadership and for your consistent defense of democratic principles.

There are two well noted books on U.S.-PRC relations recently published by reporters respectively from the Los Angeles Times and the New York Times, which are in agreement that Presidents since Richard Nixon have sought to manage relations with the People's Republic of China through a small, secretive group of policy mandarins. Because you have worked tirelessly to make sure that U.S.-PRC relations are open and informed by our democratic process, this committee deserves our heartfelt thanks.

The Communist government of the People's Republic of China is a 50 year anomaly in a 5,000 year rich tradition of China's civilization. At the end of the first millennium, 1,000 years ago, China was easily the world's most advanced civilization. But today, most of China's people live in Third World poverty. The per capital gross domestic product of China is less than that of Guatemala or Swaziland.

Because the Chinese people and their culture are so strong, communism, as in East Germany, is not without its economic and military successes in China. But communism in China is inherently unstable.

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Periodic eruptions from Tiananmen Square to the tragically aborted formation of the China Democratic Party, to the recent arrests of Falun Gong members display this.

If long-term stability is our aim, then assisting China's democratic movement must be a principal national security priority for the United States in Asia. A real transformation will occur only if economic and political freedoms develop simultaneously in China.

The Communist government of China is fond of saying that Western values are at odds with Asian values and that they, the Communist Party, faithfully represent Asian values. Occasionally, they even go so far as to say that if one is an opponent of the Communist Party in China, then one is not a friend of China but is an enemy of China.

This Asian values argument posits a radical and seemingly permanent opposition between democracy and pluralism and markets and individualism on the one hand and authoritarianism, conformity and traditionalism, corporate economics and the primacy of group rights in the community on the other hand.

If this view were true, then Japan, Taiwan, South Korea, the Philippines, Thailand, and India all would be at odds with Asian values. At the same time, Western Europe, before 1789, and Central Europe throughout much of the 19th and 20th centuries, would be perfect examples of Asian values.

Louis XIV and Phillip II of Spain were far easterners. President Lee Teng-hui, President Kim Dae Jong and thousands of Tiananmen Square demonstrators are closet Europeans.

That is what is wrong with the view of the Communist Party. The founding fathers of Chinese civilization are not Karl Marx, Friedrich Engels or Vladimir Ilyich Lenin.

There is another school of thought that is popular in America. I call it the Manchester School Revisited. This second school of thought is a much more persuasive one. It takes full account of the democratic and capitalist experience in much of Asia.

The CHAIRMAN. Will the Congressman suspend for a moment.

This is a hearing on China and we have some guests who are not interested in that. They want to demonstrate on another issue now.

I hope the security people will escort them out into the corridor to let them wait there.

[A public demonstration occurred.]

The CHAIRMAN. I am always courteous to you where you work. Now you please be a lady and be courteous to us. You are not going to be heard.

Would the bailiff please escort them out.

[Pause]

Mr. COX. I thank you, Senator. It is much easier to get order in this hearing room than normally it is on the floor of the House of Representatives.

The CHAIRMAN. I understand what you are saying.

I am sorry for the interruption. I think you know that I had nothing to do with it.

Mr. COX. Indeed. Thank you.

This Manchester School Revisited, as I was saying, takes full account of the democratic experience of much of Asia. It takes account of the affinities between free enterprise and democracy and

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peaceful international conduct. But it is, in its own way, an oversimplification.

The advocates of this school of thought argue that, in the long run, economic development and, in particular, capitalism, tend to erode dictatorship and promote democracy and peace. While that is true—I certainly agree with that, that is the way that free enterprise tends—that is, in the long run, that is the key to understanding the flaw in this argument.

A lot can happen in the long run. There are a lot of twists and turns on that road.

Take, for example, the cases of Germany and Japan, which have free economies and political systems today. In 1900, Germany and Japan had freer economies than does China today. But getting from 1900 in Germany and Japan to 2000 in Germany and Japan has been a traumatic experience. The intervening history, the process of modernization, has had catastrophic consequence not only for the citizens of those countries but for their neighbors.

There is nothing automatic, in other words, in a peaceful transition from statism to pluralism and free enterprise.

Accordingly, we can acknowledge that the PRC today is a freer and wealthier place than the desperately poor and utterly tyrannical despotism of the recent past under Mao without concluding that it is, therefore, a smooth, steady, and inevitable path toward becoming a new Japan, Taiwan, or South Korea.

On October 1, the People's Republic of China regaled the world with a throwback display, a Stalinist display, of sheer military might that laid bare the government's current priorities. Its new nuclear missiles, including the DF–31 intercontinental ballistic missile, that was revealed for the first time in that 50th anniversary of communism parade, are the latest products of the Communist State-directed scientific/technical complex.

We need only to refer to the study on the PRC-Taiwan military balance requested by Senator Murkowski and issued by the Pentagon in February of this year to know that the PRC is working rapidly to build an offensive military capability that can be used to attempt reunification with Taiwan by force or by intimidation.

We saw a preview of such PRC military intimidation tactics in 1995 and early 1996. If more confirmation were needed, the PRC's military intimidation of Taiwan again went into high gear this summer.

Twelve weeks ago, in Beijing, an American Foreign Policy Council fact finding delegation led by former Secretary of Defense Don Rumsfeld visited a high tech exhibition commemorating the 50th anniversary of communism in China.

The military section of this exhibit contained a diorama depicting the invasion of Taiwan. It took up the entire 15 foot section of a wall of the exhibit.

Here is a description of an observer of that exhibit. This was just 2 weeks ago. "Entering the military section of the exhibit, the diorama depicting the invasion of Taiwan takes up the entire 15 foot facing section of wall. Flanking the diorama on either side, arranged like columns, are floor to ceiling models of various missiles painted white with red horizontal bands. To the left are the grassy

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dunes of the island, with a long slope down to the sandy curve of beach that occupies the center of the diorama.

"In the Taiwan Strait to the right the water is blue and calm. Overhead are a few clouds and half a dozen helicopters, their rotors whirling at the beach landing craft which are off-loading tanks while several tanks and armored personnel carriers already on shore are trundling up the beach and over the dunes to the left. Soldiers have arrived on other landing craft. They are wading through the water to the beach, holding their weapons overhead. More landing craft are coming into the beach from several carriers standing offshore to the right along with submarines. There are flashes of light and smoke from explosions far off behind the trees beyond the dunes.

That is the way the Communist Party celebrated their 50th anniversary of one party dictatorship in China.

The hoped for dividends of the Clinton-Gore engagement with the PRC have not materialized. From vehement opposition to American plans for a non-nuclear missile defense to a campaign to undermine our strategic alliances in Asia, to the State sponsored demonstrations of terror against our diplomatic territory in China, the PRC has been aggressively hostile to U.S. interests.

This outward hostility mirrors the PRC rulers' attitudes toward the democratic aspirations of China's population. The regime correctly fears its own people.

The Communist ruling clique late last year staged a national purge of State sanctioned democratic leaders. This past spring and summer witnessed the brutal destruction of the Falun Gong, which, as you know, is a large, but truly benign, religious organization.

The most recent example of the Politburo's extreme paranoia occurred just 2 weeks ago, on the eve of the announcement of the Nobel Peace Prize, when the regime placed the mother of peace prize nominee Wang Dan under arrest.

It is ironic that the Clinton-Gore administration, which could not bring itself even to comment whatsoever on the arrest of Wang Dan's mother, originally founded its China policy in 1993 in a rhetorical commitment to human rights. That commitment, it is rather clear now, we have lost.

America deserves a much better China policy that not only serves the short-run economic advantage of a handful of U.S. firms with connections to the PRC State government but also advances our democratic values and defends our vital security interests. It is not an impossible task to accomplish all of these things together.

It requires, however, restoring human rights and U.S. national security to preeminence with our economic interests.

This positive vision of a post-Communist, free, stable, prosperous, democratic and pacific China can become reality if America supports China's democratic transformation and supports democratic leaders, like Wei Jingsheng, Wang Dan, and Harry Wu, who is with us here today. Assisted by the example of free Chinese in Hong Kong and Taiwan and aided by forward thinking policies of the United States, I believe we will see the end of communism in China and a day, very soon, when her people will be truly free.

I thank the committee and the chairman.

[The prepared statement of Mr. Cox follows:]

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PREPARED STATEMENT OF CONGRESSMAN CHRISTOPHER COX

Chairman Helms and Distinguished Members of this Committee:

I appreciate the opportunity to appear before this Committee to share my views on the appropriate American policy toward the People's Republic of China.

Before doing so, however, I should take the opportunity to emphasize the debt of gratitude owed to the Chairman and all members of this Committee by all who labor for freedom for the people of China—for your leadership and your consistent defense of democratic principles. Mr. Chairman, two well noted books on the history of U.S.-PRC relations, published this year by reporters from the Los Angeles Times and the New York Times, are in agreement that Presidents since Richard Nixon have sought to manage relations with the PRC through a small coterie of policy mandarins. For working tirelessly to make sure U.S.-PRC relations are open, and informed by our democratic process, this Committee deserves our heartfelt thanks.

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At the end of the first millennium, China was the world's most advanced culture.

But today, most of China's people live in third world poverty. The per capita GDP of China is less than Guatemala or Swaziland.

Because the Chinese people and their culture are so strong, Communism, as in East Germany, is not without its economic and military successes in China. However, Communism in China is inherently unstable, as periodic eruptions—from Tiananmen Square, to the tragically aborted formation of the China Democratic Party—show. If long-term stability is our aim, assisting China's democratic movement must be a principal national security priority for the U.S. in Asia. A real transformation will occur only if economic and political freedoms develop simultaneously in China.

On October 1, the PRC regaled the world with a throwback Stalinist display of sheer military might that laid bare the government's priorities. Its new nuclear missiles, including the DF–31 ICBM that was revealed for the first time, are the latest products of the Communist state-directed scientific-technical complex. We need only refer to the study on the PRC-Taiwan military balance requested by Senator Murkowski, and issued by the Pentagon in February 1999, to know that the PRC is working rapidly to build an offensive military capability that can be used to attempt reunification with Taiwan by force or intimidation. We saw a preview of such PRC military intimidation tactics in 1995 and early 1996. If more confirmation were needed, the PRC's military intimidation of Taiwan again went into high gear this summer.

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This outward hostility mirrors the PRC rulers' attitudes toward the democratic aspirations of China's population. The regime correctly fears its own people. The Communist ruling clique, late last year, staged a national purge of state-sanctioned "democratic" leaders. This past spring and summer witnessed the brutal destruction of the Falun Gong, a large but truly benign religious organization. The most recent example of the Politburo's extreme paranoia occurred just two weeks ago, on the eve of the announcement of the Nobel Peace Prize, when the regime placed the mother of Peace Prize nominee Wang Dan under arrest.

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America deserves a much better China policy that not only serves the short-run economic advantage of a handful of U.S. firms with connections to the PRC state government, but also advances our democratic values and defends our vital security interests. It is not an impossible task to accomplish all those objectives together. It requires, however, restoring human rights and U.S. national security to pre-eminence with out economic interests.

This positive vision of a post-Communist, free, stable, prosperous, democratic and pacific China can become reality if America supports China's democratic transformation, and supports democratic leaders like Wei Jingsheng, Wang Dan, and Harry Wu. Assisted by the example of free Chinese in Hong Kong and Taiwan, and aided by forward-thinking policies in the United States, I believe we will see the end of Communism in China—and a day very soon when her people will be truly free.

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The CHAIRMAN. That was an excellent statement, Chris. I am going to call you that.

Ladies and gentlemen, our first panel is the distinguished Congressman from California, Christopher Cox.

How long have you been in the Congress?

Mr. COX. It's 11 years.

The CHAIRMAN. Eleven years. I believe you recently chaired the House Select Committee on the U.S. National Security Concerns with the People's Republic of China.

Congressman Cox, suppose we do about 10 minutes each, no, 7 minutes each because we are going to have other Senators coming in. I will take my 7 minutes first.

Do you think, sir, that U.S. policy should promote the rapid democratization of China? Or should United States policy be concerned primarily with managing relations with the Communist regime?

Mr. COX. I think, Senator, you have put the fundamental question for U.S. policy.

The CHAIRMAN. It is a rhetorical question, actually. It is a rhetorical question and it answers itself, almost. But I want you to comment on it, if you will.

Mr. COX. I believe it is, in part, a question that answers itself because, obviously, everyone in this room would prefer that China were democratic.

But how to do that is a much more subtle and difficult question.

We have had trouble, the United States has had trouble over the last several years being ourselves, being comfortable about American values which, indeed, are universal values of individual freedom. I mentioned the fact that the President, the Secretary of State and the leading officials of the U.S. Government were absolutely mute when the mother of a Nobel Peace Prize nominee was arrested on the eve of the announcement of that award because of the extreme paranoia of the Communist Chinese Government about freedom.

The fact that the President of the United States took an extended visit to the People's Republic of China, the longest visit to a foreign country by any President in American history, and could not find time to meet with the founders of China's Democratic Party is an example of the discomfort that, apparently, the United States feels about being ourselves.

We are not promoting democracy by ostensibly promoting business in this way.

I think business and its expansion in China can be a liberalizing force. But we ought not to permit the perversion of our business interests into the subversion of democracy.

The CHAIRMAN. How well is the administration's policy of engaging Communist China advancing U.S. interests and expanding human rights in China?

Mr. COX. Well, the State Department's own reports on the human rights situation in China make it abundantly clear that things are getting, if anything, better rather than worse. We have seen in recent years crackdowns unrivaled since the Tiananmen Square massacre. Insofar as support for U.S. aims or support even

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for neighborly relations with the United States, we have not even seen that produced as a dividend.

You may not know, but for some years before I served in Congress I had worked with and co-founded a company that translated Pravda, the Soviet Union's Communist Party daily into English on a daily basis. That was circulated to 26 countries around the world. There was a big market for it because, even though it was an open source, people did not speak Russian and they did not consult it as they ought to have.

Once it was available, it provided a lot of insight into how the party thought.

I think we overlook open source Communist Chinese publications. They have a State run media, and what they say in their State run media ought to be of some interest to us.

Just recently, Communist State run media in China wrote this article. "We urge hegemonism today to take a look at the mirror of history." "Hegemonism today," of course, is the United States in their view. They said in this article, "If we ask which country in the world wants to be the lords of the earth, like Nazi Germany did in the past, there is only one answer, namely, the United States, which upholds hegemonism."

The Communist State run media is replete with such things. This is the dividend from our engagement policy.

The CHAIRMAN. I mentioned your select committee report. In it I noted that you identified more than 3,000 Red Chinese companies operating in the United States, many with links to the Chinese military, espionage services, or both.

What do you think of proposals to set up an office of national security at the SEC to review and report on these companies? That is the first question.

Is this approach correct or do we, perhaps, need to go even further than that?

Mr. COX. The proposals that I have seen, some even in legislative form, to set up essentially a national security office within the Securities and Exchange Commission, have merit. I think we need to be careful about execution.

It is entirely possible to set up a regime in the United States securities regulatory scheme that is viewed as a deterrent to foreign investment in the United States. And, insofar as we urge the openness of trade and investment throughout the world, we welcome it here in our own countries and we do not want to set up barriers to investment.

But we also need to take a look at the degree to which disclosure, which is what the SEC is supposed to be all about, by foreign borrowers and foreign users of our capital markets, does not measure up to disclosure by our own domestic companies. Without question, there is a big drop-off in the level of disclosure when you move from the free enterprise profit motivated corporate sector in America to even our own municipal borrowers.

I come from a county that had the largest municipal bankruptcy in American history. One big reason behind that bankruptcy was that the level and quality of disclosure in an information statement for municipal borrowers is nothing as compared to the quality of disclosure for a corporate borrower.

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Then, when you go to foreign governments, you find that the disclosure is far less adequate. Then, when you go to governments that are as opaque, as nontransparent as the Communist Government of the People's Republic of China, where so much of enterprise is State run, where accounting is as much creativity as hard figures, I think people are essentially lending money to the State of China, to the Communist Government of China, on the brand name and on the expectation that they will somehow pay it back, but not because of any substance of the disclosure.

So, to the extent that there are big, new offerings in U.S. capital markets from the PRC State government, I think we need to take a very hard look at the quality of that disclosure.

All of these proposals, by the way, are aimed only at improving disclosure. That is what free and open capital markets are all about.

The CHAIRMAN. I thank you, sir.

I told the timekeeper to limit me to 5 minutes because we are going to have some other Senators here today.

Senator Kerry.

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

Congressman, share with me this, if you will. We can all find some criticisms here and there, I think, in what is a very difficult relationship to manage. I think we have to acknowledge that. But I would like you to try to be more precise, perhaps, with me, with us, in exactly what you would do differently in terms of the engagement process.

I know you would criticize human rights. Those are words. I know you want to take some steps on the spying. That is more internal here. Share with me where the points of confrontation would be that you believe would elicit a constructive response from the Chinese—and that is most important. What are the steps that we would take that would, in fact, elicit the response you want from the Chinese?

Mr. COX. First, I would observe that words matter. In fact, the chief tool that the United States and, indeed, the President, personally has in advancing human rights, democracy, pluralism, free enterprise, and pacific relations with the People's Republic of China is the international attention that he and that our government generally attract.

Senator KERRY. Well, let's assume we both agree that we could be stronger on speaking out on certain things. We do agree. I think we should have gone to the U.N. and taken up a resolution on human rights.

But that said, help me with the other parts of this. Construct the confrontational points in an engaged policy that will result in positive reaction that will change the way we want to change China, or the way you do.

Mr. COX. A great deal of this is the manner of execution. Whether it is a confrontation or whether it is simply America being America is the essence of it.

If we only occasionally raise human rights because of domestic political concerns here in the United States—you know, somebody is complaining that we are selling out the Chinese people and so, after 8 months we do something to pacify, you know, a constituency

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here in the United States—that kind of operation in fits and starts is itself destabilizing.

The government in Beijing, and indeed governments around the world, should expect from the United States that every day that we wake up, just as surely as I get up and brush my teeth and shave every day, that we are going to talk about these ideals because they are important to us, that we are going to stress these things in our relationship. If there is a constancy, then I think we will find that we have much more stability in the relationship and people will understand that these things are not occasionally to be traded away.

Senator KERRY. But if all we are doing is talking, I mean, we have had years of criticizing human rights. We have even gone quite a bit further than that. China does not exactly embrace our view. What is the next step?

Do you support, for instance, the Rule of Law Program the administration wants to implement in China?

Mr. COX. It is certainly a worthy goal. I think that, to the extent that we participate in these exchanges with the National Peoples' Congress, the U.S. Congress, to the extent we exchange judges and lawyers here in our system with them, some good can come of that. But we ought not kid ourselves that the National Peoples' Congress is a legislature—it is not—or that the lawyers and judges with whom our lawyers and judges are meeting in the PRC are operating in any kind of an independent judiciary. They are not. They are tools not only of the State but of the Communist Party itself.

So we need to be a little bit more muscular than that.

Senator KERRY. When you say "more muscular," would you not say China has changed quite profoundly in the last 15 years?

Mr. COX. Yes.

Senator KERRY. And say that that change tends to be toward a more engaged entity, an internationally involved and sensitive entity than it was prior to those 15 years?

Mr. COX. Indeed, the entire world, of which the PRC is a part, has changed and progressed. I think that the methods that the Communist Party uses to control its citizens are much more sophisticated and effective in this climate than anything that they did in the past.

We all remember the heavy handed tactics of both the Government of the People's Republic of China and the Government of the Soviet Union back in the 1950's, the 1960's and so on. That sort of thing would be laughed at on television today.

So today we see Jiang Zemin coming to Philadelphia and putting on a three cornered hat while talking about his admiration for our American ideals. It is great televisions, but, nonetheless, our State Department human rights experts tell us that essentially every single dissident in the People's Republic of China has been rounded up and jailed or is out of commission.

Senator KERRY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Thomas.

Senator THOMAS. Thank you, Chris, for your testimony. It was very good. I am sure most people would agree with all that you've said.

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Thank you, too, for all the work that you have put in on this issue and on the security issue certainly.

I guess the bottom line, of course, is that we all agree we would like to see changes. The question is how do you do it. There has been quite a little bit of publicity lately over the 50 years and interviews with people in the PRC in terms of change. I guess you just commented on that. Don't you recognize, isn't there a substantial change in the economy and isn't there a, it seems like, transparency, where people can see how the rest of the world works so that that tends to bring about change more quickly than anything else?

Mr. COX. I agree with all of that. I think that's right.

Senator THOMAS. How do you assess the relationship, then, with Hong Kong? How has that gone in your view?

Mr. COX. Our hope, of course, is that Hong Kong, albeit the tail to the dog, is, ultimately, the influence on the rest of the PRC rather than the other way around.

I think that we have been in some ways pleased that Hong Kong's freedoms have not been snuffed out and in other ways disappointed that Hong Kong's freedoms have, at the margin, been eroded.

Senator THOMAS. I guess it comes back to this. It seems like the alternative to working with China is to isolate China. Our experience with isolating in the case of North Korea has not worked well at all. You are not suggesting that, are you?

Mr. COX. No, and I don't, frankly, know too many people who are.

Senator THOMAS. What do you suggest, then?

We had several hearings on policy in our subcommittee just this past month, and we asked people what would you do to bring about the change that we all desire differently than we are doing.

Mr. COX. I think that, right now, the United States gives the impression that it is business first and not only human rights but also security second. What we need to do is elevate those national priorities to the same preeminence that our business relationships presently enjoy.

Because we have been so lacking in constancy on two of the three of our priorities, I think the PRC government has ably taken advantage and has used these things as negotiating levers.

Senator THOMAS. What do you see as the threat to security? Are you talking about the security of the United States?

Mr. COX. In particular, my concerns with the overt military expansion in the People's Republic of China are with the regional security in Asia. Rather obviously, there is an arms race underway in the region with Pakistan and India, Pakistan being the beneficiary of PRC weapons proliferation, technology proliferation, India feeling threatened by nuclear weapons and Tibet by planned nuclear weapons on submarines in the Indian Ocean, by the construction of PLA armed camp in Burma, and so on, described to me by the prime minister of India as a pincer movement by China on India.

I think without question Japan feels threatened by North Korea's launching of a missile over its territory, and it is now pursuing theater missile defense.

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The destabilization of the region because of the actions of the PRC, not to mention, of course, the U.S. stake in defending the democracy on Taiwan, all of these things are the security aspects that I speak of.

Senator THOMAS. Do you know if our expression of policy on the Taiwan Relations Act is sufficient to allow us to do what we want to do?

Mr. COX. I do, indeed. My concern is that the Taiwan Relations Act is seemingly honored in the breach. It is for this reason that the Taiwan Security Enhancement Act has been introduced in both the Senate and the House. As you know, that passed with nearly a unanimous vote yesterday in the International Relations Committee in the House with Democrats and Republicans both supporting it.

Senator THOMAS. I guess my confusion is, my question was do you think the Taiwan Relations Act gives us enough authority to do what we have said we were going to do, and then you say we need another act. I don't understand that.

Mr. COX. What I said is that I think that the Taiwan Relations Act does give us not only the authority but the mandate to assist Taiwan with defensive weapons, for example, and that that act seems to be all too often increasingly, these days, honored in the breach. It is for this reason that there is the additional legislative activity on the subject.

Senator THOMAS. So it is the implementation, not the authority. Thank you.

Mr. COX. Yes.

Senator THOMAS. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

I want to thank you for holding this important hearing. I also want to thank Congressman Cox for being here, for his hard work on these issues, for his interesting remarks and for what I felt was an excellent answer to Senator Kerry's question.

I think the notion that we should be more consistent almost on a daily basis in criticizing human rights abuses in China is a very concrete suggestion, and if more Members of Congress and the President were more consistent, I think we might find a different result with regard to the Chinese Government's response.

Basically, I don't think it is contrived. I think we ought to try it and I want to praise you and the other Members of the House who have done everything you can to raise these issues as often as you can.

The title of this hearing is "The Future of U.S.-China Relations." But, of course, we cannot discuss the future without examining the past and the past is not a proud one.

As I have said from this seat many times, this administration has consistently placed more emphasis on expanding trade relations with China than addressing the gross violations of labor rights and human rights that occur in China every day, even when the nature of that expanding economic relationship has led to a ballooning trade deficit with the PRC.

The recent history of U.S.-China relations has been a study in the exercise of a double standard. That double standard suggests

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that human rights are important in some countries but less so in China, where the siren song of vast markets has deafened too many ears to the news of oppression and abuse that evades China's sensors and finds its way to the international community.

Mr. Chairman, the application of this double standard has led to a predictable result. China continues to be one of the most oppressive States in the world. Just this week, China tried four dissidents, members of the Chinese Democratic Party, on charges of subversion. Officials would not even allow the accused to read their defense statements in court.

Yet this administration continues to hold out incentives to China, eager to see the PRC join the World Trade Organization, despite China's heavy use of trade barriers. Unfortunately, the administration's eagerness to forge a close relationship with China opens the United States to charges of hypocrisy when it does not stand up for human rights elsewhere in the world.

Mr. Chairman, it is my firm belief that we should stand up for those rights worldwide, including the rights of women, and I look forward to discussing those issues in this committee at the appropriate time.

My own view is that the United States has gained little and paid dearly in our relations with China, and I would hope that the future of U.S.-China policy would include a very serious effort to bring human rights to the forefront of our bilateral relations.

I know that many of my colleagues are here because of their concerns about security issues, and I agree that congressional oversight and vigilance with regard to those issues is, of course, of critical importance.

But I do not want human rights to get lost in the shuffle or to be pushed out to the margins of this debate, as they so often are.

So, Mr. Chairman, I look forward to hearing more about human rights in China from the excellent panels of witnesses here today and to discuss how the United States might bring human rights concerns back onto the priority list in our relations with China.

In my remaining time I would like to ask the Congressman one question.

I would like to ask you about the World Bank financing of a project to open traditionally Tibetan lands to impoverished ethnic Chinese farmers. I believe you have introduced legislation restricting U.S. support for the World Bank in response to this project. Could you just give us an update on the project and your understanding of the bank's plans.

Mr. COX. Well, the project is something that the United States opposes. The United States has registered its opposition. The fact that, nonetheless, the World Bank is going forward with it is indicative of a more general problem, and that is that, even though the United States is the largest national influence in the organization, the U.S., let alone any other country, does not really exercise oversight when it comes to the protection in this case of indigenous peoples or environmental concerns and standards that we maintain in our own country.

So U.S. taxpayers end up subsidizing essentially the destruction of our own standards abroad.

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For this reason, I introduced legislation that would permit the United States, under our existing norms, after we vote against a project to reduce our proportionate share by that amount.

Senator FEINGOLD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator KERRY. Mr. Chairman, before you let this witness go, I have a couple of questions yet to be answered, if we could, and I think this is a good opportunity to do so.

The CHAIRMAN. Well, I don't want us to get into a debate with the witnesses.

Senator KERRY. No, no debate. I just want to ask a question.

The CHAIRMAN. OK, ask your question.

Senator KERRY. I have no intentions of a debate.

The CHAIRMAN. I want to get this hearing over with.

Senator KERRY. Well, we have a hearing for the purpose, obviously, of trying to elicit information and I just want to do that.

The CHAIRMAN. OK. All right.

Senator KERRY. Thank you.

Congressman, I agree with a lot of your approach and I agree with a lot of your comments. I am having difficulty understanding the full measure of the terms of engagement, however, that you are proposing.

The chairman, for instance, has suggested that engagement is, per se, a dead letter. You, on the other hand, have a different view. You have been quoted as saying it is time to focus not on whether to engage but on what the terms of engagement are, how to engage. I agree with that completely.

But you have suggested very specifically that we ought to relax controls on encryption technology and streamline exports of various other dual use technologies to China. This runs quite counter to some others here on this committee and elsewhere.

I happen to agree with you. I think that we need to find ways to do that.

Could you just elaborate for a moment on sort of your terms of engagement and, specifically, that component of it with respect to trade, particularly in light of what Senator Feingold just said about how we have gained little and forfeited much. Yet you are advocating greater economic involvement. How do you reconcile those?

Mr. COX. Well, first, with respect to export controls, a subject on which I have spent a lot of time in the last few years, my recommendations are with respect not only to the People's Republic of China but, essentially, the world.

Senator KERRY. I agree with you.

Mr. COX. They run as follows.

To the extent we are seeking to control technology for military and national security purposes, the touchstone of our policy must be foreign availability.

If a product or service is available from someone else in the world besides the United States, then our refusal to provide it amounts to self-abnegation as national security policy. It provides no incremental value to the national security, probably destroys jobs here, and gets you nowhere.

We might, for example, if we looked only at this in military terms say that we want to deny the PLA hammers, that we are

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just not going to sell any hammers to the PLA. We will not sell any hammers to the People's Republic of China because they might give them to the PLA.

Now hammers are available widely. So we would simply deny ourselves hammer sales. We don't wish to do that.

On the other hand, there is a great deal that we control and that we can control if we wish to pursue this multilaterally—another recommendation that I have strongly urged in our select committee, urged unanimously—and ought to control because it is in our national security interest. So we need to discern which is which.

When it comes to encryption specifically, I have had problems with our existing United States policy because it does not start from the premise that foreign availability is the beginning of an answer to the question.

So I think there is some great benefit in making sure that we make commercially available encryption useful to people in the PRC. Lin Hai, a web page designer in the People's Republic of China, is now in prison. He is in prison because he shared e-mail addresses with anti-Communist dissidents here in the United States.

Actually, they are not dissidents. They are pro-freedom people here in the United States.

I believe that, if he had had strong encryption commercially available, the MSS could not have read his e-mail and he would be a free man today.

I think there are costs as well as benefits to controlling some of these technologies that are so-called dual use.

Finally, when it comes to dual use technologies, we need to focus our control efforts on what really matters. My observation has been that there is as much bureaucracy aimed at the capillaries as at the jugular, sometimes more. We need to correct that. We need to find out where that jugular is by applying intelligence information that men and women loyal to the United States are risking their lives to produce and that oftentimes is bottled up someplace and not shared with people who are making the export control decisions.

We have to share that information within the executive branch and have a system that controls what really matters.

Senator KERRY. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

I thank you very much, Congressman. You may get some written questions from Senators who are not here this morning.

Mr. COX. I appreciate that and I will be pleased to respond.

The CHAIRMAN. Your testimony was just fine.

Our second panelist will be an old friend of ours. He's not really an old friend, he is a young friend, but he has been around for a little while. He is Hon. Winston Lord, former U.S. Ambassador to the People's Republic of China.

We welcome you, sir. You may proceed with your statement.

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STATEMENT OF HON. WINSTON LORD, FORMER AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA; AND FORMER ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS

Ambassador LORD. Mr. Chairman, members of the committee, few international issues are as critical and none as complex as our relations with China. On our long, arduous journey with the world's most populous nation, Americans will need sophistication, steadiness, and stamina. Such qualities are scarce in the current national debate.

I am distressed that the outer limits of views on China are dominant—the apocalyptic and the apologetic.

We should understand that everything one hears about China is true—the good, the bad, and the ugly. American policy must steer between the shoals of hostility and indulgence.

Therefore, I welcome this opportunity to appear before the committee and join the national discourse. I am pleased that Admiral Prueher will be here tomorrow. People on all sides of the China debate can agree that we need an ambassador in Beijing, and people who know Admiral Prueher, as I did when I worked closely with him at CINCPAC, concur that he is a superb nominee, combining intelligence, experience, and integrity. He will tell it like it is about China and he will forcefully advance America's interests.

I urge his early confirmation and I urge a balanced approach in our policy.

My name is "Lord," and I will now proclaim ten commandments for dealing with China. I trust you will engrave these in stone.

The first commandment: thou shalt not demonize China. It is not the Soviet Union. It does not claim or seek a global mandate for its system or its ideology. It does not support foreign Communist movements, or proclaim a Brezhnev Doctrine, or station troops overseas. It confronts enormous economic problems, including increasingly difficult reforms, the pressures of globalization, and awesome environmental damage.

Its military strength is exaggerated, lagging further and further behind the United States in most categories. It is surrounded not by weak or vassal States but, rather, a string of substantial powers, many of whom it has recently fought—Russia, Japan, India, Vietnam.

Beijing faces severe domestic risks to its stability and unity, including huge economic disparities, systemic corruption, social unrest, a spiritual vacuum, and a longing for greater freedom. It has been moving toward a market economy and bettered the material lives of many citizens. It does allow greater freedom for travel, work, and grumbling in private.

It is behaving more responsibly on nuclear nonproliferation and is helpful on several regional and global issues. It seeks positive relations with the United States in its own self-interest.

In short, in our national debate, we should reject the views of the apocalypse camp.

The second commandment: thou shalt not sanitize China. As we head toward the 21st century, China represents our greatest international challenge. It is the world's fastest growing economic power. Its military strength is advancing in selective areas and

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could threaten our friends and our overseas forces. Its past aggressiveness includes, for example, Tibet in the 1950's, India in the 1960's, and Vietnam in the 1970's.

It now pressures Taiwan, trawls the South China Sea, and flexes its missiles.

China opposes the United States on many key security problems, such as Iraq and Kosovo, and it is friendly with rogue States. It behaves suspiciously on missile proliferation. It is brutal in its repression of dissidents, political and religious freedom, ethnic minorities, and Tibet.

Beijing increasingly resorts to nationalism to maintain political control, and its government media is highly abusive of the United States. It seeks to reduce American power in the Asia-Pacific region and envisages itself having a role in which China is once again the Middle Kingdom.

In short, in our national debate on China, we should reject the views of the apologists.

The third commandment: thou shalt not contain China. This is the prescription of the apocalypse camp. It is neither necessary, desirable, nor possible.

To treat China as an enemy would be a self-fulfilling prophecy when the jury is out on its future course.

We would forfeit cooperation in areas where our interests overlap and we would exacerbate tensions elsewhere. We would divert military, diplomatic, and financial resources from other tasks.

Unlike the cold war coalition for containment against the Soviets, here we would be alone. While many countries are apprehensive about China, they do not wish confrontation. We could, in short, complicate China's emergence as a power, but we could not control it.

If, instead, we attempt first to forge positive ties with China and fail, then we would have demonstrated to our friends and to our domestic public that containment was forced upon us.

The fourth commandment: thou shalt not roll over for China. This is the prescription, however denied, or disguised, or unintentional, of the apologist camp. While we should not regard China as an enemy, neither should we assume it will be a friend. China, as it should and we should, will act in its own hardheaded self-interest. It will respect us and be more cooperative if we act firmly and without illusions. We should avoid excessive "mea culpas." Often when there are frictions in our bilateral relations, it is China's fault and not ours.

We should negotiate hard on issues and strictly enforce agreements, with sanctions if necessary. We should scrupulously control the export of sensitive technology. We should clearly oppose Chinese threats against Taiwan. While adhering to a one China policy, we should fulfill our security commitments, including the Taiwan Relations Act and arms sales.

We should proceed with regional and national missile defense, keyed in part to China's own actions. We should continue to press Beijing publicly and privately on human rights and democracy, the issues of Tibet, the rule of law. We should strongly support the Voice of America and Radio Free Asia. In so doing, we reject the

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rationalization that Chinese history, or so-called Asian values, or stability justified repression.

Congressman Cox was very eloquent on the phony Asian values rationalization.

The fifth commandment: thou shalt erase the phrase "strategic partnership."

To be sure, the administration says that this is a goal, not reality. But inevitably the distinction is lost. It tags the United States as naive, complacent, overeager. It undercuts domestic and congressional support for clear-eyed engagement.

So let us stop using the phrase in the same breath with China and save it for our allies.

Our relationship with China blends cooperation, competition, and conflict. We should treat it with respect, reciprocity, and resolve.

The sixth commandment: thou shalt recall that China covets America. I need not elaborate why China is crucial to American security, economic, and diplomatic concerns. But it is important, especially at times of tension, like now, that we remember that China needs us at least as much as we need China.

There are the obvious economic incentives. We take a third of their exports and run a $60 billion deficit. Beijing sorely needs our investment and technology.

Less obvious, but equally significant, is the geopolitical factor. The Soviet threat has disappeared and China is more ambivalent about our Asian presence. But for several decades, China will bank on the United States to provide balance in a neighborhood filled with historical rivals.

Finally, of course, China must deal with us because we are the world's super power.

The seventh commandment: thou shalt pursue a positive agenda. Too often the debate on China in this country dissolves to trade versus human rights, money versus morality, commerce versus conscience. The fact is that both should be pursued. Each builds on the other.

Again, I agree with the need to be consistent on human rights, and when Wang Dan's mother gets locked up, something ought to be said.

More fundamentally, there is an expansive agenda of other issues where we and China can cooperate or at least pursue parallel policies. These have been addressed but receive little attention.

In the interest of time, let me just list some examples in staccato form. They include wrestling with challenges of regional security—Korea, South Asia, the Persian Gulf, Central Asia; tackling global problems—the environment, energy, crime, terrorism, drugs; and strengthening international institutions—the United Nations, WTO, APEC—regional security dialogs and arms control regimes.

We should encourage China's active participation in global and regional organizations with a view to taming Chinese adventurist impulses through interdependence.

The administration has been pursuing dialog and exchanges on some of these topics. We need to work at this agenda more systematically and publicize it so as to clarify the national debate and bolster the case for engagement.

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To this end, there should be routine summit meetings with China in good times and bad.

The eighth commandment: thou shalt keep thy powder dry.

As we address this extensive agenda, we must also shore up indispensable foundations. We should maintain our alliances and our forward military presence. We should be prepared to use our assets, if necessary, as we did near the Taiwan Strait in 1996. We should build positive relations with China's neighbors as ends in themselves but also to hedge against future Chinese behavior.

The ninth commandment—and there are only two to go, Mr. Chairman: thou shalt encourage freedom. Promoting democracy and human rights cannot be our only goal in China, but it must be high on the agenda. It supports our other objectives.

It is necessary for domestic and congressional support. It reflects the American tradition of melding pragmatism and principles. Moreover, it serves our national security as well. A China that is more open, humane, and lawful will be less aggressive and more cooperative on the world stage.

This is not a matter of seeking arrogantly to impose our values on China. It is an appeal to China's self-interests. A freer China would burnish its international image and its relations with the United States. A freer China is essential for future economic development in the age of information.

A freer China is needed for political stability. If Beijing continues to shut off the safety valves of peaceful assembly, expression, and dissent, it will sow the very chaos it fears.

The tenth, and final, commandment: thou shalt proclaim these principles from the mountaintop.

The commandments I have sketched envisage a nuanced, multilayered, strenuous, lengthy engagement with China. Domestic backing will require persistent mountaintop, Presidential attention, articulation and leadership.

Mr. Chairman, I believe a policy that embodies these ten commandments will curb both hostility and indulgence toward Beijing. If we honor these principles with steadiness and stamina, we will promote both our interests and our values, and we will preserve the support of the American people.

Thank you, Mr. Chairman.

The CHAIRMAN. Ambassador Lord, I thank you very much.

I think all of us have speculated or thought to ourselves what could I recommend we do. I think you have some pretty good commandments there, though I don't know whether they are in stone or not.

Let me ask you a couple of questions relative to what you have said.

When you were Ambassador to China in 1989, you thought that it was important to invite dissidents—and I agreed with you then and agree with you now—like Fang Lizhi to a dinner hosted by President Bush. Do you think that the Clinton administration has done an adequate job on insisting on meeting with Chinese dissidents?

Ambassador LORD. I basically support the administration's policy of engagement.

The CHAIRMAN. I didn't ask you that.

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Ambassador LORD. That is my lead-in to your question. I think these do need some fine tuning on the human rights front.

I think, for example, as I said, when Wang Dan's mother was detained, we should have spoken out. I hope, if we do not get a meaningful dialog with China on human rights, and I don't expect that, we will go to Geneva this year. I think there is a need for somewhat more consistent speaking out on these issues.

The CHAIRMAN. Yes or no.

Ambassador LORD. Yes or no?

The CHAIRMAN. Name me one thing that the Clinton administration has done about dissidents—one that they have recommended.

Ambassador LORD. Again, I am not representing the administration. As you know, I am a former member of it. So I am speaking as an outside observer.

There has been considerable effort to get people like Wang Dan and Wei Jingsheng out of jail. We worked hard to rescue Harry Wu, a very courageous man who is on your next panel, so that he was not in hot water in China. There has been a lot of activity behind the scenes. There is not always as forceful articulation publicly as perhaps should be done.

The CHAIRMAN. Thank you. I want to get to another question.

At your confirmation hearing back in 1993, you testified—and I absolutely agreed with you then and I agree with you now—that Americans cannot forget Tiananmen Square. Do you still believe that? If so, how can we act upon that memory?

Ambassador LORD. I believe strongly in that. I believe Tiananmen Square was a pivotal point in Chinese history, that it represents the future of China. I am optimistic about the future of China. I think they are going to have to go toward democracy. That does not mean we should not press them. We have to press them. They cannot develop their economy without it, and you cannot keep down the people's longing for freedom.

So I think we should continue to raise that issue. I think we should continue to urge the Chinese to reverse their verdict on Tiananmen Square. That represented the future for China, and it is consistent with the Chinese people's aspirations.

The CHAIRMAN. I am trying to use my time sparingly here today. Do you think it is realistic to continue what I regard as the fiction of a one China? Do you think it is ever going to happen under any circumstances?

Ambassador LORD. What you have now, Mr. Chairman, is de facto two separate entities. When President Lee spoke out recently, he was describing what is objective reality.

My concern, however, is that Taiwan has done very well with a de facto separation from the mainland. There should be no pressure on it. It should be able to determine its own future dealing with China.

But to make this de jure without consulting with the administration I think did blindside the administration, did not serve Taiwan's interest. But it is important that we warn Beijing not to use force.

There will not be one China completely until the mainland looks more like Taiwan, namely freer, and Taiwan has no interest in joining up with it until that happens.

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But in the meantime, a certain ambiguity has been pursued by several administrations, including President Reagan and President Bush, as well as Democrats, where you maintain a certain ambiguity so that you can move ahead with China but also assure Taiwan's security. Taiwan has done extremely well under this ambiguity in terms of its economy, in terms of a flourishing democracy, and in terms of its security.

So I think you have to be very careful before we tamper with formulas, even though they make us somewhat uncomfortable when you look at reality.

The CHAIRMAN. I have another question, but I may give that one to you in writing. Thank you. I don't want to violate my own timekeeping rule here.

Senator Kerry.

Senator KERRY. Thank you, Mr. Chairman.

Mr. Ambassador, welcome. I am delighted to have you here. I think your outline, your opening statement is a very important and extraordinarily competent articulation of the difficulties of the relationship. I have been struggling with it, recently trying to reevaluate how do we do some of these things.

There is no easy way, obviously, to do it.

In your fourth commandment you say thou shalt not roll over for China. It is interesting. I agree and think everyone here would agree—maybe not—I think most people would agree we should not demonize China. On the other hand, you cannot sanitize it. That is a tough balance and that is the balance we are trying to fight for.

I agree completely with the chairman, Senator Feingold, and others that we have to speak out loudly on human rights. But there is a clear point there when we have gone through those cycles and we clearly also have to deal with the realities of choices that are internal that we are not going to determine ourselves. We have always had that tension pushing back and forth.

You say China will respect us and be more cooperative if we act firmly and without illusions. Can you give us some examples of where we might have acted or how we might act firmly and without illusions that would have a constructive outcome in your judgment?

Ambassador LORD. There are several examples I can cite. When I was in office, we acted firmly in 1996 when China was pressuring and threatening Taiwan and we dispatched two carrier aircraft groups. This raised morale in Taiwan. It deterred China from forceful action and it reassured our friends and allies in the region that we were serious.

Senator KERRY. That is a security issue. I am trying to get more specific.

The great tension—the chairman, all of us are concerned about China's form of government. We are fighting to release that energy you talked about regarding the longing for freedom.

You yourself have said that there is a greater chance of resolving the problem of Taiwan when China moves toward Taiwan. None of us is going to support the notion that Taiwan should move toward China's form of government.

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So the question is, really, when you talk to Chinese leaders, they tell you well, we are working on it, or it takes time, or it is more than a billion people and there are difficulties of management. You hear all of the internal reasons. You have heard them all.

Clearly, you can only force government to move so fast to embrace someone else's form of government. So the question is how do we do that without losing the other points of engagement that are so critical to us—cooperation at the United Nations, cooperation in North Korea, cooperation in the South China Sea, cooperation on nonproliferation. All of these other issues are enormously important, too. It is the balance that we are trying to achieve.

A lot of people seem to think there is some formula for that, and I am wondering if you are suggesting there may be or how we actually arrive at it.

Ambassador LORD. There is no magic formula. It reflects the complexity of this relationship. There are several points I would make, some of which are in my statement.

First, we should not use the words "strategic partnership." That ought to be reserved for democratic allies like Japan, for example, and it looks naive. So that is misinterpreted.

Second, we have to continue to make clear to the Chinese that we are going to try to work on this agenda that I laid out and you have laid out. We cannot fully have a full relationship as long as there is not a freer China. So there are certain restraints that are going to be there just by virtue of domestic support and our principles. That principle ought to be consistently put forward.

You have to continue to speak out privately on individual cases as well as general problems in China. But you also have to do it more consistently than we have been, I think, in public in terms of what has been going on just since the President's trip. I agree that there are a crackdown and paranoia going on. It is very disturbing. It suggests to me that the regime in China is somewhat insecure. I think it is the most volatile situation since Tiananmen Square.

Their over-reaction to the Falun Gong not to mention their cruelty to the dissidents and their families suggests they really are concerned whether a combination of corruption, unemployment, and a longing for freedom are causing instability.

Senator KERRY. Should we be wielding a stronger economic stick?

Ambassador LORD. We tried conditional MFN, modest conditions, early in the Clinton administration. We were undercut by the business community and by some of our economic agencies. We lost our leverage and it didn't work.

So I don't think that tool is going to work, frankly. It is a blunt instrument. But we have to develop the rule of law. We have to speak out. We have to work individual cases. But we have to hold our nose a little bit and work on these other issues which are also in our national interest.

I said in my statement that human rights cannot be the only item on our agenda, but it has to be high up there. And I don't have a better solution. You have to pursue the security and economic interests, but you have to forcefully pursue these principles.

I think in talking to the Chinese you can, as I suggested, say look, you are not going to be able to develop an economy in the age

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of internet computers and fax machines if you don't have the free flow of information, if you lock up people who put out web sites, if you lock up people. You are not going to get investment without the rule of law. You are not going to attack corruption without a free press.

So you can appeal to their self-interest. But it is not going to convert them overnight. It is less arrogant.

You can also say if you are worried about so-called stability, you had better stop bottling up free expression. You are going to get violent expression as the only alternative. In a painful transition, people have to have the right to debate and discuss these issues.

So this kind of dialog has to go on. But you have to pursue these other issues. Frankly, it is tough going.

This regime is using every possible rationalization to hold on to power. Asian values is a phony argument. Stability they have misjudged. Their history we keep hearing about. But these are phony arguments to hold on to power.

They are trying to hold on by raising living standards, repression, and an appeal to nationalism.

We are going to have a difficult time with this group as long as they have that kind of government. But in our own national interest, with the vast economic and security stakes we also have, I do believe we should be engaging them, and it is a tough dilemma. But you have to move ahead on the entire agenda.

Senator KERRY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you.

Mr. Ambassador, welcome.

Ambassador LORD. Thank you.

Senator HAGEL. First let me comment on your ten commandments. Like always, I appreciate that you have now put this in the spiritual framework. That might lead us to some celestial breakthrough here on a relationship with China.

So thank you for taking a more creative approach.

You are admired and respected throughout the world for your expertise in this area and your practical hands-on experience, as well, which I think has been demonstrated clearly in your observations in your testimony this morning. I say this not just because I happen to agree with everything you have said, but I think it is the common sense approach that we must take toward China.

I was in China in August and had a 90 minute meeting with Premier Zhu Rongji and other officials. I then went south, all the way down to Singapore and spent some time in Vietnam, as well.

I am aware of your analysis in current terms because I think you have framed it exactly right.

One of the things that you said in your response to Senator Kerry, when talking about the insecurity of the Chinese Government, struck me. I think therein resides an awful lot of what we are dealing with here. We have to be somewhat careful in how we craft policy and deal with them in that area. You addressed that rather well in your points.

You said something else in your tenth commandment: domestic backing—and I quote you if I am allowed to, sir—"domestic backing

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will require persistent mountaintop, Presidential attention, articulation, and leadership."

In my opinion, you are exactly right. The next President of the United States is going to be immensely consumed with this issue and other issues like this that relate directly to China.

I had an interesting conversation with former General Andrew Goodpasture, who I think everybody knows, recognizes, and respects. General Goodpasture told me about a month ago that, in his opinion, the United States, as we move into this next millennium, is going to have to be focused, aside from all the other tangential areas, on three predominant areas—our relationship with Russia, our relationship with China, and nuclear weapons. They are all interconnected, as you point out.

Now with that said, I would like to maybe veer this conversation off into a couple of specific areas that you did not directly touch upon here. One is the Panama Canal, about which we have heard much. The other is WTO.

Obviously, you have stayed current with the Panama Canal issue. There are many people in this body who are most concerned about the Chinese engineering themselves, positioning themselves to control the canal at both ends through a corporate management company called the Hutchison Company.

Would you care to enlighten this committee on what you know or about your thoughts on this issue?

Ambassador LORD. I will not pretend to be an expert on this particular issue. I have followed it.

My understanding is that several congressional staff committees have been going down, including one from this Senate Foreign Relations Committee, to look at this issue and have been somewhat reassured. Also, it is my understanding that some of our agreements with Panama, as we turned over the canal, should guarantee the free flow.

Finally, you have China's self interest and whether it would really feel it is in its self interest to do something provocative.

So those three elements give me some reassurance. But, certainly, Chinese involvement in the Panama Canal is something that, on the surface, raises questions and we ought to look at it very carefully.

I do not pretend to know all the details. But I am reassured by these three factors so far.

Senator HAGEL. Thank you.

What about WTO? Give us your sense of where you think the Chinese are today and where we should be on this issue. It is my opinion that the President misplayed his hand in April with the People's Republic of China. I think the President realized that error rather quickly after the error was made and tried to come back around and put it back together. I would be interested in your thoughts.

Ambassador LORD. I agree the President missed a chance at the time and he, himself, has recognized that.

First, let me say why I think it is in our interest that China get in, but only on acceptable terms, only if they open up their market in a good deal, one as good as or better than the one in April.

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There are four reasons why it is in our interest, and I will give you a sense of the status.

No. 1, we have a huge trade deficit with China. I am not saying this will solve it, but we have to open up that market further both to trade and investment. China has to make the concessions. Our economy is essentially free in terms of imports. So they are making most of the concessions.

No. 2, if they are in the WTO, we have multilateral enforcement of rules. It does not mean China may not try to avoid them just like Europe has, for example. But it is easier to pressure China to implement agreements if you have the whole world trading system behind you and not just the United States by itself.

Third, I think it does reinforce reforms and opening in China. I am not going to play good guys versus bad guys in the leadership because that is dangerous and you get the good guys in trouble. But for those who want to open up that economy, the WTO openings, obligations, and rules will help it and help move China in a more open direction.

Fourth, it could marginally help on the Taiwan front. Taiwan deserves to get in right now, in my opinion, and should not have to wait for China. Unfortunately, our allies are chicken on this and they will not allow Taiwan in first because of China's pressures.

But if China gets in, Taiwan gets in, which is good. Then Taiwan and China under WTO rules have to deal with each other directly, more fully, and I think this could ease tensions somewhat. There will still be problems.

So those are the reasons why we should want them in if we get a good deal.

I think there is a big debate in China going on now about getting in. The fact that we did not take the deal in April has subjected Zhu Rongji to attacks from protectionist industries and those who want to hang on to a central economy. There is a counter attack on some of the concessions. People are worried about protecting their interests. Zhu Rongji felt somewhat humiliated that he did not get the deal.

So I think there is a debate going on. Also, they are concerned whether, with the Presidential election year coming up, the Congress is going to pass normal trade relations permanently in the wake of the WTO accession.

So I think there is a lot of self-interest for China to get in—prestige, access to other markets—and there are also concerns domestically in this debate. I think it is a 50/50 proposition now whether there will be a deal in the next couple of months.

But I think the timing is less important than the substance. Let's get a good deal, but I hope we can negotiate their way in.

Senator HAGEL. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. Ambassador, I, too, found your ten commandments to be interesting and useful. I expect to refer to them on a number of occasions.

Ambassador LORD. As long as you don't plagiarize and give me the credit.

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Senator FEINGOLD. There are two aspects of your answers to the questions that I found even more appealing and I appreciate that. One was your willingness to say that there should be more consistency with regard to the raising of human rights issues. The second was your willingness to characterize the Asian values argument with regard to human rights, as I believe you said, as phony, as an excuse for some of the actions for the Chinese Government.

I hope I am not incorrectly characterizing your comments.

Ambassador LORD. Congressman Cox was very eloquent on this subject and I associate myself with his comments.

Senator FEINGOLD. I appreciate that. I just want to ask you a couple of fairly specific questions.

Recent news reports have suggested that press freedom is being stifled in Hong Kong. Could you comment on the status of civil and political liberties in Hong Kong since the reversion to Chinese rule?

Ambassador LORD. All right.

One quick point. I have said that the administration should be more consistent, but I do want to make clear, though, that I think its basic policy is sound. I think it is trying to steer between hostility and indulgence and should be encouraged. It is some fine tuning that I would like to see done, as I have suggested.

On Hong Kong, I am concerned about Hong Kong. There was an unrealistic view that maybe Hong Kong would collapse on July 2, 1997. That was never going to happen. China has too much self interest. But, equally, there is too much optimism now that Hong Kong is doing fine, thank you, and that China is keeping its hands off.

I think there is a gradual erosion of liberty in Hong Kong. We can see it in several areas. Because of the time pressures, I will not go into detail, but there are the court rulings on immigration, in which the National Peoples' Congress overruled the court in Hong Kong on immigration with the encouragement of the Hong Kong authorities. So the rule of law is under some question there.

There are other cases I could cite about friends of Beijing not getting prosecuted in a newspaper when others are, and so on.

Second, there is self-censorship in the press. So, even if there is not an absolute crackdown, many of the press is sort of bobbing and weaving. They don't want to alienate Beijing. Also, the independent minded civil servant who headed up RHTK has just been assigned overseas, and that is a disturbing element.

Third, of course, is the fact that the democrats, who are the most popular there, are not well represented under the rules in the LEGCO, and that is having an effect. It means they can be less effective.

Fourth, you have just examples of where the Pope cannot visit there, Dalai Lama cannot visit there, dissidents cannot visit there. This is supposed to be two systems. I don't know what happened to the other system. You cannot see one of the recent popular movies on Tibet there, and you cannot get Falun Gong manuals there.

So China has been somewhat skillful in not being too heavy handed. It is maybe not as bad as some of the worst pessimists thought it might be. But I am concerned about the trends and we had better keep our eye on them.

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Senator FEINGOLD. That was a great answer given the time constraints. I appreciate it.

As you know, many Members of Congress are extremely concerned about Tibet. Also as you know, the U.S. Government pressed to verify the safety and security of the young boy recognized by the Dalai Lama as the reincarnation of the Panchen Lama. How have the Chinese responded to that?

Ambassador LORD. How did they what?

Senator FEINGOLD. How have they responded?

Ambassador LORD. Brutally. They continue their crackdown in Tibet.

The Chinese said for many years that if the Dalai Lama would only put aside independence, they would talk to him. So the Dalai Lama puts aside independence, gets criticized by some of the more radical followers for being too soft, and what happens? The Chinese move the goal posts.

The Chinese calculation is that Tibet is remote and won't get much attention, even in an age of global information; that the Dalai Lama, a Nobel Prize winner of great stature, is keeping this issue alive internationally and once he passes from the scene, particularly when they have staked out their own Panchen Lama, the future Dalai Lama, this issue will go away.

I think they are making a major miscalculation. The Dalai Lama is a man of great nonviolence. He has stuck his neck out to try to have a peaceful resolution of this problem. He has not been antagonistic to Beijing. He has made secret as well as public gestures toward the Chinese, and they have rejected him because they are worried about—I don't know what they are worried about. They are worried about his popularity, I guess.

He has said he will settle for autonomy, which ought to be in the Chinese interest, to preserve the religious and cultural freedom there.

I am concerned that, without the Dalai Lama, the Chinese are going to face a bigger problem which they ought to recognize, namely a violent reaction. So I would hope the Chinese would change in this. I know the administration and the President have worked quite hard on this privately, and we have a special envoy with the encouragement of the Senate. We are going to have to continue to work for a dialog between Beijing and the Dalai Lama.

Senator FEINGOLD. Is it my understanding that the Chinese Government has not responded at all with regard to the Panchen Lama, to the question of the whereabouts of the Panchen Lama?

Ambassador LORD. I'm not sure we even know where he is.

Senator FEINGOLD. So they have not responded?

Ambassador LORD. This is, I guess, the world's youngest political prisoner, although he is getting older. It is an outrage.

Senator FEINGOLD. Thank you, Mr. Ambassador.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Ambassador, thank you so much for coming this morning. I imagine you are going to have a number of questions put to you in writing from Senators who were not able to be here. It is a pleasure to see you again. Please give our regards, those of all of us, to your dear wife.

Ambassador LORD. Thank you, Mr. Chairman.

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The CHAIRMAN. Thank you, sir.

Now for our third panel I welcome a personal friend of mine and a personal friend of many of us, one of the most courageous men I have ever known—Harry Wu. He is the executive director of the Laogai Research Foundation and is joined on our panel by Dr. Arthur Waldron, director of Asian Studies at the American Enterprise Institute, and Ross H. Munro, director of Asian Studies at the Center for Security Studies.

Gentlemen, I welcome you and I thank you for being here.

Dr. Waldron, suppose you proceed, bearing in mind that we would like to make a part of the record, our printed record, your remarks in their entirety. If you would confine yourself as best you can, I would appreciate it.

STATEMENT OF DR. ARTHUR WALDRON, DIRECTOR OF ASIAN STUDIES, AMERICAN ENTERPRISE INSTITUTE

Dr. WALDRON. Thank you, Chairman Helms and members of the committee.

Ambassador Lord just characterized our, the administration's, China policy as being basically sound. What I would like very briefly to suggest is that it is unsound.

The reason that it is unsound——

The CHAIRMAN. Would you pull your microphone a little closer, please.

Dr. WALDRON. The reason that it is unsound has not so much to do with China, but, rather, with Asia policy in general. What this administration has done, really more than any for some time, has been to make China the cornerstone of the entire Asian policy. I would argue that this is the most fundamental problem.

If you are going to make something a cornerstone, you have to ask what sort of place it is. Again, I think Ambassador Lord's comments here were very good. He was talking about the situation in China today as being genuinely the most volatile he has seen since before Tiananmen. I think this is an issue we should all grasp.

Earlier, the question arose isn't there a lot of change going on in China, say in the last 15 years. Certainly there has been. But we have to recognize that, whereas, say, 15 years ago change was moving in a forward direction, right now things are beginning to go backward. I would just like to give two examples.

The current leader of China is Jiang Zemin. He is regularly described as a reformer. Actually, the term "reformer" would be better applied to his predecessor, Zhao Ziyang, who was the Prime Minister in 1989, at the time of the Tiananmen massacre. Zhao has just turned 80 years old. He is in prison—not in prison—he is under strict house arrest in Beijing. Only his daughter is allowed to visit him.

It is said that during the National Day festivities, he was actually taken out of the city lest he publish a letter, as he sometimes does, in favor of democracy. His predecessor is Hu Yaobang, now deceased.

But a few months ago, several people wanted to go visit Hu Yaobang's grave and they were told by the police that they would be arrested if they tried to do this.

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The point I would like to make is very simple: not all Chinese leaders are the same. There have been twists and turns in the directions of China in the last 15 or 20 years. And, although you could say, quite fairly, I think, that Hu Yaobang and Zhao Ziyang were reformers, it is wrong to say that the current administration are reformers. They are, as I think Ambassador Lord quite correctly put it, concerned with holding on to their power and they are standing in the way of reform.

Now from the point of view of the United States, this means, I think, unless we believe they can sustain an outmoded, archaic, inefficient, unrepresentative Leninist system in a large country which is bubbling with dynamism—its people are better educated than ever before, they are starting to have money, they are starting to be able to think and act—it would be contrary to all historical experience to imagine that that sort of dictatorship can continue to run that dynamic a country. That means that change is coming, whether they like it or not.

The fundamental defect, I think, with the administration's China policy is that it is not thinking about this change.

Instead of spending all our time trying to persuade the people in Beijing that really it would be nice if they should reform, and so forth and so on, we should be thinking about what we are going to do if and when there is trouble and we should hedge against it.

That would mean that we should shift the focus of our Asian policy away from China to look at the other countries of Asia, particularly the important democratic, free market countries—Japan, Taiwan, South Korea, and there are many, many others. I think that once China is put into that sort of context, then it will be possible for us to have greater influence on them.

Now Senator Kerry raised the question of what do we do differently. It is a very tough question. I think the answer, speaking out more forthrightly on human rights, is a very, very important part of that.

But if I were asked that question, I would say shift the focus. Don't keep going to Beijing. Start looking at the other Asian countries and start laying a stress on strengthening relations with the countries with which we share values and share systems, the countries that will be with us in the crunch if and when there is trouble. Also recognize that the situation today in China is, in fact, unstable. There are economic crises, potentially. There are problems with unemployment. There are problems with dissent. There are problems with extensive corruption, gangsterism. You name it—there are all sorts of things.

Sooner or later I think this is going to lead to trouble. We have to stop telling ourselves nice stories and we have to start thinking about how we are going to respond to that situation if and when there is trouble.

Now what is the role of human rights in all of this? There is a tendency, I think, to see human rights as being a kind of frosting on the cake. Democracy would be nice, but it is not practicable; so and so is a heroic man, but, you know, he gets a little bit carried away; the Dalai Lama is OK, but you don't want to say too much; you know, Wang Dan's mother might get us in trouble.

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What we fail to recognize there is that the system type in China is really the key to many of the problems we have with China. It is not that China is China. It is not that it has a Confucian heritage. It is that it is one of the last of the old fashioned Communist States.

These States tend to try to legitimize their authority at home by directing hostility abroad. They have policies which contribute to roiling the waters and creating trouble with their neighbors.

If you wanted to name a single change that would transform the security situation in Asia, it would be for China to become democratic. That is the core. The regime type in China is the core of American security interests, as well as of other American interests.

I think that if our administration would begin with that, recognize that realism requires close attention to the direction of political changes in China and then start thinking about how to do that, we would make a lot of progress.

Let me just say one more thing and then I will be quiet.

The other night Jiang Zemin was visiting France. President Chirac took him out to his country place outside of Paris and they had a nice dinner. Then they talked for several hours about democracy, about Tibet, about human rights, and so forth.

Afterward, Jiang Zemin's spokesman said this was by far the most thorough discussion of these issues that President Jiang Zemin has ever had with a foreign leader.

The question I would like to ask is if this is the case, what have we Americans been doing for the last 7 years. Surely, this is an indication that all of the talk we hear about how thoroughly we are engaging and discussing is only talk.

Thank you.

[The prepared statement of Dr. Waldron follows:]

PREPARED STATEMENT OF DR. ARTHUR WALDRON

What kind of a state is Jiang Zemin's China? How strong? How stable? How confident? Let me begin to answer that question with another question: What would we think if downtown Washington were closed to the public so that official July Fourth celebrations could be carried out undisturbed, by officials and their invited foreign guests?

That in effect is what was done in Beijing this past National Day, on October 1, when the heart of the city was sealed off so that officials and foreigners could review a tightly-scripted military parade, while ordinary Chinese were told to stay off the streets (and away from their windows, if they were on the parade route), and watched the ceremonies on television.

It would be hard to imagine a clearer signal of the current Chinese regime's lack of self confidence as it contemplates the problems it faces and its own lack of ideas, capabilities, or legitimacy to deal with them, but if that example does not suffice, let me give some others:

Jiang Zemin came to power in 1989 as the pro-democracy movement was being crushed. His predecessor was Zhao Ziyang, widely respected as a genuine liberalizer as well as a champion of China's national interests. Where is Zhao now? Well, he has just turned eighty and is reportedly in good health—but under close house arrest, as he has been for the past ten years, with only his daughter permitted to visit him—and reportedly escorted out of Beijing during the National Day festivities, lest he release an open letter supporting democracy, as he has done in the past.

And how about Thao's predecessor? Hu Yaobang rests in a cemetery in Zhejiang province. The government discourages visits to his grave. Indeed, when some people from another province planned a trip there a few months ago they were told that they would certainly be arrested and forced to drop the plan.

The inference should be obvious. A ruler who keeps his predecessor imprisoned and incommunicado, and who won't even honor the memory of his next predecessor,

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is clearly worried about something and that fact should be the starting point of our China and Asian policy.

In Asia, the basic fragility of the current political structure in China is well known. I only wish it were better appreciated in Washington. For our own plans and calculations, and those of our democratic allies in Asia, depend a lot on what we think the future holds for China. If China looks likely to encounter political turbulence in the years ahead—and I think that is the best estimate—then we should be thinking about how to prevent problems there from spreading. That means ensuring above all that our ties with Japan and other key democratic allies—the countries whom we count on in the crunch—are strong enough to weather any possible disorder.

This is not and has not been the White House policy. Instead, the administration continues to talk up the China connection and has now staked more on it than has any previous administration, making a steady stream of concessions, while lecturing Japan about how to reform, providing the financial and food aid that allows North Korea to continue its nuclear and missile programs, deflecting concern about China from the Philippines and others, waffling on missile defense, and turning a blind eye to threats against Taiwan—hoping against hope that its wish for a China that is secure, prosperous, and strong will eventually emerge.

How realistic is that hope? The omens in China are not good. Over the past several months, we have seen a steady campaign aimed at reimposing on the Chinese people something like the dictatorship which they have partially dismantled over the past two decades. The Chinese Democratic Party, a peaceful and law-abiding organization having an impressive network throughout the country, has seen something like 200 of its leaders imprisoned. The Falungong, a traditional Chinese martial arts and fitness society, has been ruthlessly pursued despite its apolitical character. Discussions of liberalism and democracy in academic and intellectual circles have been discouraged. The dismemberment of Tibetan culture continues apace.

One premise of American policy is that the Beijing leaders are somehow "reformers." That was true under Zhao and Hu. But it is no longer the case today. Jiang Zemin's government is focused on its own survival. It maneuvers with some skill in the short run to keep domestic and foreign troubles from overwhelming it. But it has no vision for even the medium term and shows no inclination to face the real problems or make the difficult choices. It is time for the United States to stop pretending that this is a reform-minded government. It is not. This is a government that stands in the way of reform.

Nowhere is this clearer than in the economic realm. China's economic development is often contrasted favorably to the troubles Russia has had since the end of communism. There may even be something to be learned from the contrast. But consider this: Russia has a convertible currency—China does not; Russia has a free press—China does not; Russia holds elections for every level of government—China does not. Or to sum it up: Russia has done a lot of hard things; China has not. The judgment can only be made when China faces up to those big difficulties—but there is no sign of her doing so anytime soon.

China's economy has enjoyed a very good run for twenty years, but is now facing some trouble. Economic growth has been slowing, despite massive public works and other government investment, and foreign investment has been falling. The scale of the problem is now only starting to become clear.

During the years of easy money and rapid growth, investments in China were evaluated even less strictly than elsewhere in Asia, with cronyism, bribery, and political influence steering vast flows into ill-considered real estate ventures and other losing projects. At the same time, the antiquated state-owned heavy industrial enterprises that still employ much of the urban work force were not shut down (as in Russia and Eastern Europe) but kept on life support with forced loans, which in turn have rendered China's banking system insolvent. All this would have been extremely difficult to fix even if reform had been undertaken in earnest a decade ago. But the pervasive corruption of China's political system prevented reform, guaranteeing that when the attempt to change is made, it will bring at least as much distrust and anger as it does progress.

Added to this are political problems. The aspirations expressed at Tiananmen in 1989 were not some sort of aberration. They were the true voice of the Chinese people, recognizable to anyone who knows the history of this century—a hundred years in which the cry for "democracy!" which even the communists joined, has always had the greatest resonance. Those aspirations have not somehow dissolved in the decade now passed. Rather, they continue to develop and strengthen—as one would expect in a country where educational and living standards are rising, and where the complexity of society and technology has far outstripped the capacity of a crude

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Leninist system to manage. But the government is doing nothing to face the inevitable change in a democratic direction.

Nor, I would add, are the United States or the Western powers taking seriously their responsibility to speak candidly to the Chinese leaders about what must be done, not only to preserve current bilateral links, but in a certain sense to preserve China itself against chaos. Just last week Jiang Zemin spent a few hours at the private estate of Jacques Chirac in France, and the two men talked for several hours, about democracy among other things. Jiang's aides proclaimed this the most thorough discussion Jiang has ever had on the topic. I would ask: what about all the much-vaunted U.S. discussions, in private? Does an evening at Mr. Chirac's add up to more than all the deep engagement of this administration?

Nearly a century ago, in the 1910s, Chinese thinkers like the famous professor and writer Hu Shi were already pointing out that what causes disorder in China is too much centralization. Loosen control a bit, let localities run their own affairs, make government clean and fair—and China will prosper. But let one man try to run it all himself, and tensions will rise to criticality. That is what looks to be happening now. China continues to bubble, despite continuing arrests and detentions of dissidents, crackdowns on the media, insistent anti-foreign propaganda, and other expedients. Political parties, religions, labor unions, smuggling rings, kinship organizations, and messianic cults all flourish under the deceptively clean and calm surface. Not only the Chinese economy, but also the Chinese population, poses an increasing problem to the regime, an old-style Leninist organization that has dismantled most of its institutional props. What is the answer?

When Japan was challenged by Commodore Perry's black ships in 1853, the reaction in fairly short order was not only a change of administration but also a transformation of governmental structure—the Meiji Restoration—so that, by the end of the 19th century, the institutions of Japan's constitutional monarchy differed little from those of contemporary European states like Imperial Germany. When Japan then defeated China in war, it looked as if Beijing might follow the same path. But the attempt similarly to reconstruct China that began during the "hundred days reform" of 1898 miscarried. The empress dowager carried out a coup d'etat, initiating the pattern that has followed ever since. Though repeatedly challenged militarily in the past and economically in the present, and despite regular talk of democratization, China has never actually modernized its political structures. Indeed, a Ming courtier brought back to life would quickly find his bearings in contemporary Beijing (but be baffled by Tokyo or Taipei).

Few would argue that China can continue for very much longer on its current course, which blends repression and muddling through with an adamant refusal to ask the hard questions. That means change is coming, one way or another. Without strong institutions, moreover, the unraveling of purely personal power is difficult to arrest.

China for the first fifty years of this century was roiled by a struggle over political authority, never far from the surface and regularly exploding in civil wars. Starting as coups—relatively self-contained struggles within the elite—these conflicts expanded until, by the late 1940s, the fight between the Nationalists and the Communists engulfed the country. The communist victory, however, solved nothing. While Mao lived, the problems of economic and democratic transformation were frozen by his personal authority. But with twenty years of thawing, they are beginning to come to life again, and as the various disorders and crackdowns of this year so far make clear, they once again involve the population as a whole.

Even if the Chinese ruling group were unanimous in its interests and views, which most clearly it is not, it could not hold back the tide. Before too long, I suspect, the media will be full of stories about China that begins with "Everyone knew . . ." or words to that effect. It was clear to everyone that the current situation could not last. But I do not see much imaginative or searching thought going on here in Washington about just what course that change may take, and how it will affect our interests and those of our allies.

China today is not a regime capable of supporting more than a limited relationship with the U.S., even if we should desire it. Our interests, however, argue for closer and more candid dealings with the democratic states of Asia, with whom we share values as well as interests. We share plenty of values with people in China but not, sad to say, with China's leaders and it is no use pretending we do. Rather, let us be a little more honest about the real situation and face the difficult as well as the happy possibilities for the future, and while welcoming good news should they come, be well prepared for trouble as well. Not incidentally, such an approach is more likely to sway China for the better than is what we do now, which is most unwise, both for ourselves and for our allies.

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The regime looks by no means robust, and rather than counting on its success, we and our allies should be hedging against its failure.

The CHAIRMAN. Very good. Thank you.

Mr. Wu, it is good to see you again. You are looking well and we will now hear from you with great pleasure and admiration.

STATEMENT OF HARRY WU, EXECUTIVE DIRECTOR, LAOGAI RESEARCH FOUNDATION, MILPITAS, CA

Mr. WU. Mr. Senator, you are looking well today, same as me. I know that you are older than me, but you are in good shape. Thank you for inviting me again.

No force on earth could return China to isolationism, and any actor in world politics would be foolish to try to isolate that nation of 1.3 billion. But we must still ask why the West, the United States included, has adopted a kowtow culture in its dealings with the Communist Government in China.

We pretend to have a strategic partnership with this regime, which still oppresses its people.

The situation today in China we can describe using Lenin's words: the people at the top are no longer ruling the people in the old way. The people at the bottom are not satisfied being ruled in the old way.

In fact, the Communist regime is hanging on by tooth and nail to its monopoly on political and economic power. It is jeopardizing the economic and political health of its own nation. It is also undermining international political institutions and international stability. A stable and dominant Communist Party is not equivalent to a stable and prosperous China.

It is true that communism in Asia is somewhat different from that in the Soviet Union and the Eastern Bloc. Each is determined by culture and tradition. But all forms of communism are enemies of individual freedom in theory and in reality. They create governments that hold on to their power through corrupt and totalitarian systems.

What happened in the Soviet Union and the Eastern Bloc yesterday will certainly happen in China tomorrow.

What is the reason, then, for the different treatment one regime faced and the other receives today?

The Chinese market and cheap labor force present an incurable temptation for Western investment. For 200 years, the West has looked to the Chinese market eagerly—the "if only each Chinese would purchase one soft drink or role of film, we would be rich" theory.

Westerners have created several reasons for their pursuit of the mythic Chinese market.

Some have tried to use Chinese despotism to their advantage. Western business gets cheap labor and lets the Chinese Communist Party take care of their other issues, like trade unions, health, safety, and environmental issues.

Others claim that economic prosperity will gradually give way to democracy and respect for human rights. This would be the ideal: a peaceful and gradual mode of social revolution from despotism to democracy. Of course, no one tried to apply this policy to the Soviet

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Union's bloc, even never apply the same idea to Cuba and North Korea today.

These concepts have played a role in U.S.-China policy. They are all based on the same false idea, that the Chinese Communist regime will bring true stability to China.

But a successful national policy cannot be crafted if we ignore the fundamental realities of the Chinese Communist regime.

We must realize the differences between true stability and the appearance of stability. The Chinese Communist regime is like a mansion. Two decades ago, this mansion looked horrible. On the inside, there was the Great Leap Forward, the terrible famine, the Red Guard's savage acts during the Cultural Revolution, brutal political campaigns.

Externally, there was exportation of revolution in the form of support for North Koreans and the Vietcong.

All of this ugliness gave the false impression that the mansion, the Communist regime, was losing popular support and was in danger of collapse. Actually, it was not. It was relatively stable.

Why? It was stable because most people in mainland China at the time had faith in the Communist Party and believed in Mao Zedong. It was a kind of religion and Mao became the new emperor, with a mandate from Heaven.

Mao's death and the Cultural Revolution left China in a state of crisis. Deng's response to this crisis, however, was not to dismantle the Communist apparatus. Rather, he restored it by releasing farmers from the people's communes and by introducing foreign technology, even more importantly, foreign investment.

Deng Xiaoping's policy, adopted by Jiang Zemin, altered the face of mainland China. On the surface, the mansion is now more attractive. It looks nice. It has been touched up by Western investment. The shiny skyscrapers and marble bathrooms seen by the CEO's and company presidents attending the Fortune Forum meeting in Shanghai last month must have been impressive.

But, in fact, the mansion is less stable than ever before. Of all the changes in mainland China, the most basic and most important change is that most people simply do not trust communism and the Communist Party. The mansion's pillars are rotten and the timing of its collapse will be as unpredictable as that of the Berlin Wall.

It is the Communist Party itself that is causing the decay. First, the regime would never grant its people the degree of self-determination and freedom needed for true social stability. The foundation of despotism laid down by Mao remains the state ideology. It is still reinforced and even celebrated by the current rules of China.

Every day in China people are making demands like those made at Tiananmen Square in 1989. Whether they are dissidents who fight for freedom of speech or farmers who are tired of corrupt local officials, there is a broad discontent among the people of China today.

Listening to these people would be a way to bring about stability. It is tragic that this regime refuses to recognize the basic fact that democracy is the best way to stability. It is even more tragic that those abuses continue without any serious consequences in the international arena.

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Economically, the Communist Party will not be able to institute a true market economy. The Chinese economic success story of the eighties and nineties is based on largely bad loans, a transfer of wealth from the State to party cadres and their followers.

The so-called market economy in China, mainland China, is actually a socialist market economy, controlled by the government. There is no influential middle class in China today. There is only an elite class, dependent on the Chinese Communist Party.

The party knows that it is losing popular support. So it offers incentives to party members, their families, and their followers. It has allowed raising the banners of nationalism and patriotism in order to regain some populist appeal.

The current slogans—"he who loves his country loves his party;" "anti-communism equals anti-Chinese"—can be traced to an old Chinese tradition of "love your rules, love your country."

The Chinese Communist Government maintains their despotic domination by fading out communism, even by completing shedding their Communist garb. If this type of regime continues to exist, it will be a huge factor of instability for international peace.

As a Nation, the United States must shed its illusions of the Chinese Communist Party ever being a true strategic partner. We have to ask ourselves if, first, the regime can actually bring true economic prosperity to China and, second, if this regime's kind of economic progress can bring democracy.

For either of those to be possible, we would need to see a respect for human liberty that is opposite that of this Chinese Communist Party.

At present, the following aspects of human rights conditions deserve particular attention.

No. 1, population control. In mainland China, no woman, married or single, may give birth without government permission. This is permission from the government. Every one without permission is subject to forced abortion and forced sterilization. Large-scale forced abortion and sterilization surgeries, supplemented with disciplinary and economic sanctions, are the principal means of population control.

Here is another document to show you [indicating]. This man, because he has two daughters, was subject to sterilization. The government destroyed his beautiful house.

No. 2 is the Laogai camp system. As the Chinese Communist authorities themselves put it, Laogai camps are tools of the dictatorship of the people's government. It is not a common prison for punishing criminals.

The machine must be destroyed. Just like Nazi concentration camps and Soviet gulag camps, it is not enough to release one or two well known dissidents from the machine. We want to ask the American Government to negotiate with China to allow the International Red Cross and international human rights organizations to visit the labor camps.

The death penalty and organ harvesting from executed prisoners is very normal today in China. The Chinese Government said execution of death row prisoners is a political action in our country and is used to maintain the social order. Prisoners are sentenced

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in mass sentencing rallies, are paraded through the streets, and often are executed publicly.

They call this "scare the monkey by killing the chicken."

The harvesting of executed prisoners' organs for medical and transplant purposes is also national policy. It is the Chinese Government that coordinates this brutal practice.

No. 4, religious prosecution is still going on.

No. 5, persecution of the Tibetan nationals is still going on.

No. 6, detention and harassment of labor activists still is happening today in China.

No. 7, Laojiao, so called reeducation through labor, and Jiuye, so called forced job placement policy, are still implemented in this country.

No. 8, prosecution of civil organizations occurs. The severe crackdowns on the China Democratic Party and Falun Gong are serious abuses of freedom of assembly and association.

No. 9, repression of freedom of the press is still going on today in China. Of course, China's history is written by Chinese. But in today's international environment, international political and economic pressures can play a very important role.

The international community must tell China clearly that we expect to see a peaceful, prosperous, free and democratic China, not a prosperous and stable Communist China. Peace and prosperity are possible only when human rights and democratic freedoms are respected.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Wu follows:]

PREPARED STATEMENT OF HARRY WU

No force on earth could return China to isolationism, and any actor in world politics would be foolish to try to isolate that nation of 1.2 billion. This said, we must still question why the West, the United States included, has adopted a kowtow culture in its dealings with the Communist Chinese government, pretending to have a "strategic partnership" with a regime whose goals and values are very different from our own. It seems as if our relations with China are based on the false premise that the stability of the Chinese communist party is integral to successful political and economic relations with China, and to the goal of stability in Asia and international peace in general. In fact, this regime, by hanging on tooth and nail to its monopoly on political and economic decision-making powers, is jeopardizing the economic and political health of its own nation. It is also undermining international political institutions and international stability. A stable and dominant communist party is not equivalent to a stable and prosperous China.

Recent history offers a lesson in the futility of communist dictatorships. The last two decades of the Soviet Union and its Eastern European satellites bear eloquent witness to the fact that as long as they were bent on strangling freedom and democracy, all their kaleidoscopic "new policies" devised to extricate them from their political and economic dilemmas were doomed to failure.

The collapse of the Berlin Wall ten years ago was undoubtedly the outcome of a multi-faceted policy of containment from the outside: militarily, politically, economically, culturally, etc. Still, the most important reason for the fall of communism in Europe was that communism, then and now, does not enjoy the support of the people. It breeds instability. It not only defies individual freedoms in theory, in practice it has fostered governments that can only maintain their power through opaque and corrupt totalitarian systems.

True, communism in Asia is somewhat different from that in the Soviet Union and the Eastern Bloc, being determined by their respective cultures and traditions. Nevertheless, all forms of communism run contrary to democracy and freedom and are therefore despotic in nature and lifeless. What happened in the Soviet Union and the Eastern Bloc yesterday will inevitably happen in China tomorrow.

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What is the reason, then, for the different treatment one regime faced and the other receives today? Despite Khruschev's revelations of Stalin's brutality, through the Breshnev and Gorbechev eras, the West recognized that the fundamental nature of the Soviet Union had not changed, and treated the Soviet Bloc accordingly. But certain people in the West are already declaring impatiently that the Chinese are forsaking communism and unconsciously moving towards freedom, democracy and capitalism. Thus in the West, we roll out the red carpet for Chinese communist leaders, and the Chinese Communist regime is enjoying privileges in the international community that were unthinkable for the Soviet Union.

The primary reason for the huge discrepancy is that China's market and cheap labor force present an incurable temptation for Western investment. For 200 years, the West has looked to the Chinese market eagerly—the "if only each Chinese would purchase *xxx*, we would be rich" theory. In recent years, disregarding the difficulty of actually successfully entering the Chinese market, Westerners have created several justifications for their dogged pursuit of the mythic Chinese market.

Some have tried to use Chinese despotism to their advantage. Chinese lack of concern for their workforce saves Western businesses in China the trouble of trade unions, lawsuits, health, safety and environmental concerns. Their business partner—the Chinese communist government—"takes care" of messy issues like democracy, human rights, social equality and judicial due process. Western investors pretend not to see these problems and have a clear conscience, claiming that widespread abuses of human rights are due to so-called Chinese cultural traditions. Thus, they repeat the false claims made by the CCP.

Others claim that economic prosperity will gradually give way to democracy and respect for human rights. This would be the ideal: a peaceful and gradual mode of social revolution from despotism to democracy. Of course no one tried to apply this policy to the Soviet Bloc. In fact, in Mainland China, much of the new wealth is now in the pockets of state bureaucrats who have a vested interest in the power of the communist party. There is no influential middle class as an independent social stratum in China; only an elite class dependent on, and serving the CCP.

Others argue that we must bolster the Chinese economy, claiming that economic failure in Mainland China would create insurmountable problems for the world economic system; radical political conflicts or civil war in China would trigger huge waves of refugees and regional instability.

All these concepts, more or less, have found their expression in the formulation of China policies. All are based on the same false presumption: that the Chinese communist regime must be the bearer of true stability.

To understand why this concept is a false one, we must clearly understand the present stage of China's development. The Chinese communist rule can be divided into two periods: the first being Mao Zedong's thirty-year rule, the second being the last twenty years under Deng Xiaoping and Jiang Zemin. True, the Deng/Jiang brand of communism differs from that of Mao. Through two decades of implementation, Deng's policies, adopted by Jiang, have altered the face of Mainland China. Many Western scholars and politicians have wrongly interpreted these changes as a break with communism, drawing clear differences when condemning Mao's excesses but singing in praise of Deng and Jiang, trying to create an impression that there is no continuity between the two. Of late, we have even heard some United States government and business officials go so far as to omit the words "communist party" when talking about China.

But a successful national policy cannot be crafted if we ignore the fundamental realities of the Chinese regime.

We must differentiate between true stability, and the appearance of stability. One can look at the Chinese communist regime like a mansion. Three decades ago, this mansion looked horrible. On the inside, there was the disastrous "Great Leap Forward" and the terrible famine that resulted, the Red Guard's savage acts during the Cultural Revolution, ceaseless brutal political movements and campaigns. . . . Externally, there was "exportation of revolution," in the form of support for North Koreans and the Vietcong. All this ugliness gave the false impression that the mansion, the communist regime, was losing popular support and was in danger of collapse. Actually, it was relatively stable. Why? Because most people in Mainland China at the time had faith in the communist party and followed Mao Zedong steadfastly. It was a kind of religion and he was the new emperor, entrusted with the Mandate of Heaven.

Mao's death and the brutal excesses of the Cultural Revolution left China in a state of crisis. Deng Xiaoping, in 1979, tried to explain China's problems with what he termed the "three credibility crises:" (1) The people had no trust in the communist party, (2) They lacked confidence in the socialist road, (3) They saw no way out, beset by collapsing national economy, backroom politics, as well as languishing

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cultural and educational institutions. Deng's response to these crises, however, was not to dismantle the communist apparatus. Rather, he restored it partially by releasing farmers from the disastrous people's communes and by introducing foreign technology, and even more importantly, foreign investment.

Through two decades of implementation, Deng's policies, adopted by Jiang, have altered the face of Mainland China. On the surface, the mansion has been beautified, touched up and restored by Western investment. The shiny skyscrapers, gilded stairways and marble bathrooms seen by the CEOs and company presidents attending the Fortune Forum meeting in Shanghai last month must have been impressive indeed. But in fact, the mansion is less stable than ever before. Of all the changes we have witnessed in Mainland China, the most basic and most important change is that most people simply do not trust communism and in the communist party. This mansion's pillars are essentially rotten, and the timing of its collapse will be an unpredictable as that of the Berlin Wall.

It is the communist party itself that is causing the decay. First, this regime will never grant it people the degree of self-determination and freedom needed for true social stability. The foundation of despotism laid down by Mao remains the state ideology. It is still regularly reinforced and even celebrated by the current rulers of China.

Ten years ago, after the start of Deng's economic reforms, we saw Chinese Communist-style stability at work in the Tiananmen Square Massacre in 1989. Tiananmen could have been a turning point. Even seen in the most modest terms, the protests signified that economic openness alone did not satisfy the Chinese people. The protests were a call for transparency and an end to corruption. Fulfilling or at least beginning a dialogue on these concerns would have brought great benefits, both politically and economically, to the country.

Everyday in China, people are making demands similar to those made at Tiananmen Square. The Chinese people have drawn a major lesson from decades of political terror and economic corruption. Whether they are dissidents in the traditional sense who fight for freedoms based on broader principles or farmers who are weary of corrupt local officials, there is a broad discontent among the people of China today. There is a growing sentiment that it is imperative to fight for freedom and democracy, and to cast aside the communist system. Listening to these people would be a way to bring about stability. But the fact that these demands came from outside the party was seen as too much of a threat. That crackdown, and the others that have followed to this very day, was justified by the Chinese rulers in the name of "stability." It is a tragic irony that this regime refuses to acknowledge the basic fact that transparency, and eventually democracy, are the only way to ensure stability. It is even more tragic that the abuses continue without any serious consequences in the international arena.

Economically, the communist party will not be able to institute a true market economy. The Chinese economic success story of the eighties and nineties is based on bad loans, a transfer of wealth from the state to Party cadres and their cronies rather than a production of wealth, and on faulty accounting. The so-called "market economy" in China's mainland is actually a "socialist market economy," controlled by the government. The legitimate private sector economy needs to free itself from the shackles of the Party's economic system of public ownership in order to truly flourish. In the coming decade, the need for true economic reform and ideological freedom will play critical roles in China's political structure.

The party is not blind to the continuing discontent in China, but it is unable to completely discard communism. But the old standbys—the Marxist and Leninist classics—do not afford viable solutions to most of the problems the country is currently facing. The ruling party is not willing to discard them, but they know that communism does not attract popular support. So to reinforce their prestige internally, they use a three-pronged approach of limited reform, favoritism, and nationalist rhetoric.

To prevent further tarnishing the party's reputation, the party higher-ups launch anti-corruption campaigns and implement minimal judicial and political reforms. And so we have seen increased lawsuits, even some narrowly directed against the government. But we will never see an independent judiciary. We witness rudimentary village elections, through which the party not only demonstrates their progressive nature, but also route out overly entrenched local cadres. But they will never tolerate true political competition or pluralism. Simultaneously, they devote major efforts to expanding communist party ranks. The fact that the membership of the Falungong outnumbered that of the communist party, which now stands at sixty million, was a tremendous embarrassment. Long before the recent crackdown, the party has been trying to attract new candidates not with revolutionary ideals, but with tangible political and economic incentives.

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In addition to economic incentives to Party members, their families and cronies, the Party has raised the banners of "nationalism" and "patriotism" in order to regain some popular appeal. In fact, these banners may be more effective means for it to maintain domination, rooted as they are in Chinese society. The Chinese, in particular the so-called "intellectuals," have often failed to differentiate between ruler and motherland. The origin of the current slogans "He Who Loves His Country Loves His Party," "Anti-Communist = Anti-Chinese" can be traced to millennia-old Chinese tradition of "Love Your Ruler, Love Your Country." The Chinese communist government can resist the trend of democracy and freedom by resorting to nationalism and patriotism alone, as they did in the orchestrated demonstrations following the NATO bombing of the Chinese embassy in Belgrade. They can maintain their despotic domination by fading out communism, even by completely shedding their communist garb. If this type of regime continues to exist, it will be a huge factor of instability for international peace.

Generally speaking, China's history is written by the Chinese, but in today's international environment, international political and economic pressure can play an important role. For the sake of our national interests, and for the sake of our national values, we must shape our policies to promote respect for human rights and democracy.

As a nation, the United States must shed its illusions of the Chinese communist party ever being a true "strategic partner." We must ask ourselves if, first, this regime can actually deliver economic prosperity for China, and second, if the economic progress that has been made will lay the foundations for democracy. For either of those to be possible, we would need to see a respect for human liberty that is antithetical to this Chinese communist party.

At present, the following aspects of human rights conditions deserve particular attention:

1. Population Control: In Mainland China, no woman, married or single, may give birth without government permission. Population control is China's fundamental national policy. From the center to the grassroots, communist party officials, who are directly accountable for the execution of this policy, control every town, every village, every child-bearing-age woman through planned birth quotas. Large-scale forced abortion and sterilization surgeries, supplemented with disciplinary and economic sanctions, are the principal means of population control. The Chinese communist authorities' planned birth policy constitutes a grave violation of human rights, which must not be pardoned by resorting to economic, cultural and other pretexts.

2. Laogai (labor-reform) camp system. As the Chinese communist authorities themselves put it, Laogai camps are tools of the dictatorship of the proletariat, not common prisons for punishing criminals. Over the five decades of communist rule, tens of millions of people have been thrown into this mincing machine and perished there. Like the Nazi concentration camps and Soviet gulag camps, Laogai camps are not to be "improved" or "upgraded" but must be rooted out (this does not mean that China should not have a prison system). Products of forced labor must not be sold on the market for profit either domestically or internationally. International Red Cross and human rights organizations must be allowed to visit Laogai camps.

3. Death penalty and organ harvesting from executed prisoners: Execution of death-row prisoners is a political action in Mainland China. Prisoners are sentenced at mass sentencing rallies, paraded through the streets and often executed publicly. The aim of this process is to "manifest the might of the communist party's dictatorship," and to "scare the monkey by killing the chicken." Maintaining social order by executed prisoners in numbers unseen in the rest of the world constitutes a crime against civilization. The harvesting of executed prisoners' organs for medical and transplant purposes is also national policy. This practice, in its extent and brutality, is also unheard of.

4. Religious persecution: Christians not belonging to the government sanctioned church face persecution ranging from persistent harassment to beating and torture. A policy of genuine religious freedom must be implemented. The ability of the Roman Catholic Church to do missionary work in China would be the litmus test of this policy.

5. Persecution of the Tibet nationalists and Buddhists in the Tibet Autonomous Region (TAR): Numerous prisoners have died in Tibetan prisoners from torture and beatings. Respect for the Tibetan people's right of self-determination must be established. As a spiritual leader, the Dalai Lama must be allowed to return to Tibet.

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6. Detention and harassment of labor activists: Those calling for independent trade unions and labor reform are routinely harassed and arbitrarily detained. Workers must be allowed to establish independent trade unions.

7. Laojiao (reeducation through labor) and Jiuye (forced job placement within the camp) systems: The Laojiao system is an "administrative" policy: public security unites can, without any legal proceedings, wantonly deprive a citizen of his/her freedom for up to three years. Over 200,000 people are currently held in this system. The Jiuye system has been significantly reduced in size since 1983, nevertheless, the authorities are still forcing many prisoners and Laojaio inmates who have served out their terms to remain in the system, thus further depraving them of the civil rights and freedoms.

8. Persecution of civil organizations: The severe crackdowns on the China Democratic Party and Falungong are serious abuses of freedom of assembly and association.

9. Repression of freedom of the press: Censorship is pervasive in all forms of media in China, and those seeking to work outside the confines of the state-controlled media may be subject to detention and imprisonment.

The international community must tell China clearly: we expect to see a peaceful, prosperous, free and democratic China, not a prosperous and stable communist China. The international community must state clearly that political reform and improvement of human rights conditions must not only be synchronous with economic development, but must, to a certain degree, precede it. Peace and prosperity are possible only when human rights, democracy and freedom are respected.

The CHAIRMAN. Harry, you have appeared many times with us and you always do well.

I want to circulate several copies, including the ten things that you identified. I thank you very much.

Mr. Munro, I am looking for my paper on you.

Mr. MUNRO. I can introduce myself, if you would like, Senator.

The CHAIRMAN. Please do that. I have so much paper up here. Wait, just a minute, please.

You are the Joseph H. Lauder——

Mr. MUNRO. No. That is my friend, Arthur Waldron.

The CHAIRMAN. Then you are the director of Asian Studies at the Center for Security Studies. We have dealt with you before many times.

In any case, we are glad to have you. If you would proceed, we would appreciate it. I'm sorry, but I'm surrounded now by paper but no Senators.

STATEMENT OF ROSS H. MUNRO, DIRECTOR OF ASIAN STUDIES, CENTER FOR SECURITY STUDIES, WASHINGTON, DC

Mr. MUNRO. We're even because this is going to be a bit of a back of the envelope presentation from me. I just returned from 5 weeks in Asia and received very short notice about appearing here today. But I am really privileged to do so.

It may interest you, Senator, that I have spent much of this past year looking at China's relations with countries and regions on its land borders. In fact, I was just in the Russian far east, Siberia and Kazakhstan, looking at precisely that. Earlier in the year I was in countries like Burma and Laos.

I can report to you that from Vladivostok to Rangoon, China is consolidating and increasing its preeminence along its land borders and throughout most of the land mass of continental East Asia.

It is achieving this with an impressive array of sophisticated—I did not say benign—sophisticated policies and also by the sheer weight of its population and its economy.

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I mention this because I think it directly relates to the issues before your committee. China's increasingly dominant position in continental East Asia today is one side of a rough and fluid balance of power in Asia as a whole. Balancing China, of course, is the United States and its democratic friends that Arthur Waldron referred to, its democratic friends and allies on China's eastern and southern rim. I am referring, of course, to Japan, South Korea, Taiwan, most of the island nations of Southeast Asia. And ultimately, I believe, India will be on that list as well.

By definition, a balance of power is a force for stability. But stability in Asia today is precarious because China is not satisfied with its growing dominance of continental East Asia but also wants to dominate the democracies on its eastern and southern rim.

In short, China wants to dominate all of Asia.

China's leaders, of course, do not put it quite so starkly. In fact, they insist that they do not seek hegemony. But their declared goals amount to a program for precisely that. They want the permanent strategic subservience of Japan. They don't want Japan to ever be a normal power militarily. They want to conquer Taiwan. They, of course, want to, and they are explicit about this, end the U.S. military presence in Asia, and they want to control all the islands of the South China Sea. If they achieve these announced goals, they will dominate Asia.

Now in some ways it is easy to understand the Chinese leadership's great strategic ambitions. For one thing, the ambition to dominate Asia harks back centuries to when powerful Chinese dynasties expected all of its neighbors to know their place and kowtow to the emperor in Beijing. Of course, today's autocrats in Beijing are nationalistic, and aggressive foreign and military policies serve to legitimize the regime, a regime that has never been elected by the people.

Now what is much more difficult to understand is the Clinton administration's response to China's growing ambitions and to China's determination to destroy the balance of power in Asia. Indeed, since 1996, this administration has repeatedly demonstrated that either it is not committed to maintaining a balance of power in Asia anymore, even though that has been the strategy toward Asia of the United States for more than a century, or it simply does not understand how central the balance of power in Asia is to America's interests.

It refuses to come to grips with China's challenge to America's interests. And, of course, it ignores—this is something that was not brought up by other witnesses—it ignores the fact that the assertion that the United States is China's enemy pervades all serious writing and statements about strategy or foreign and military policy in China today.

It is an implicit given or it is explicit, all the time, that the United States is China's adversary. And yet, you do not see a coherent or intelligent response by the Clinton administration to that.

In fact, in 1997, as you know, the Clinton administration began using the term "strategic partnership" with China just as the Chinese were saying that it was unacceptable for the U.S. military to

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be in Asia, which contradicts the whole concept, I think, of any strategic partnership.

The situation got much worse in 1998, sir, when the President made his trip to China and managed in just a few days to deeply disturb Japan by not visiting it before or after his trip to China, to undermine Taiwan by publicly reiterating the three so-called "no's," and to bully India by joining China in condemning its nuclear tests—all in a few days.

These are the very countries on which we must depend to maintain a balance of power to resist Chinese assertiveness and, by the way—and here is where Dr. Waldron's and my views mesh nicely—by resisting Chinese assertiveness and aggression, that will lead, I think, in a way to delegitimizing the regime because it is Chinese national chauvinism and Chinese economic mercantilism that are two of the foundations of this undemocratic regime's legitimacy today.

I don't know how much we can do directly to foster democracy in China. But I believe very strongly that by treating China as an external actor, by looking at its external actions, where we have a lot of power to resist China, we can indirectly undermine that regime and foster democracy.

The Clinton administration has neglected relations with all these democratic countries around China, but the worst errors have been made vis-a-vis Taiwan. Let's, just for purposes of analysis, lay aside our legal commitments to Taiwan under the Taiwan Relations Act and let's lay aside our moral commitment to an old friend and ally. I take those commitments, by the way, very, very seriously. But for purposes of discussion, let's look at Taiwan purely now as a strategic issue. It is very instructive to look at Taiwan through a purely strategic prism.

Certainly, there is overwhelming evidence that in Beijing the Chinese leadership, since the early 1990's, has viewed Taiwan primarily in strategic terms as a strategic target. We should no longer dignify Chinese policy toward Taiwan as a policy of reunification. It is not reunification. They don't care about the people of Taiwan. Chinese generals are saying that they don't care if Taiwan is reduced to rubble. They want the raw real estate.

Specifically, they want control of the air and sea space because that will up-end the balance of power in Asia overnight because China will suddenly be controlling the key air and sea lanes, the most strategic air and sea lanes in East Asia.

The Clinton administration does not seem to grasp that at all. Instead, the administration keeps pushing Taiwan to reach some kind of interim agreement with Beijing. Well, presumably, an interim agreement would require Taiwan to make some sort of symbolic or legal concession to Beijing.

Clearly the Clinton administration believes that this would placate Beijing at least for a while.

But Beijing does not want symbolism. Beijing does not want a sop for nationalism. What Beijing really wants is the territory, as I just said, and to overturn the balance of power in Asia.

So I want to abbreviate my remarks. I have already spoken longer than most of my friends.

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Let me just say that there is one other thing I really want to emphasize and that is that there are powerful elements in this country, specifically in the China policy community—they certainly are not at this table right now—who want to appease China by tossing away some of our most important assets, some of the most important levers we have in dealing with China.

One is Taiwan itself. They want to sacrifice Taiwan. I see Taiwan as an asset, not as a liability.

Second, there are sinologists who are calling on the United States to assure China in advance that we will never allow a theater missile defense system to be installed in Taiwan.

Third, there is the whole WTO issue. I think, given the fact that the vast majority of the Chinese elite either opposes WTO or wants to sign the agreement but then not implement it, we should be very wary of any WTO agreement and keep the leverage that is inherent in that huge trade surplus that China runs with us.

So, again, I have gone over a lot of material in a hurry. Thank you very much.

The CHAIRMAN. Well you have done very well.

I have a situation to attend to. I want the three of you to testify as long and as much as you will. I have no Senator here to relieve me and I have a problem with my knees. So I am going to do an unusual thing. I will adjourn this hearing but will ask my staff representative to take my chair and ask the questions that I have here so that you three gentlemen can go on the record.

We are going to print the record we make today and circulate its printed form.

If you will forgive me, I will absent myself. But you will find that Mr. Doran knows more about this subject than I do, anyhow.

I would ask the staff member to identify himself for the record after I adjourn this hearing but to finish up for our subject record.

Thank you. We are adjourned.

[Whereupon, at 12:41 p.m. the hearing was adjourned.]

CONTINUATION OF DISCUSSION BY COMMITTEE'S PROFESSIONAL STAFF

Mr. DORAN. My name is James Doran. I am the senior professional staff member for East Asian Affairs for the committee under Senator Helms.

I think I will just go left to right here and start with Dr. Waldron.

I just want to ask, Arthur, if you think that the policy of economic engagement with China will necessarily lead to liberalization in that country.

Dr. WALDRON. I think that the answer to that is no. I think that there are plenty of examples in history of countries which have managed to separate the economy from a dictatorial rule. I think that, on balance, it would be a good thing. I think it is a good thing to encourage genuine entrepreneurial business in China.

One thing we should be aware of is that a lot of the Chinese entities with which we deal in so-called business are not—these are State run enterprises or else they are part foreign invested/part

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State invested. There is nothing yet in China that comes close to approximating a genuine free enterprise system in which people start their own businesses and then can grow without limits.

If you get that sort of genuine private enterprise, that will have very, very beneficial effects. But there is an economist in Hong Kong who refers to a lot of investment in China essentially as bridge loans. There are all kinds of difficulties in the State run sector and they are using all sorts of ways to bring in more money. But it is not contributing, I don't think, to what we want.

Mr. DORAN. It seems to me, then, that basically the policy of the 1990's, even preceding the Clinton administration, may then be based on a false premise. It seems to me that that is entirely the premise of U.S. policy for at least a decade, that economic engagement will lead to political liberalization in that country.

Dr. WALDRON. I think if you read history, you find that it is not that simple. Obviously, this is a complex relationship to manage. I think we should manage our connections with China more stringently, and I would associate myself with Ross and the others. It is very, very important that we broaden it.

We do not need a China policy. What we need is an Asia policy.

Mr. DORAN. Thank you.

Also in your testimony, you advise us to start hedging against the possibility of the current Chinese regime's failure. It also seems to me that one of the Clinton administration's arguments for essentially trying to prop up this regime is that, if this current regime fails, there will be chaos in China.

What is your view of that assumption?

Dr. WALDRON. I think that we are running at a very dangerous, or it is a perilous road that we are taking. This is because we are not simply dealing with the Chinese regime because it is the de facto ruler. We have moved from assessing it as being a positive force to sort of hoping that it is a positive force.

Now we are really very much, I would say, leaning to try to support it. In other words, we have identified our national interests with the continuation of that regime.

I think that this is a mistake. The regime is standing in the way of reform. If there were going to be reforms made by these people, we would be hearing about it. They would be doing it. We would have some blueprints. I mean, let's have an election. Let's release some political prisoners. Let's have some laws that really guarantee private property. Let's start reforming the judiciary.

These are all low priorities.

My diagnosis is, given the mismatch between the stubborn regime and the dynamism in China, that sooner or later there is going to be change and we should be thinking about that change rather than sort of kidding ourselves and hoping that the leadership is going somehow to succeed in seeing it through.

One of my Chinese said to me a few months ago that they have no plan. The leadership in the PRC has no concept of how it is going to get where it wants to go. And if you're dealing with things like political reform, law, citizenship and so forth, you have to think it through before you try to implement it.

Mr. DORAN. Thank you very much.

Let me turn now to Harry Wu for a second.

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Harry, you testified that repression still exists in China. I think most observers will admit that. But many observers, while admitting this, insist that human rights have improved over the last decade. Do you concur with that view?

Mr. WU. Yes and no.

Before I give you my answer, I want to state that if there has been some progress in human rights, it happened because the ordinary Chinese people demanded change. No one should credit the Chinese Communist Government with improvements.

At most you can say that Deng Xiaoping and Jiang Zemin are realistic. They know how to withdraw a few inches when they are faced with a crisis. This is the way to keep their power.

We Chinese, we ordinary Chinese have paid a price. Millions lost their lives in the Laogai, and we allowed the Chinese Communist Party to destroy religion in China in the 1950's. We supported the Great Leap Forward and the Cultural Revolution. We sent our young men and women to Korea and Vietnam to fight against American imperialists. We dedicated ourselves to the Communist revolution.

Then we learned a lesson: communism is a joke.

To give an example, let me put it this way. The Communist government now allows some religious freedom in China today. No one could believe that this is because the Chinese Communist Party respects religious freedom.

In the 1950's, the Chinese Communist Party violently abolished religion in China and replaced it with Maoism. They succeeded, but only temporarily.

In the past 10 years, the Chinese Communist Party has spent a lot of money to rebuild and repair the churches and temples and to set up some State approved religions. Should we credit the Communist Party with this limited improvement?

They did it because they are realistic. They know that today it is hard to block people from seeking a faith.

The Chinese Government still does not respect human dignity. Signing the United Nations human rights document does not mean that they have changed.

The indication of a real change I would suggest is a very basic thing. First, allow the Red Cross to visit freely the labor camps. Second, end the reeducation through labor. Third, allow Tibetans in China to carry a photo of the Dalai Lama. Fourth, allow independent publishers. Fifth, allow Amnesty International and other international NGO's to legally set up offices in China.

Do you think that I am asking too much by this?

Mr. DORAN. Thank you very much, Mr. Wu.

We are short on time here and I am going to need to wrap this up. I will just ask Mr. Munro one more question.

You mentioned Taiwan in your testimony. What do you think is the likelihood that China could misjudge our resolve over Taiwan right now? What do you think we could do to decrease that likelihood?

For example, perhaps you could comment on a bill that started moving through the House of Representatives yesterday called the Taiwan Security Enhancement Act.

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Mr. MUNRO. Specifically on that, I feel that that is necessary, that bill is necessary. In some ways, it is unfortunate that it is necessary, but it is necessary because this administration has been all over the map on Taiwan. But, generally, the trend has been a weakening commitment, a distancing from Taiwan. And yes, our U.S. credibility on Taiwan has eroded. In fact, I think the Clinton administration itself has done more than any party to undermine or destroy strategic ambiguity which worked for a long time.

It no longer can work after this dangerous dance that President Jiang and President Clinton have engaged in for the past year and a half, where the Clinton administration has responded to increasingly aggressive statements by the Chinese on Taiwan with increasingly appeasing statements from Washington.

So strategic ambiguity is almost dead, and something like this piece of legislation is necessary.

Mr. DORAN. Thank you very much.

Thanks to the three of you for coming.

We will probably have some more questions that we will submit to you in writing for the record. So we will keep the record open for a few days.

That is all I have for you. Thank you for staying on.

[At 12:52 p.m. the committee staff discussion ended.]

[The following statement was submitted for inclusion in the record.]

PREPARED STATEMENT BY HUMAN RIGHTS WATCH

U.S. CHINA POLICY: HUMAN RIGHTS

Human rights concerns dropped even lower on the agenda of the U.S. and China's other major trading partners this year, even as the Chinese government's restrictions on freedom of expression and association grew tighter. Following the Belgrade bombing, the Administration was preoccupied with getting bilateral relations back on track, largely putting human rights concerns on the back burner. For its part, the Chinese government suspended its bilateral human rights dialogue with the U.S., put off a planned visit by the German chancellor until November, and delayed talks on China's entry into the World Trade Organization (WTO). International protests against the banning of Falun Gong and the crackdown on activists prior to the June 4 and October 1 anniversaries were mild or nonexistent.

At the United Nations Commission on Human Rights in April, China sustained its successful campaign to prevent a debate on its human rights record, persuading the European Union (E.U.) and other governments to refrain from backing a resolution by the U.S., dooming it to failure. Under Congressional pressure, the Clinton Administration tabled a last minute resolution which was blocked by a Chinese no-action motion. That motion was adopted by a vote of twenty-two to seventeen, with fourteen abstentions. The E.U. and individual member states refused to cosponsor the measure; Poland did agree to serve as a cosponsor.

Since President Clinton's visit to China last year, Beijing has made no progress in ratifying the International Covenant on Economic Social and Cultural Rights or the International Covenant on Civil and Political Rights. (The U.S. would be in a better position to urge ratification if the Senate would ratify the first treaty as well as other important international human rights treaties.) Both treaties have been signed, but are still under review by the Standing Committee of the National People's Congress.

Meanwhile, the E.U., Australia, and Canada continued human rights dialogues and rule of law seminars; Japan's dialogue was delayed by Beijing after Tokyo opposed the no-action motion in Geneva. The various bilateral exchanges were sometimes useful, but they appeared to have little direct impact on the human rights situation. Jiang Zemin visited Australia in September and has also just completed a tour of European capitals, where he signed multi-billion dollar trade deals. Except for a brief visit to the U.S. by the Chinese labor minister in March and a Canadian-

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led seminar in July, concerns about violations of worker rights have been largely absent from the agenda.

U.S. HUMAN RIGHTS POLICY: RECOMMENDATIONS

The Clinton Administration had no clear strategy to follow up the president's visit to China.

It is crucial that the Administration begin now to lay the groundwork for a sustained multilateral effort on China at next spring's U.N. Commission on Human Rights. Only with U.S. leadership—from both the White House and the State Department—can a serious campaign be launched to hold China accountable in the highest U.N. forum designed to protect and promote human rights.

We also hope the new U.S. ambassador to the People's Republic of China will place a much higher priority on human rights, not only by pressing China to take the steps outlined below, but also by increasing regular monitoring of human rights abuses by embassy and consulate staff; by energetically seeking access by diplomatic personnel and the media to trials, such as the trials of Falun Gong members that have recently begun and the trials of pro-democracy activists; and by working with other embassies to develop coordinated strategies on key human rights issues.

We urge the Administration to press China to take practical, concrete steps to improve human rights in China and Tibet including the following:

- Getting agreement to release, amnesty or review the convictions of approximately 2000 persons still imprisoned on charged of "counterrevolution." These offenses were formally abolished as a crime in 1997, but the Chinese government has stated that this will have no effect on those already convicted. They include numerous nuns and monks from Tibet, labor rights activists and individuals imprisoned in connection with the June 1989 crackdown.
- Initiation of a process to end the system of re-education through labor, which leads to the arbitrary detention of thousands of Chinese citizens each year, without charge or trial.
- Obtaining verifiable information on the current status and whereabouts of the Panchen Lama, Gendun Choeki Nyima, the child chosen by the Dalai Lama in 1995 as the reincarnation of an important Tibetan religious figure.
- Getting agreement on unrestricted access to Tibet and Xinjiang by the international press, human rights and humanitarian organizations.
- Securing a commitment to implement safeguards on freedom of association and labor rights. The International Covenants on Economic, Social and Cultural Rights, and Civil and Political Rights both contain important guarantees on freedom of religion, association, assembly and expression.

WTO and Codes of Conduct:

In late November, the World Trade Organization will hold its ministerial conference in Seattle, and talks with the U.S. and other governments on China's potential entry into the WTO have recently resumed. We believe that bringing China into the WTO on commercially acceptable terms could help human rights and strengthen the rule of law over the long term. As a member of the WTO, China would face increasing demands—internally and externally—for greater transparency, an independent judiciary, and protection of worker rights.

However, the Administration should not once again make the mistake of overstating the benefits of its trade policy. The President has stated that he would push for permanent NTR (Normal Trade Relations) status for China as part of a WTO package, thus doing away with the annual NTR renewal process. In return for permanent NTR—something China has lobbied for over several years—we believe the Congress should insist on reciprocal gestures on human rights by China. For example, within one year of getting permanent NTR, China should ratify either or both of the two UN covenants, and take some of the other concrete steps outlined above. We hope the Administration will join the Congress in supporting limited, realistic but meaningful human rights conditions on permanent NTR.

We would also strongly support legislation on codes of conduct for U.S. companies operating in China, along the lines of bills previously introduced in both the House and Senate. Such legislation would express the sense of Congress that U.S. companies doing business in China should adopt certain principles to prohibit the use of forced labor, prohibit a police or military presence in the workplace, protect workers' rights of free association, assembly and religion, discourage compulsory political indoctrination, and promote freedom of expression by workers including their freedom to seek and receive information of all kinds through any media—in writing, orally, or through the Internet.

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Legislation outlining principles for U.S. companies should contain a registration and reporting procedure, and an annual report to Congress on the level of adherence to the principles by U.S. companies.

Human Rights Developments in China, Tibet, Hong Kong:

Controls on basic freedoms were tightened during the past year, in part because of Chinese authorities' desire to ensure stability on several sensitive dates. These included the fortieth anniversary of the March 10, 1959, Tibetan uprising, the tenth anniversary of the crackdown in Tiananmen Square on June 4, 1989, and the fiftieth anniversary of the founding of the PRC on October 1, 1949.

Trials of dissidents—and there were many—were neither fair nor open. Gao Yu, a prominent journalist accused of leaking state secrets, was released from prison early, but like many other released prisoners, continued to face a variety of restrictions.

A prolonged economic slump coupled with illegal and excessive fees and taxes fueled unrest and heightened the government's concerns with stability. On the political front, President Jiang Zemin's determination to bolster the Chinese Communist Party, to placate hardliners, and to secure his own place in history contributed to heightened intolerance of any organization openly critical of the Party's platform or attempting to function outside Party control. Individuals and groups suspected of ties to "hostile" foreign organizations and those disseminating sensitive political information overseas were particularly targeted.

State control of religious affairs in Tibet intensified. Dozens of judicial executions were reported from Xinjiang, where some ethnic Uighur groups were advocating a separate state; other alleged "splittists" were sentenced to long prison terms. Judicial independence and the rule of law in the Special Administrative Region (SAR) of Hong Kong were seriously undermined when the SAR government asked Beijing to interpret a ruling by the SAR's highest court.

On the positive side, legal reform efforts continued, although the legal system remained highly politicized. Supreme Court President Xiao Yang announced in March that in the interests of transparency, trials would be open and verdicts quickly made public, except for cases involving state secrets. In April, he announced plans to curb government interference with the legal process. Chinese judicial and legal experts continued to meet with their counterparts in many countries in an effort to further the reform process.

On November 23, 1998, former Premier Li Peng announced that China would not tolerate any political system that would "negate the leadership of the Communist Party." A month later, three organizers of the opposition China Democracy Party (CDP) received heavy sentences. Veteran dissident Xu Wenli in Beijing, Qin Yongmin in Hubei province, and Wang Youcai in Zhejiang were sentenced to thirteen, twelve, and eleven years in prison respectively on charges of subversion. Other CDP members were also tried. During the first week of August alone, Zha Jianguo and Gao Hongming received nine- and eight-year terms in Beijing, and She Wanbao and Liu Xianbin received twelve and thirteen years respectively from courts in Sichuan. The following week, two Shanghai CDP members, Cai Guihua and Han Lifa, instead of being released on schedule, had their terms extended. Some thirty CDP members were still in custody as of mid-October, and the crackdown on the CDP had extended to some twenty provinces, autonomous regions, and municipalities.

Legal authorities also squashed the China Development Union (CDU), a nongovernmental organization committed to environmental and political reform. In February, its leader, Peng Ming, was detained for fifteen days on a charge of soliciting prostitution. Instead of being released, he was then administratively sentenced to an additional term of eighteen months.

Labor and peasant activists also received long sentences. Unrest in Hunan province resulted in sentences of up to six years for nine peasants who protested the imposition of exorbitant taxes; the arrest of Liao Shihua for organizing workers to demand an end to pervasive corruption in the province; and two-year terms for six farmers who alleged that local elections had been rigged.

Throughout the year, China repeatedly demonstrated its determination to prevent contacts between mainland and overseas dissidents and to obstruct information flows. On January 20 the Shanghai No.1 Intermediate Court announced a two-year sentence for computer entrepreneur Lin Hai for passing some 30,000 e-mail addresses to VIP Reference, an overseas dissident publication. Fang Jue, a former economic planning official in Fujian province, whose essay on democratic reform was published abroad in 1998, was sentenced to a four-year prison term in June 1999 on what appeared to be spurious fraud charges. In March, a district court sentenced Gao Shaokun, a retired police officer, to a two-year term after he told the foreign

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press about a peasant protest; on May 11; a Beijing court sentenced Liu Xianli to a four-year term for his attempts to publish a work about well-known Chinese dissidents. Song Yongyi, a Dickinson College (Pennsylvania) researcher, was detained in August when he returned to China on a Chinese passport to continue his research on the Cultural Revolution.

Chinese authorities were clearly concerned about increasing use of the Internet. New regulations in January required bars and cafes with Internet access to register and inform the police about their business operations and customers. In May; the Ministry of State Security installed monitoring devices on Internet service providers capable of tracking individual e-mail accounts. Special computer task forces began round-the-clock checks on bulletin boards. In January; one of those bulletin boards, "Everything Under the Sun," was ordered closed for posting messages critical of the government. In February; Chinese authorities shut down the "New Wave Network," a popular bulletin board that featured political discussion. In September; police detained Qi Yanchen, a former China Development Union member and a member of the China Democracy Party, whose electronic magazine *Consultations* pushed the CDU agenda. In early September, after overseas dissidents hacked into the website of the official newspaper, *People's Daily,* a police circular called for a crackdown on all anti-Party and government articles on the Internet.

The government also tightened controls on publishing and the print media. On January 1; new regulations required shippers of printed material to obtain government permits. President Jiang Zemin personally ordered senior officials to prevent the media from undermining the fiftieth anniversary celebration. His complaints about the number of publications in circulation resulted in a decision to stop issuing any publication permits at least through June. In September; the government decreed that local newspapers and magazines had to be placed under Party management by October 30 or face closure, and it was estimated that some 20,000 publications would be closed.

In September; Chinese authorities banned newsstand sales of special editions of *Time, Asiaweek,* and *Newsweek* covering fifty years of Communist Party rule. Censorship even affected computer games and survey research, with authorities confiscating some 10,000 games that featured Taiwan repelling a mainland invasion.

Restraints on religion and belief increased significantly during the year. On April 25, ten thousand members of Falung Gong (also known as Falun Dafa)—surrounded Zhongnanhai, the Beijing compound housing China's top leaders. The peaceful, silent demonstration was to protest a newspaper article disparaging Falun Gong. The size of the demonstration clearly shocked the government, and while authorities took no immediate action, they began a systematic crackdown three months later. On July 22 the Ministry of Civil Affairs labeled Falun Gong an illegal organization and accused it of spreading "superstition" and "endangering social stability." It banned public and private practice and distribution of the organization's literature. Police detained thousands of practitioners for reeducation and began to confiscate and destroy over one million books. A week later, the government issued an arrest warrant for Li Hongzhi, the group's leader, who had been living in the U.S. The government put the number of practitioners at two million; other estimates run as high as seventy million. Alarmed at the number of party members involved, the party leadership mounted a full-scale internal "rectification," using the opportunity to emphasize the value of Marxism and reinvigorate President Jiang's "three stresses" campaign to strengthen theoretical study, political awareness, and good conduct among Party members. As of October; at least three top Falun Gong leaders, Wang Zhiwen, Li Chang and Ji Liuwu, were still in custody; and ten managers of printing presses in Sichuan and Guangxi were being held for printing Falun Gong materials. The Ministry of Justice announced that any lawyer wishing to represent a Falun Gong follower must obtain government permission.

Police detained members of at least three other sects, the Men Tu Hui or Disciples, Dongfang Shandian or Eastern Lightning, and a group known as God's Religion. The government continued its longstanding campaign to force Catholic congregations to register with the Bureau of Religious Affairs. The campaign, centered in parts of Zhejiang and Hebei provinces with large Catholic populations, was marked by detentions, disappearances, ill-treatment, fines, and harassment. A series of arrests in Wenzhou, Zhejiang, that continued into September, forced some clergy into hiding. In one still unexplained incident, Father Yan Weiping, from Hebei, was found dead on a Beijing street on May 13. He had been detained that same day while saying Mass. In a crackdown in southern Henan province, several prominent house church leaders were briefly detained. The raid followed an earlier one in central Henan on January 24 when pastor Chu Chang'en and forty-five others were detained. In May, three students in China's most prestigious Protestant seminary were expelled after protesting the government's control of religious affairs.

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Free assembly fared poorly during the year. Police in several cities prevented those wishing to publicly commemorate the tenth anniversary of the June 4 crackdown from laying wreaths or visiting cemeteries. Jiang Qisheng, a student leaders in 1989, was formally arrested for calling on people to remember the crackdown with a candlelight vigil.

In a move to ensure order before the October 1 celebration, the Beijing city government banned all public gatherings after July 1. Police detained or expelled those without papers, legal residence permits or permanent incomes. They targeted migrants, beggars, hawkers, food vendors, the homeless, the unemployed, the mentally ill, prostitutes, and other "undesirables." On September 6; the Public Security Bureau notified hostels, hotels, boarding houses, and private citizens that they would be penalized for housing illegal migrants. Dissidents were under heavy surveillance, their movements restricted, and their phone lines cut. Any non-resident wishing to enter Beijing needed a detailed letter of introduction.

The death penalty continued in use, and mass executions were common. On September 27; the Guangdong Supreme People's Court declared it would hold fifty-seven public rallies to announce 818 sentences. Two hundred and thirty-eight prisoners were scheduled to be executed before October 1. Executions also took place in Changsha, Hunan province and Chongqing, a city formerly part of Sichuan province.

TIBET

At the beginning of the year, authorities announced a three-year campaign to free rural Tibetans from the "negative influence of religion," and to work against the Dalai Lama's "splittist" struggle. They continued to deny access to Gendun Choekyi Nyima, the ten-year-old boy recognized by the Dalai Lama as the reincarnation of the Panchen Lama, the second most important figure in Tibetan Buddhism. No one has seen the child or members of his family since 1995 when the Chinese government recognized another boy, Gyaltsen Norbu, as the reincarnation. On June 17, that boy arrived in Tibet for the first time.

In response to a World Bank proposal to resettle some 58,000 Han Chinese and Hui Muslims in a predominately Tibetan and Mongolian area in Qinghai province, an Australian, Gabriel Lafitte, an American, Daja Meston, and their Tibetan translator, Tsering Dorje, traveled to the area to assess for themselves the feelings of residents in the resettlement region. State security forces detained all three on August 15 but released them within two weeks. Lafitte and Meston, who was severely injured in an escape attempt, were permitted to leave after confessing to wrongdoing.

During the year, security forces detained Tibetans who openly advocated independence. On March 10, the fortieth anniversary of an abortive uprising against China, two Tibetan monks, Phuntsok Legmon and Namdol, demonstrated in Barkor Square in Lhasa. On July 9 they reportedly received three- and four-year sentences respectively, a report that Tibetan officials have denied. In a preemptive move, some eighty people were detained before March 10. Monks from major monasteries could not enter the city, and the Jokhang, the most religious site in Tibet, was closed for "cleaning."

Prison conditions in Tibet remained substandard. In February; the official Chinese news agency acknowledged that "quasi-military" training for staff and prisoners had been carried out in Drapchi prison "to improve police officers' managerial abilities and enhance prisoners' discipline and awareness of the law." The use of torture continued, sometimes resulting in death. Legshe Tsoglam, a Nalanda monk who resisted reeducation, died in April, several days after his release from Gutsa Detention Center. A Ganden monk, Ngawang Jinpa, died two months after serving his full four-year term, and Norbu, also from Nalanda, died almost three years after severe prison beatings damaged his kidneys. All three were in their early twenties. Several monks, arrested in 1998 for putting photos of the Dalai Lama on the main altar in Kirti monastery in Sichuan Province, were sentenced in July and August 1999. Ngawang Sangdrol, a twenty-three-year-old nun, severely beaten after a protest in Drapchi prison in May 1998, had her original three-year sentence extended for the third time for a total of twenty-one years.

XINJIANG

Local authorities, claiming that "splittist" elements in the region were using terrorist tactics, ordered intensified efforts to maintain stability in the run-up to the October 1 anniversary celebrations. Executions of so-called "splittists" were commonplace, as were long prison sentences and public sentencing rallies. In January, a court official in Ili prefecture, the scene of massive demonstrations and rioting in

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1997, confirmed that twenty-nine people, all but two of them ethnic Uighurs, had been given the death penalty. In July; a court in Nonshishi sentenced another eighteen men to terms ranging from ten to fifteen years for, among other things, allegedly destroying the Party's religious policy. In an apparent attempt to decrease the flow of information overseas, public security officers in Urumqi, the capital, seized Rebiya Kadeer, a prominent Uighur businesswoman, on August 11 as she was on her way to meet a visiting American. She was later charged with trying to transmit information across borders. Rebiya Kadeer's husband, a U.S. resident, publicly advocates independence and appears regularly on Radio Free Asia and the Voice of America. Rebiya, her son, Ablikim Abdyirim, and her secretary, Kahriman Abdukirim, remained in prison as of October.

HONG KONG

This year China took several steps to curtail Hong Kong's autonomy and the rule of law. The independence of the courts in the Hong Kong Special Administrative Region (SAR) was placed in jeopardy after Chief Executive Tung Chee-hwa invited Beijing to intervene in a decision of the highest court in Hong Kong, the Court of Final Appeal. Tung campaigned against the court's decision on right of abode in Hong Kong that would have allowed many more mainland Chinese to reside in the S.A.R. (How many more was a matter of intense debate.) Fearing a flood of Chinese immigrants, on May 18 Tung invited the Standing Committee of China's People's National Congress, as the ultimate authority under Hong Kong's constitution, the Basic Law, to overturn the ruling. Leading judges and lawyers questioned the political decision of the Chief Executive to invite Beijing to intervene. The Standing Committee effectively reversed the Court of Final Appeal's decision.

Municipal councils, the middle tier of elected office in Hong Kong, were abolished by Tung this year, in a transparent effort to weaken the influence of pro-democracy political parties in Hong Kong.

Chinese officials barred entry to pro-democracy Hong Kong lawmakers. On September 12, Margaret Ng (who was a witness before this Committee last July) was prevented from attending a seminar on China's constitution. China also interfered with requests for travel to Hong Kong, refusing to consider a papal visit because the Vatican and Taiwan maintain diplomatic relations. A senior official from Taiwan was prevented from attending an academic conference at the University of Hong Kong.

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NOMINATION OF ADM. JOSEPH W. PRUEHER, TO BE U.S. AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA

THURSDAY, OCTOBER 28, 1999

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

The committee met at 10:38 a.m., in room SD–419, Dirksen Senate Office Building, Hon. Jesse Helms (chairman of the committee) presiding.

Present: Senators Helms, Lugar, Smith, Thomas, Frist, Kerry, Feingold, Wellstone, and Boxer.

The CHAIRMAN. The committee will come to order.

I am going to forego my opening statement because I see Ted Stevens here, and I want him to work on that budget. So, we will not keep you.

But I never saw such an array of friends. Bill Brock is here and I told him I want him to say something. There he is.

[The prepared statement of Senator Helms follows:]

PREPARED STATEMENT OF SENATOR JESSE HELMS

Today the Committee will consider the Administration's nominee to serve as the U.S. Ambassador to the People's Republic of China, Admiral Joseph Prueher. Admiral Prueher, we welcome you.

Yesterday, the Committee heard excellent testimony regarding the future of U.S.-China relations. I believe a basis was set for today's consideration of Admiral Prueher's nomination.

At the heart of the Committee debate yesterday was the consideration of what is likely to challenge the next U.S. Ambassador to Beijing; specifically, the question of how the United States can and will deal with the People's Republic of China.

Just about everybody has his or her ideas about that.

For my part, I look with disfavor upon the policy of engagement, certainly as it has been practiced by the Clinton administration. Not only has the U.S. debased itself by consistently groveling before the Butchers of Beijing; manifestly there has been an ABJECT FAILURE to produce any substantive results. In fact, there has been a dismaying failure over and over again.

The brutality of Red China against its own people is as bad as ever; for example, the draconian crackdown on the peaceful practitioners of Falun Gong and the underground churches.

Marxism, rather than fading away as the engagement theorists predicted, is in full fashion with the typically Bolshevik "3 Stresses" campaign front and center.

In Hong Kong, those willing to look see that a slow roll is being put to the rule of law by Beijing and its lackeys in the Hong Kong government.

Militarily, Red China's doctrine has clearly shifted to an unrelenting offensive, characterized by Beijing's mounting purchases and indigenous development of advanced fighter aircraft, submarines, ships armed with supersonic missiles and the deployment of hundreds of ballistic missiles pointed down the throats of our allies on Taiwan. And, regrettably, this is happening with the assistance of the Clinton administration.

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In the South China Sea, Red China continues its unilateral land grabs and fortifications on islands within the boundaries of another U.S. ally, the Philippines. Needless to say, this has not elicited even a murmur of dissent from the Clinton administration.

On trade, Red China continues its mercantile ways. This year, the U.S. trade deficit is again at record levels; 1999 has also brought forth reports that—despite the carte blanche the U.S. gives China in the U.S. market—and despite the embarrassing groveling of many U.S. corporate CEOs—few U.S. businesses are in fact making money in China.

Most of all, the communist leaders in Beijing clearly no longer have any respect for the United States.

Last year, after President Clinton declared our relations with Red China a strategic partnership, a shiny new hotline was installed so that our leaders could consult during a crisis. Last May, a crisis did develop, when the Chinese government orchestrated anti-American riots all across China, burned down a U.S. diplomatic residence and ransacked the U.S. embassy in Beijing.

As the U.S. Ambassador was imprisoned in his own embassy, President Clinton tried to call Jiang Zemin on the hotline, but Jiang Zemin didn't even take the call.

All of which speaks for itself.

Earlier this month hundreds of corporate CEOs gathered in Shanghai to celebrate 50 years of Communism in China. Not content merely to sponsor this bash, thus lining the pockets of Chinese Communists, the Chairman and CEO of Time-Warner saw fit to present his "old friend" Jiang Zemin with a statue of Abraham Lincoln. Within hours of this frenzy of, what to call it?—bootlicking?—Jiang Zemin repaid his old friend from Time-Warner by banning Time magazine from China because the current issue of Time Magazine contained an article by the Dalai Lama. This was uncontested by Time-Warner and of course, by the Clinton administration.

One wonders what a Teddy Roosevelt might have done under such circumstances? Or a Ronald Reagan.

The U.S. has sunk to low depths indeed in this nation's dealings with Red China. I will look forward to hearing Admiral Prueher tell us how we can turn this situation around.

The CHAIRMAN. Senator Stevens, if you will proceed with the introduction, that will be great.

STATEMENT OF HON. TED STEVENS, U.S. SENATOR FROM ALASKA

Senator STEVENS. Thank you very much, Mr. Chairman. You are right as usual. I do have to leave, so I hope you will excuse me right after I make my statement.

It really is a great pleasure for all of us to be here this morning before you, Mr. Chairman. I and these other people are here to support the nomination of Admiral Joe Prueher to be the U.S. Ambassador to China. I would like to offer a few thoughts on this nomination.

Admiral Prueher served as the Commander-in-Chief of the U.S. Pacific Command from 1996 to 1999. Our relationship began through that professional association, but my personal respect for him has grown over the years that I have known him.

As you know, Admiral Prueher commanded our Nation's military response to the Taiwan Strait crisis in 1996. During his tenure, he also reinvigorated our military relationships with Japan and on several occasions positioned U.S. forces in response to regional events in ways that made them available to the President should they have been needed. He looked ahead.

I can say with the utmost confidence that the security of our Nation has always been Admiral Prueher's foremost concern. In the capacity that he had as Commander-in-Chief of the Pacific, he was charged with overseeing our national interests throughout Asia and the total Pacific region. This is something that is of great impor-

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tance to me personally and to which most Alaskans pay close attention. I believe that Joe Prueher will provide the necessary leadership and oversight for our national security in this vital region into the next millennium.

In my capacity as chairman of the Senate Appropriations Committee and as chairman of the Defense Subcommittee, I have witnessed firsthand the impact that Admiral Prueher has made in promoting regional security and renewed cooperation throughout the region. Let me tell you, Jesse, Dan Inouye and I have visited with Joe Prueher at least once a year, many times twice a year, and often on very short notice on crises that came up in the Pacific. He was always ahead of the curve. I have never seen an Admiral that was as far ahead of developments as Joe Prueher.

In short, I think he is the right person for our Nation's representative to the People's Republic of China. As you know, I served there in World War II, and I am delighted that Joe Prueher will go there and represent our country.

I urge your expeditious support of my friend's nomination, and I thank you very much.

The CHAIRMAN. Great.

Senator Inouye.

STATEMENT OF HON. DANIEL K. INOUYE, U.S. SENATOR FROM HAWAII

Senator INOUYE. Mr. Chairman, I thank you for this honor and privilege to say a few words about my good friend.

The CHAIRMAN. Well, it is an honor to have you here this morning.

Senator INOUYE. I wish to join my chairman, Ted Stevens, in supporting the nomination of Admiral Prueher. Like Ted, I have known Admiral Prueher for the time he served as Commander-in-Chief of the U.S. Pacific Command and also a resident of my State.

Obviously the security of the Asia-Pacific region is something that the State of Hawaii considers most important. However, in his position as CINCPAC, the security of our Nation was Admiral Prueher's foremost concern, as it has been throughout his whole career. This was reflected in both his words and deeds, and Mr. Chairman, he was an articulate advocate of our Nation's military presence in Asia and took active steps to resolve issues before they emerged as crises. As Chairman Stevens indicated, he was ahead of the curve.

In his dealings with me and the members of the Senate Appropriations Committee, the Admiral was always honest. He was always direct and straightforward in his communications, and I most respectfully believe that this will be an important quality in light of the intensity of this committee's interest in the China policy.

I join my chairman, Ted Stevens, in expressing my utmost respect for Admiral Prueher's ability as both a military commander and as a statesman. I cannot think of anyone better who can better represent our Nation to the People's Republic of China than Admiral Joseph Prueher.

Mr. Chairman and members of the committee, I urge the committee to support this nomination. Thank you very much, sir.

The CHAIRMAN. Thank you very much, Senator.

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Now let me see. The Senator from Tennessee, Dr. Frist.

STATEMENT OF HON. BILL FRIST, U.S. SENATOR FROM TENNESSEE

Senator FRIST. Thank you, Mr. Chairman. It indeed is an honor to join my colleagues in the introduction of Admiral Prueher to be our Nation's Ambassador to China.

This is my second opportunity to introduce him to a committee of the U.S. Senate and I think that that reflects the degree of respect and confidence that this body has in the Admiral in terms of his service to the country.

For 35 years, Admiral Prueher has served this Nation with distinction as a naval officer, as we have heard. The first 24 years of his career were spent in carrier aviation. He is a Vietnam veteran, has piloted Navy aircraft in times of crisis off of Lebanon and in Iran. As a flag officer, he commanded a carrier battle group in the Pacific, commanded the 6th Fleet in the Mediterranean Sea, was Vice Chief of Naval Operations, and most recently, as has been mentioned, commanded all United States forces in the Pacific and Indian Ocean theaters. As we all know, this theater is not only the most geographically expansive of all of our unified military commands, covering half the globe, but it is the most politically and militarily challenging as well.

Mr. Chairman, to be a successful commander of all armed forces in the Pacific region at such a critical time for America, it required much more than capable management, much more than the confidence of the soldiers and the sailors and the airmen and the marines who served him and the military acumen. It also required a great deal of political and diplomatic skill and commitment.

As a testament to his abilities in that respect, Admiral Prueher gained an impeccable reputation as a commander and as a statesman among our Japanese, Korean, Thai, Australian, Filipino allies with whom he worked daily and with whom he markedly strengthened our collective security arrangements throughout the region. That level of confidence is reflected in the remarkable fact that he was awarded the highest honor given to a foreigner by seven nations in the Asia-Pacific.

I think it is worth pointing out, Mr. Chairman, that China was not one of those nations. That relationship was built over time, and it is unusual for a foreign military commander as it is impressive.

He traveled to China six times to meet with their commanders and officials, including President Jiang. He has earned their respect for his strength and honesty, the two qualities which undoubtedly are most important in this increasingly difficult but monumentally important relationship.

Mr. Chairman, in closing, I will have to at least add that of all people in this room today, I have known Admiral Prueher longer than anybody. I will not say how big I was when I first met him because it in some way might say something about our relative ages, but I was quite small when in high school he was the hero, the hero that he represents to all of us today, whether it was out on the football field, where he was captain of the football team or elected in his high school, which was also my high school, as you can tell, as the most popular in his class by the peers. I am not

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sure his wife even knows this. He was elected as best looking in our high school.

Admiral PRUEHER. I counted the votes.

Senator FRIST. That is right.

He has been a hero his entire life, representing the very best of what a school has to offer, what a community has to offer, and what the United States has to offer. The motto at our high school was "gentleman, scholar, athlete," and there has been nobody that I know who best represents that triad of qualities.

For that reason, I am here once again to recommend for an important office of public service, one that I know that he will fulfill with the highest of standards, character, and integrity.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much.

Fourth and not least is a gentleman who was a Senator from Tennessee when I came here. I learned a lot from him and I, to this day, miss him. Bill Brock.

STATEMENT OF HON. BILL BROCK, FORMER U.S. SENATOR FROM TENNESSEE

Mr. BROCK. It is mutual, Mr. Chairman, and you do me honor by letting me join you on this particularly special day.

I served, when I was U.S. Trade Representative, all over the Pacific and made often the case that there is no way you can describe adequately the importance of that part of the world to the well-being of the people of the United States. I cannot think of an ambassadorial post of greater consequence at this moment than this particular one.

Joe Prueher and I go back in a different way, Bill. His mother stayed in my home to baby-sit my children when I was running for the U.S. Senate. So, I have a slightly different perspective.

But I did want to say in my conversations with Joe, and over the years with others among those who serve us in these capacities, I have never had a more thoughtful, interesting, and carefully constructed conversation in my life than I did with Joe when we were talking about this particular position a few months ago. He is someone who really does think large thoughts. He has a vision, and I think that is particularly needed at this time, given the importance of the relationships that we are developing throughout the Pacific region and the enormous consequence of China in that region.

I would conclude by noting for the record, as I would for myself and for all of us who have had any success, Joe married well above himself. He has a wonderful wife and family and it is just a pleasure to be here and endorse his appointment. Thank you very much.

The CHAIRMAN. I thank you so much, sir.

You know, fellows, I am tempted to say, all in favor.

I guess I better not do that.

Admiral, you introduce your family. I believe you have some here.

Admiral PRUEHER. Thank you very much, Senator Helms.

The CHAIRMAN. If she will stand.

Admiral PRUEHER. My wife Suzanne.

The CHAIRMAN. I know why they call you lucky now.

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Admiral PRUEHER. I will skip the Brock family members.

Our daughter Brooks who works here in Washington for the National Trust. Brooks, will you stand up?

And my niece, Becky Conzelman, who has recently moved here, lived in Hawaii also and is living in Annapolis now.

The CHAIRMAN. Very well. You are welcome and thank you for coming.

I am going to save my little remarks until the last.

Senator Lugar?

Senator LUGAR. No. I just look forward to hearing the Admiral.

Senator SMITH. I am just here out of respect and to wish him well.

Senator THOMAS. Mr. Chairman, I am going to have to leave. So, I do wish to express my gratitude for the Admiral being here. He came by and visited some time ago. As chairman of the Subcommittee on Asia and the Pacific, I am particularly interested in this, of course, and am impressed and look forward, frankly, to your being there, Admiral. If we can have a strong message for China, work with them, and make it better for all of us. I appreciate your being here.

Senator WELLSTONE. Admiral, welcome. Why do we not hear from the Admiral?

The CHAIRMAN. Very well.

Russ.

Senator FEINGOLD. I will wait until the questions. Welcome, Admiral.

The CHAIRMAN. All right.

Yesterday we had one of your predecessors here, and we had some visitors during his testimony. But that did not detract too much from what he said.

Do you have a copy of his speech of yesterday? Winston Lord.

Admiral PRUEHER. Yes, sir. I have read parts of it. I have not read the whole speech.

The CHAIRMAN. Did you read the ten commandments?

Admiral PRUEHER. I have heard him offer those before, yes, sir.

The CHAIRMAN. I suspect he has used those more than once. But they are very effective.

The ten commandments I commend to you, sir. He was very, very emphatic in what he said. Of course, all of us have known Winston for a long time.

The committee debate yesterday was the consideration of what is likely to challenge you as the next Ambassador to Beijing, specifically the question of how the United States can and will deal with the People's Republic of China. Just about everybody has an opinion about that.

On my part, I look with disfavor on the policy of engagement, and you and I talked on that when you came to see us, certainly as it has been practiced. There is nothing intended to be partisan about this, but as has been practiced by the administration. Not only has, in my judgment, the United States debased itself by consistently groveling before the butchers of Beijing; manifestly there has been an abject failure to produce any substantive results. We have got to change that and that is what Winston Lord was saying yesterday.

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The brutality of Red China against its own people I guess bothers me more than anything else. Harry Wu has been here a number of times and testified about the sale of human organs from those executed a few minutes earlier because they were politically on the other side.

So, Marxism is not fading away as the engagement theorists had predicted it would.

In Hong Kong, those willing to look to see that a slow roll is being put to the rule of law by Beijing and its lackeys in the Hong Kong Government.

And militarily, Red China's doctrine has clearly shifted to an unrelenting offensive, characterized by Beijing's mounting purchases and indigenous development of advanced fighter aircraft, submarines, and ships armed with supersonic missiles, and the deployment of hundreds of ballistic missiles pointed down the throats of our allies on Taiwan. And, regrettably, Admiral, this is happening with the assistance of this administration.

On trade, Red China continues its mercantile ways.

And most of all the Communist leaders in Beijing clearly no longer have any respect whatsoever for the United States. I have talked to various people who have visited, including the present Secretary of State.

But anyway, last year, after President Clinton declared our relations with Red China a strategic partnership, a shiny new hotline was installed so that our leaders could consult during a crisis. Last May, a crisis did develop when the Chinese Government orchestrated anti-American riots all across China, burned down a U.S. diplomatic residence, and ransacked the U.S. Embassy in Beijing.

As the Ambassador was imprisoned in his own embassy, the President tried to call Jiang Zemin—I guess is the way to pronounce that—on the hotline, but he did not take the call. And I think that speaks for itself.

So, one wonders what a Teddy Roosevelt would have done under such circumstances and, if you will permit me, one wonders what a Ronald Reagan would have done.

The United States has sunk to low depths in this Nation's dealings.

And I am looking forward to hearing your remarks which you may begin right now, sir.

STATEMENT OF ADM. JOSEPH W. PRUEHER, OF TENNESSEE, TO BE AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA

Admiral PRUEHER. Thank you, Mr. Chairman. Before I commence, I would like to thank the introducers and Senator Stevens and Senator Inouye and Senator Frist and hope not to dissuade you from some of things they have said by my remarks.

I am very honored to be here today.

I have submitted a statement for the record that I would like to include, if I may, and summarize it in the interest of time.

The CHAIRMAN. Without objection, that will be done, sir.

Admiral PRUEHER. Thank you.

It is an honor for me to be the nominee to represent the American people as Ambassador to Beijing.

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As you can tell from some of my past, I am a little more accustomed to working in the field than to working here in the halls of Washington all the time. In my previous confirmations, I have always had to be in uniform, and it is the first time I had ever thought about what I was going to wear to a confirmation today.

Then I must admit, from afar as I read about the Senate Foreign Relations Committee, I share some apprehension on being here with you today, but I am looking forward to it.

The CHAIRMAN. Mrs. Prueher picked out the right tie for you this morning.

Admiral PRUEHER. Yes, sir, she did. She tries her best in my behalf.

But the real reason is I believe the United States' relationship with China, good, bad, or indifferent, is at the top or very close to the top of the international challenges that our country faces for the next century. The task I think will be a very full one. The opportunity to have an impact on this relationship, this relationship between the United States and China, so important to China, so important to our country, and also to the region, is the reason I am here. This opportunity to have some impact overrode any other considerations in my family's decision to accept the nomination for this post.

Mr. Chairman, as I understand the purpose of this hearing today, is that it is for you to decide and for the committee to decide on whether to approve Prueher as the person to be the hands-on, day-to-day representative of U.S. interests in China and can I handle that and will I capably and well advance the interests of the United States in China. That is your decision to make. I would like to go into a couple of things on what I think you get if I am confirmed as nominee.

First off, you get a citizen who cares for our Nation, who cares for its founding principles and its morals. I have promoted national security all my time through 39 years total of military service, and the last 3, as was pointed out, my responsibility and accountability was for our Nation's security and our interests in the Asia-Pacific region.

You get a person that believes that our Nation's security rests on the right combination of military, political, and economic strength and those foundations.

You get one who has studied China very hard for the last several years, but more important, you get somebody who is friends with and has access to a number of people across the spectrum who have spent their lives studying and trying to understand the issues with China.

You get a person who believes the correct approach to dealing with the China issue is to deal, on one hand, from a position of great strength, economic, political, and military strength, and then also a respect for some considerable challenges which face China as it needs to transition into the next century, and also one who tries to anticipate versus react to situations that occur, though this is not always possible.

You get somebody who recognizes the challenge of governance and trying to manage change in China as their leadership tries to cope with food, clothing, shelter, jobs, energy, and water for 1.25

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billion people. It is something of a daunting task, but who believes that these immense challenges of managing this change in no way accommodate either the excuse or the abuse of human rights.

You do get someone who knows several of the Chinese leaders. I visited them and have been visited by them. I participated in both acrimonious arguments with the Chinese leadership and also some constructive discussions, and I have always tried to speak in very direct and plain terms so that we are not misunderstood.

There are some other potential characteristics to assess about me that I am sure your questions will bring out.

But foremost, you get somebody that is committed to our Nation's national interest and someone who sees that the future of a secure Asia and China's role in that is an important U.S. interest and is something that needs a lot of work through this period.

Now, the issues between the United States and China, as you all know probably far better than I, there are many that just beg serious attention. Many of them have come out. You have mentioned them, Mr. Chairman. A peaceful resolution of the differences between Beijing and Taipei, an improved recognition of human rights in China, a reduction in weapons proliferation. Some progress has been made. There is a lot more to do. Our mistaken and tragic bombing of the embassy in Belgrade is not understood by the Chinese. China's response, as you have pointed out, where they did not protect and damaged and—one can use the term—"ransacked" both our embassy and two of our consulates, one in Shenyang and the other in Chengdu. The terms of China's access to the World Trade Organization.

And a more pragmatic issue is for our U.S. presence and our ability to affect this in China is, for those of you who have been there have seen the somewhat embarrassing condition, even before the attacks on our embassy and our consulates, of both our consulate and also the living conditions for the people that we ask to go overseas and work for our Nation which need improvement. This is something I would like to work on, given the chance.

This is a sampling of some of the issues that are there. There are many more, but each of them requires serious, intelligent, steady, and unrelenting effort to solve. If confirmed, I plan to try to help create foundations for a long-term resolution of these problems, not band aids and not snapshots. I would like to try to improve the tone and the content of the dialog between us and China and to do what I can to dampen some of the swings that occur in our relationship. Without getting accused of clientitis, which most Ambassadors do I think, is to try to do my best to assess the Chinese view of our positions and assess the Chinese view for our decision-makers.

I would like to represent all factions of our interaction with China, including the business community and agriculture, and to try to do my best to serve as a bridge between where we are now and the next administration getting their people in place.

I would like to work with the White House, with Secretary Albright, with the Foreign Service professionals at the State Department, and also to consult regularly with Congress to make sure that our dialog is a healthy one and is as accurate as we can make it.

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Building on the work of my predecessors in China to try to encourage, as much as I can, as many congressional, personal, and official visits to China so that people in our country can see for themselves what is going on there and make their own judgments.

Of course, like each of you all do every single day, I pledge you my utmost effort at this task if I am confirmed.

Thank you, Mr. Chairman, and I look forward to your questions.

[The prepared statement of Admiral Prueher follows:]

PREPARED STATEMENT OF ADMIRAL JOSEPH W. PRUEHER (RET.)

Mr. Chairman, members of the Committee, it is my honor to appear before you today as our nation's nominee to be ambassador to the People's Republic of China. Like each of you, I am grateful for the opportunity to serve.

Though not diminishing the importance of our other global alliances, partnerships, and relationships, I believe that the United States' relationship with China is at or near the top of the list of international challenges as we enter the next century. There are two prospects. On one path, we can have a responsible global neighbor that copes with its own daunting challenges and adapts to inevitable change. The alternative path is one of enervating confrontation at every turn and resulting slower progress on issues of importance to both our nations. The chance to have some positive impact on our relationship with this burgeoning nation of over one-fifth of the world's population is why I am before you today. I hope to do my part, together with all branches of government and our private sector, to help create a climate that builds on our common interests with China and yields solutions to the differences we have between our two nations. This factor overrode all others in my family's decision to say yes when asked to accept the nomination for this post.

Mr. Chairman, my understanding of the basic decision before the Committee in this hearing is, "Do we want to approve Prueher to be the person who, day-to-day, in a hands-on way, represents our United States to the People's Republic of China, and will he advance well our interests?" That question is yours to answer, but here is what I think you will get with me:

1. A citizen dedicated to our nation and its founding ideals and morals, who has nearly 39 years of military service, who has served in combat, and who has always tried to promote our nation's security.

2. A person who has had the opportunity to lead organizations from small to large.

3. A person who supports the notion of comprehensive security, that a nation's sense of security comes from the right combination of political, economic, and military underpinnings. As well, someone who thinks the foresight of preventive defense is the most effective way to go.

4. A person familiar with Asia-Pacific security issues at both a practical and personal level and familiar with many of the Asia-Pacific region's political and military leaders.

5. One who has studied hard our issues witn China over several years; important too, you get someone who has the benefit of frequent counsel from people who have invested decades trying to understand China's people and their methods.

6. A person who believes we should deal with China from a position of political, economic, and military strength, balanced by respect for the challenges facing China. A person who recognizes the challenges of governance in providing food, clothing, shelter, jobs, energy, and water for a population of over 1.25 billion people, yet believes immense challenges do not accommodate or excuse abuses of human rights.

7. Someone who knows several key Chinese leaders and has hosted and been hosted by them. As well, someone who has participated in both acrimonious confrontations and constructive discussions with the People's Liberation Army leadership.

8. Someone who has not had the benefit of visiting Taiwan. Owing to the timing of this nomination, I declined an invitation to visit the people on Taiwan. Nonetheless, my admiration for their progress and economic and democratic institutions is manifest.

9. One who is committed to our nation's interests, and who sees a secure Asia, and China's responsible role in it, as being one of those foremost interests.

Many issues between the United States and China beg serious attention. The most complex of these is the peaceful resolution of differences between Taipei and

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Beijing. There is also the core importance we attach to respect for human rights, which contrasts with documented abuses in many areas and facets of China-ranging from political repression to cultural, religious, and ethnic repression in Tibet. There is our mistaken and tragic bombing of the Chinese embassy in Belgrade and damage done to our embassy and consulates in China by Chinese rioters. There also remain some differences over the terms of China's accession to the World Trade Organization. This list is but a sampling, and these issues must be worked in a steady, unrelenting way.

Our nation has a long-term, common interest in a stable, secure, prosperous Asia-Pacific region in which China is a major, responsible player. We and the world need a China that can work with Taiwan to resolve cross-Strait differences peacefully, that participates fairly in global markets, that produces and consumes manufactured and agricultural products, that works cooperatively with us on matters of mutual interest. Our nation would like to help China move itself to democratic institutions and open markets-both key characteristics of successful nations.

If I am confirmed, I hope to work on these issues, to help create the foundations for resolving them, to improve the tone and content of the dialogue between our nations, and to be the bridge to the next administration. Also, improvement of our embassy and consulate facilities and adequate housing for U.S. government employees in China will be a high priority. I look forward to consulting with the Congress on these issues and, if confirmed, to encouraging both personal and Congressional visits to China.

Thank you, Mr. Chairman. I welcome the Committee's questions.

The CHAIRMAN. Well, I thank you, sir. We are expecting some other Senators, so maybe we better have a 5-minute round.

Mr. Ambassador—I am going to call you that a little prematurely, but with assurance that I am right. In an interview with Seapower in December 1998, you mentioned four threats in the Pacific, including North Korea and proliferation, but not China. But if North Korea is a threat and proliferation is a threat, then why should we not consider China, North Korea's biggest patron over the decades and to this day a supplier of weapons and technology to North Korea, a threat?

Admiral PRUEHER. This is a good question, Mr. Chairman, and I think the context of that interview was on things that are very near-term threats. Certainly the situation on the Korean Peninsula is a great threat to the stability of the Asia-Pacific region. In assessing the issue of a China threat, it was one of the more difficult questions I ended up having to answer as CINCPAC, and my determination had to do with near-term issues and looking at the capability of China in the near term to present a threat, and our own assessment and that of the Intelligence Committee was that China was not a near-term threat.

One can argue in the longer term it is something that we have to watch very carefully, and in my position about dealing with strength, as well as understanding, I think that I always tried to follow that with we need to keep our powder dry.

The CHAIRMAN. Well, do you consider the security of Taiwan to be in the national interest of the United States?

Admiral PRUEHER. Absolutely, sir.

The CHAIRMAN. Do you believe Red China poses a threat to the security of Taiwan?

Admiral PRUEHER. I think the security of Taiwan has been brokered by the commitment of the United States and the Taiwan Relations Act for 20 years has helped provide security for Taiwan. I think the continued security of Taiwan is dependent on the continuation of that brokering of security, as well as the U.S.-China

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relationship has an impact. Taiwan has always prospered when the U.S.-China relationship was on an upswing versus a downswing.

The CHAIRMAN. Well, that relationship involves some assurance of support from the United States I think or continued support. Do you agree with that?

Admiral PRUEHER. Yes, sir, I do.

The CHAIRMAN. When you were the CINCPAC, you were regarded, one of your friends mentioned, to be an active promoter of closer and more frequent military ties with China. Now, that could mean anything. But do you believe that our defense relationship with Red China should be more or less robust than our defense relationship with democratic Taiwan?

Admiral PRUEHER. I think our relationship with China should be—in context when—our military relationship with China when I came to my job at CINCPAC was zero. We had no contact. When the Taiwan Strait crisis came about in March 1996, around the time of the Taiwan elections, there was no way of trying to preempt or prevent, through a military contact, or to clarify and prevent miscalculation. So, in looking at that, we worked hard to establish a dialog so that we could prevent miscalculation.

I think in the context of a military relationship with China, getting to know each other and prevent miscalculation is the objective of that relationship. Our relationship with other allies that we have in the world is one of interoperability and our relationship with Taiwan, within the bounds of the Taiwan Relations Act, is one of support and providing defense equipment, which we do.

The CHAIRMAN. Well, I did not mean to spring a difficult question on you, but it is one I want you to think about in terms of the answer you have given me. Let me phrase the question again, as I call on John Kerry. Do you believe that our defense relationship with Red China should be more or less robust than our relationship with democratic Taiwan?

Senator Kerry.

Senator KERRY. Thank you, Mr. Chairman.

The CHAIRMAN. I will ask you about that later.

Admiral PRUEHER. Yes, sir.

Senator KERRY. Good morning, Admiral. Welcome, and thank you for taking time to come and visit. I enjoyed the conversation and I think we accomplished a lot.

Admiral PRUEHER. Thank you, Senator.

Senator KERRY. Admiral, a lot of us believe that we are not getting sufficient return for the good part of our relationship with China, even as we understand it is a very complex one. Yesterday Ambassador Lord suggested a series of ten commandments. I think you have seen that. Among them, we should not consider China a strategic partner at this point. They are not but they are, nevertheless, a very important player, an entity that clearly we need to improve the relationship with.

Would you share with the committee your sense of what the possibilities are for how we better balance engagement with the interests we have on human rights, on nonproliferation, and other balancing interests that are obviously of enormous consequence to us, North Korea, participation in the United Nations, and so forth?

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What is your vision of that balance? And do you agree that we, indeed, need to try to show a little more progress in the relationship?

Admiral PRUEHER. The discussion of engagement with China is a subject that is—as I think Senator Helms talked about, something else could mean anything to anybody. Engagement is a tactic rather than a policy I think, and it is perhaps bounded on one end by containment and on the other end by mere dialog. I do not think it is either of those things. I think it is the range of activity in between.

In that context, I believe we need to engage China. I think we need to engage China in the issue of human rights, which is a core of our Declaration of Independence. We hold these truths to be self-evident is a core value of the United States. It is one that should permeate our foreign policy, and it is one that we need to advance at every opportunity as we work with China.

I think this engagement is the way to move forward. In our work with China, I hope we can do it in that light, but we need to work the range of activities. The tough issue is to try to keep things in the proper balance as China faces the challenges of government and of change, of transition that they will go through.

Senator KERRY. What do you think is the most complicated or challenging part of the relationship at this point?

Admiral PRUEHER. At this point, I think the effort just to have straight communications and clear communications and not be misinterpreted on either side is perhaps the first order of business right now.

Senator KERRY. Do you believe there is any misinterpretation at this point with respect to the relationship with Taiwan?

Admiral PRUEHER. This comes under constant pressure. I thought one of the things in 1996, one of the clarifying issues was that it was clear to China that the United States was committed to uphold their obligations under the Taiwan Relations Act. I think that continues to be true. Looking at the range of dialog of things that occur in the media and the range of opinions that occur, there is some room for misinterpretation on Taiwan. However, I think from the administration and from the Congress, the positions have been clear.

Senator KERRY. Let me just understand the last part. You said that what has been clear?

Admiral PRUEHER. I think our position with respect to Taiwan, that we support the Taiwan Relations Act and the commitments there, sir.

Senator KERRY. How extensive would you deem those obligations under the Taiwan Act to be?

Admiral PRUEHER. Again, this is not my decision to make.

Senator KERRY. What do you understand them to be?

Admiral PRUEHER. An insistence on a peaceful dialog that the issue is for the Chinese on both sides of the strait to solve. It is their issue and that we insist on that occurring with a peaceful dialog.

The CHAIRMAN. Senator Lugar.

Senator LUGAR. Thank you, Mr. Chairman.

Admiral Prueher, I appreciated the comment in your opening statement about your intent to work with the administration and

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the Congress on the improvement of the facilities in our embassy in Beijing. I also appreciate likewise your comments on the housing for those who will be working with you, and the communications in the embassy that you did not mention, but you have commented on privately. I think this is critical and will characterize your Ambassadorship as a success if you are achieving these situations because they recognize the importance of our relations with China, and the importance of our own people in being effective in that very, very important role that they are going to play. So, I just highlight that part and indicate that I know there are many of us who will support what you request, and we hope that you will give us a report of that situation as you find it.

Admiral PRUEHER. Thank you, sir.

Senator LUGAR. I am curious what strategy or what ideas you may have with regard to how the trade deficit that we now suffer with China might improve. Clearly it is a large deficit. It has dwarfed that of almost any other country in some months recently, and it is not really clear how it is going to change. Yet we hear from macroeconomists, leaving aside China, that this huge trade deficit that we have as a country is inevitably going to affect the value of our currency or our bonds or even our prosperity. Have you given thought to that and do you have any plan of action?

Admiral PRUEHER. Well, sir, I tread in a lot of areas where I probably ought not to, but I am not an economist. But I think the trade deficit is something that is certainly of great concern. Looking at capital markets, which are a lot of issues—again, I am treading on fairly thin ice for my expertise, but I think a commercially viable WTO is an important thing. I have spent a good bit of time with Charlene Barshefsky talking about this where she has been educating me on the prospects of this, but a commercially viable WTO where market access issues are resolved and we level the playing field for our business in China goes a long way toward helping with the trade deficit. Beyond that, I would have to get back after I learn a little more, sir.

Senator LUGAR. Very well.

Another broad question. Clearly, in NATO we had an opportunity for European countries and in a trans-Atlantic way with the United States and Canada to work on mutual security. Many people point to the role of NATO, as founded, to combat the former Soviet Union, but others say it was very important to fix Germany and France and those relationships physically in Europe.

In that same context, the Chinese relationship is often seen as one of either insecurity or difficulty vis-a-vis Japan or India or the Koreas or others. What is your view, from a longtime experience in the Pacific, as to the role of the United States in providing some type of security arrangement, a glue factor, or eventually some type of multinational relationship in which these countries find security because of American interests across the Pacific?

Admiral PRUEHER. That is a full-bodied question, sir.

I think the climate in Asia from the light of my experience is most of the nations do not necessarily have the common bond that would cause the amalgam of NATO to occur in the Pacific. I think the United States' role—and if one defines stability as not static, but providing stable conditions under which people can pursue

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prosperity is what I think about in terms of stability—that our role is like that of a flywheel. We balance. We provide the assurance of security in Asia. People are always concerned, extremely concerned, that the United States will withdraw its interests from Asia, and the United States has vital interests in Asia. So, our role is one of trying to balance the issues and to use our forces and to use our diplomatic and economic skills and power to try to be a balance.

Senator LUGAR. Thank you.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

Admiral, I enjoyed your remarks.

The position to which you have been nominated is obviously as challenging as it is important, and I thank you for taking it on.

Admiral PRUEHER. Thank you, Senator.

Senator FEINGOLD. As you know, many of us in Congress are deeply concerned about U.S. policy toward China, and should you become America's Ambassador to the PRC, of course, you can expect the substance of your job to be followed closely by me and all of my colleagues.

Given your extensive military experience, I expect that many of your preparations to date have focused on security issues. I agree that these are of critical importance.

But I also want to make sure that the grave human rights abuses perpetrated in China each day are not treated as marginal issues. As the Unitede States pushes for improved relations with the PRC, it must keep human rights at the forefront of our agenda and do so consistently, as Mr. Lord suggested yesterday, in addition to the need for clarity that you have mentioned. I look forward to learning more about your views today.

Let me ask you, first of all, the State Department's human rights report on China indicates that the economic reform of state-owned enterprises has had especially severe consequences for women. How do you plan to address that problem?

Admiral PRUEHER. First I need to learn some more about it. The conversion of the state-owned enterprises I think is a daunting task of transition for China, and that particular issue of the impact on women I think has—I only know a sketchy amount about that. As I learn more, I would like to provide a better answer to you. It deserves better consideration than I can give it right now, sir.

Senator FEINGOLD. I would appreciate the opportunity to talk to you about it when you get a chance.

Admiral PRUEHER. Thank you.

Senator FEINGOLD. As you know, the U.S. Embassy staff has encountered difficulty in gaining access to remote regions of China in the past, and that problem has severely restricted our capacity to monitor the human rights situation in the country. As Ambassador, how would you approach the difficult question of human rights monitoring in China?

Admiral PRUEHER. The issue of human rights—and in my previous job, working on security issues, I was always able to retreat after I talked about complex subjects, but I am a simple sailor and I keep trying to do that. But I do not find it to work anymore.

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But the issue of human rights, as we have talked about, is something that is core to our Nation. It is core to our interests. It is core to our foreign policy. As we pursue this in China, the way I will see myself, when we get there, is the senior officer in China responsible for access, reporting, and furthering our human rights agenda in China.

Senator FEINGOLD. Thank you, Admiral.

Yesterday former Assistant Secretary of State for East Asia and Pacific Affairs, Mr. Lord, expressed his concerns about increasing self-censorship and limits on judicial independence in Hong Kong. Are you concerned about civil and political liberties in Hong Kong, and how do you plan to address them as Ambassador?

Admiral PRUEHER. Since the turnover in 1997, I think we have been watching very closely that the special administrative region of Hong Kong maintain the status that we understood and that China said they were going to grant Hong Kong. We have kept our consulate in Hong Kong separate from Beijing in furtherance of that, and on a security issue, we have watched ship visits, which is an aspect of it. But the legal issues I think we need to watch very closely to ensure that the status of Hong Kong does not erode. I think this is also very important to the reputation for China, as they work with other issues that are equally sensitive, on their following through on what they said they were going to do.

Senator FEINGOLD. Let me just recommend to you the answer I got yesterday from Winston Lord on some of the specifics of the Hong Kong situation. You may already be aware of all these things, but I did find it troubling.

Recently the State Department has designated China as a severe violator of religious freedom. What kinds of sanctions do you expect to be imposed in response to this finding?

Admiral PRUEHER. I have spent some time talking with the Secretary who is in charge of that, and the level of sanctions—I have not been involved and have not been briefed in the sanction process for the religious freedom. We had discussions on this and this is a great concern and something that I will also look carefully at, if I am confirmed, and will report back to you on that.

Senator FEINGOLD. Thank you, Admiral.

The CHAIRMAN. Senator Boxer.

Senator BOXER. Thank you so much, Mr. Chairman.

Admiral, it is nice to see you again and I did enjoy the chance we had to talk.

I have a question on the issue we discussed when we met dealing with the World Bank, but before I get to that, I want to congratulate you on being introduced by the three Senators: Senators Stevens, Inouye, and Brock. One of them is still here, Senator Inouye, which is most unusual to have a Senator who has a busy schedule sit through a hearing like this. I just want to say it goes a long way with me and I think many of us to see that kind of in-depth support.

Admiral PRUEHER. Thank you, ma'am.

Senator BOXER. Let me say that I am a believer in engaging China and not being an apologist for China. I have a statement here. Tell me if it really reflects the way you approach your work, that China should not be seen as our ally or our enemy and we

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should not be apologists for China's policies that we disagree with. Does that kind of come close to your philosophy?

Admiral PRUEHER. Very close.

Senator BOXER. Why do you think China has reacted as it did to the Falun Gong spiritual movement? How do they see that as a political threat? It is confusing to me.

Admiral PRUEHER. I will try to be as succinct as I can, but I think it is a very complex phenomenon. Senator Helms and I talked about that a little bit in his offices.

I think the difficulty of governing in China is large. I think the President of China—if you can draw a parallel that I have had some academics draw for me, if you had a country the size of the United States with almost five times the people and 80 percent of them lived east of the Mississippi, and we did not have enough water for them, that is a little bit of the environment of governance that occurs in China.

I think the firm grip on governance and the issue of control is one that maybe makes the leadership feel less secure than they might and causes what I would consider and I think most of us would consider an adverse or over-reaction to possible dissent.

Senator BOXER. When we spoke, we talked about the World Bank and its involvement with China and the fact that they agreed to suspend a project called the China Western Poverty Reduction Project. That plan called for the relocation of 60,000 Chinese farmers into Dulan county, a region historically inhabited by Tibetan and Mongolian people. With fewer than 10,000 people living on this land, such a transfer of population would overwhelm the indigenous populations and amount to a complete cultural occupation.

Many of us called President Wolfensohn of the World Bank and voiced our concerns over this project. And it is being reviewed by an independent inspection panel.

I wonder what your views might be on our support of these kinds of projects. Do you have any comments on the World Bank's role in China in general?

Admiral PRUEHER. As you helped me get educated on that topic, our country voted against the World Bank project in the first place. The reinvestigation of it to see if that is the right way to go by the World Bank is something that I think we need to watch with care to make sure—or not to make sure, but to seek the right outcome on that. I hope to, if I am confirmed, get a chance to visit Qinghai and that part of the country fairly early on in order to see that for myself and to help form a better opinion on it, Senator.

Senator BOXER. I see the yellow light on. I have one last question.

The CHAIRMAN. Go right ahead.

Senator BOXER. Thank you so much.

The CHAIRMAN. Sure.

Senator BOXER. I just wanted to urge you to stay on top of that issue because I think it is very important that we stand up for the human rights of these indigenous populations.

Human Rights Watch has asked the administration to get an agreement with China to release or review the convictions of about 2,000 persons still imprisoned in Tibet on charges of counter-revo-

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lution. This so-called crime was outlawed by China a few years ago. Yet, these people are still in prison.

Now, I did not forewarn you that I was going to ask you this question, so if you do not know the specifics, if you could get back to me in writing. But I just hope that our embassy will take a greater role in monitoring the human rights abuses in Tibet in the future. So, perhaps you could give me somewhat of an answer and get back to us later on a fuller answer.

Admiral PRUEHER. All right. The issue with Tibet is one that is of great interest to many people in our country and, in fact, worldwide. It is a piece of the overall human rights discussion with China. We acknowledge that Tibet is part of China, but as we look at the issues there, President Jiang Zemin assured President Clinton in 1997 that he would meet with the Dalai Lama. I think we need to encourage that and to not relent on our interest and intensity in seeing through on this issue.

I will get back to you more specifically on the details of it, Senator.

Senator BOXER. Well, thank you. And I look forward to your confirmation.

Admiral PRUEHER. Thank you, Senator Boxer.

Senator BOXER. Thank you, Mr. Chairman, very much.

The CHAIRMAN. Well, thank you, ma'am.

Mr. Ambassador—I will refer to you that way—in early 1998 I think it was, we invited Chinese military observers to the RIMPAC joint military exercises. Did we invite Taiwan to those?

Admiral PRUEHER. No, sir, we did not.

The CHAIRMAN. Well, if someone will put up a placard over there that I had prepared. I hope the television gentlemen can focus on it.

On the right, we see Taiwan's largest air base. On the left, we have an exact replica of the Taiwan air base, but it is in Red China where the Chinese military is practicing attacks on Taiwan. Do you see what they have done? They have duplicated the air base of Taiwan.

I just want to know, Admiral, were you aware of that?

Admiral PRUEHER. I have—yes, sir.

The CHAIRMAN. That was when you were CINCPAC. Is that right?

Admiral PRUEHER. Yes, sir.

The CHAIRMAN. Did you have any reaction you want to tell me about when you saw that?

Admiral PRUEHER. I do not care for it.

The CHAIRMAN. What do you think it says about the nature and the intentions of the Chinese, though, toward Taiwan?

Admiral PRUEHER. Well, I think it says that the PLA prepares for a lot of contingencies. I think it indicates what you or I infer your implication is the same. It is a reason that we need to be very steadfast in our balance, and as we try to proceed in a positive relationship with mainland China, to make sure we keep this in balance. As I said before, it is something where I think our Nation always—as a military person, you always hope for the best and prepare for the worst, not unlike a Senate hearing.

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The CHAIRMAN. I have closed up my book. I just want to talk about what we talked about when you came by the other day.

I think the American people in general like the Chinese people. As everybody knows, 1,000 years ago China had the greatest civilization that the world had known. I have been dealing with young Chinese students in this country ever since I came to the Senate, and they are the most delightful, bright young people I have ever seen. I have enjoyed that relationship and I hope I will continue to do so.

As we said yesterday, I think we agreed—it is not much of an agreement. It is not a difficult agreement, I will put it that way. I just wish that you could convey to the administration in Beijing that the American people would like to get along with them, and I do not know how to do that. We go over. Some of my very good friends have gone over, and they have drunk champagne with them and tinkled their glasses and so forth, and nothing changes.

Is it just that they are imbued with communism and they do not want to like everybody, they want to control everybody? Or is it possible in your mind for there to be built a people-to-people relationship with the Chinese people?

Now, I am going to run over just a minute myself.

One of my best friends and Dot Helms' best friends is Billy Graham's wife, Ruth Graham. She was born in China and she loves the Chinese people. That is about the only time she fusses at me is because I do not appear to like the Beijing administration, and she is exactly right about that.

But perhaps you will have some occasion to build the idea of the absolute potential for a great relationship between the people in this country and the people in their country.

One other example. Not so long ago Dot Helms and I had dinner with the then Ambassador from Beijing and his wife, a delightful man. He had been briefed absolutely because when I walked in, he shook hands and he said, I was educated at a Baptist college.

I said, that is good. We have got a good start here.

But anyhow, we got along fine. I talked to him about this, and he agreed thoroughly. I just wonder why it is so difficult to get these people to understand that we do not want to be belligerent toward them, but neither do we want them kicking Taiwan around. As long as I am in the Senate and chairman of this committee, I am going to do my best to stand up for Taiwan.

But there is no reason in this world why we cannot work something out. That is sort of an ethereal proposition I know, but bear it in mind and see if you cannot set it because there are a lot of people in this country, officials of this country, who would go over and discuss that. I think there is a great potential for it, but they are the ones who are constantly saying no.

Senator Boxer.

Senator BOXER. Well, I want to associate myself with those remarks very clearly. We have a tremendous opportunity here. These are really good people and there are so many. It is difficult to govern. And it may be slow in coming around to the democracy that we want, but we should encourage their moving toward democracy. I know it is a difficult line that you will have to walk. I totally understand that. I know that Jim Sasser was faced with that and

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every administration is faced with that. But I am optimistic. People want the same things, and they do want their freedom. When the leaders I think understand this, it will be much better for the people of China.

Today there was a story that there is not really great leadership happening right now in China. It was a very interesting story, Mr. Chairman, in today's Washington Post about that. There is not strong leadership. There is doubt. In some ways it is good that there is doubt.

I went to China the first time before Tiananmen, and I was appalled by the attitude of the rulers there. It was stunning. Their attitude toward the working people, that they would keep them down. It was rather amazing. It was many years ago.

Then I went back. There are some changes. I think some of the new leaders see the United States in a different light. They come here. Some of them are educated here. They understand more about us.

I think what the chairman is saying to you is a good thing, that you are in a position now in this perhaps turning point where they can go one direction or another. We certainly hope that you will find the strength within to communicate that. It is a tough job, but we are really hopeful for you.

Admiral PRUEHER. Thank you.

Senator BOXER. Thank you very much.

The CHAIRMAN. Thank you.

Well, I am not going to ask any more questions.

Admiral PRUEHER. Senator, may I have a chance to comment on what you said?

The CHAIRMAN. Well, I was going to say that the best speeches I never made are the things I think of when I am coming back from having made a speech.

I was going to ask you to use whatever time you want to add to whatever you said.

Admiral PRUEHER. Well, my wife would advise me to not say anything.

The CHAIRMAN. They are all alike, you know.

Admiral PRUEHER. But as usual, I will blunder ahead a little farther.

I think the comment you made about communicating to the Chinese the issue we talked about in your office and what you have just expressed, what you have just said in public, coming from you—and I do not mean to pander to the committee here—I think will go a very long way toward helping grow any seeds of bonding between the people of the United States and China and the people of China. It will go a long way toward helping those seeds grow. I think the fact that you have said it here in a public forum means a tremendous amount, more than anything I might say. So, I thank you for that because I think you have made that communication on my part much easier by doing so.

I also do not want to overplay that hand because you said that is on the one hand, and the other we do not kick Taiwan around on the other hand.

The CHAIRMAN. That is right.

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Admiral PRUEHER. And that is very important as well. Both of those things are important as we move forward in a steadfast way.

I thank you for the time, sir.

The CHAIRMAN. Well, I thank you for coming.

Do you have any further comments?

Senator BOXER. No.

The CHAIRMAN. By the way, the record will be kept open until tomorrow night at 6 o'clock for Senators to file questions with you in writing, Senators who are tied up in other committee meetings.

Admiral PRUEHER. Yes, sir.

The CHAIRMAN. But thank you for coming. I think it is pretty likely that you will be confirmed. Ma'am, you can go home and pack now.

We stand in recess.

[Whereupon, at 11:45 a.m., the committee was adjourned.]

Additional Questions and Responses for the Record

RESPONSES OF ADMIRAL PRUEHER TO PRE-HEARING QUESTIONS SUBMITTED BY SENATOR HELMS

Question 1. According to a Reuters story on February 29, 1996, you stated, "The (Chinese military exercises) seem to have abated a little bit in the last several days," then described the movements as "moderate" in size and said China had every right to conduct the drills on its own soil and that "they seem to be doing so responsibly."

China's belligerent missile drills just off Taiwan began just days after this interview. Did you have bad information in February 1996, or do you think, in retrospect, you may have underestimated the Chinese?

Answer. My comments in the Reuters article referred to exercises the People's Liberation Army was conducting in Fujian province at that time and their stated follow-on plans to conduct naval exercises at sea in international waters. My comments were meant as a signal to the nations of the region that Pacific Command was both monitoring and analyzing these events with great care.

My command had good information on the conduct of these exercises. I do not believe we underestimated the Chinese capability. Our information showed no capability or activity that could support an invasion, despite media speculation to the contrary.

When the PRC announced their plans to launch missiles in the vicinity of Taiwan, the PRC exceeded what I considered "peaceful resolution" of the PRC-Taiwan issue. I immediately contacted Chairman of the Joint Chiefs of Staff General Shalikashvili to recommend initiating a military response; this ultimately resulted in the deployment of aircraft carrier battlegroups to the vicinity of Taiwan.

Question 2. According to a Reuters story on May 29, 1997, you stated that China's pending acquisition of two destroyers armed with Sunburn missiles from Russia was a "matter of interest but not of over-concern or alarm for us."

According to public reports, these Sunburn missiles are nuclear-capable, supersonic, have a range of 65 miles, and are specifically designed to overcome Aegis-equipped vessels. Why should our sailors, and Taiwan's sailors, not worry about this development? Will any military adjustment by the U.S. and/or Taiwan be required in response to this development?

Answer. The ships that China plans to acquire are Russian Sovremennyy-class destroyers. This ship-class entered service in the Soviet Union's fleets in 1981. The United States Navy has already developed weapons and tactics for dealing with this ship-class and its associated weapons. Thus, the acquisition of two Sovremennyy destroyers by China is a matter of interest, but not over-concern or alarm for the United States.

This does not mean that these ships can be ignored. If these ships actually become part of the Chinese Navy's inventory, American and Taiwan fleet operators will have to account for the capabilities of these ships and associated missile systems; they will also have to adjust their tactical thinking. We would be required to allocate some intelligence assets to track them under certain circumstances and to continue assessing their technical and operational capabilities.

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Question 3. Were you supportive of the decision to dispatch the carriers to the Taiwan Strait in March 1996? Did you at any time prior to the decision express any reservation about the proposal to dispatch the carriers?

Answer. I was not only supportive of President Clinton's and Secretary of Defense Perry's decision to dispatch U.S carrier battlegroups to the vicinity of Taiwan in March 1996, my command also developed the proposal and plan for this deployment and recommended executing it. I had no reservations about dispatching the carriers.

Question 4. In your December 1998 Asian Wall Street Journal piece, you wrote that one of the lessons learned from the March 1996 crisis was that "maybe those in the U.S. had perhaps lost sight of the fact that the issue of Taiwan is a core sovereignty issue for China.

Is this passage a reference to Congress' decisive support for President Lee's 1995 visa? Do you think this was a mistake? Do you take as a lesson then, that we should work with Communist China to restrain Taiwan in its desire to secure greater international legitimacy?

Answer. The passage is not a reference to Congress's support for the decision to grant President Lee a visa in 1995. My comments refer to my view that the events surrounding the 1996 Taiwan Strait crisis had sharpened understanding (my own included) of how serious mainland China is about sovereignty with respect to Taiwan. These events also reminded China of U.S. commitment to a peaceful resolution of cross-Strait differences.

Question 5. While you were CINCPAC, were you privy to any information that China was engaged in proliferation activities of any sort?

Answer. I was privy to information provided to me by the Central Intelligence Agency and other intelligence organizations. I also had access to media reports of Chinese proliferation activities. I was not privy to any information beyond what was available to other U.S. decision-makers.

Question 6. If you are confirmed as Ambassador, how will you approach the issue of human rights?

Answer. Human rights are part of our nation's agenda with China. They are a core value of the United States and a key element of our foreign policy. If confirmed, I will pursue this agenda in a steady, steadfast way with the Chinese leadership. I will articulate frankly to the Chinese our nation's human rights principles. If confirmed, I will hold myself as the senior U.S. official in China responsible and accountable for reporting, communicating, and advancing human rights.

Question 7. Do you believe China's opinion or anticipated reaction should be taken into account when the U.S. considers defense sales to Taiwan? To your knowledge, has this ever been the case for any defense request of Taiwan?

Answer. The Taiwan Relations Act commits our nation to support a peaceful resolution of cross-Strait differences. Sales of defensive arms to Taiwan are a key ingredient in this process. The Taiwan Relations Act provides that our decisions on arms sales should be based on our judgment of Taiwan's needs. China's opinion or anticipated reaction should not determine our view of Taiwan's legitimate defense needs or our decisions on what defense equipment to sell Taiwan.

In making our judgement of Taiwan's needs, we should consider the regional security environment as well as the impact of a proposed arms sale on Taiwan's overall security, i.e., not only its military security, but also its political and economic security. In this context, we should assess whether providing a certain capability would prompt a Chinese response that erodes Taiwan's security and the prospects for a peaceful resolution of differences between the two sides.

To my knowledge, China's opinion or anticipated reaction has not swayed decisions on arms sales to Taiwan.

Question 8. According to a March 1999 Army Times article, a Dec. 7 e-mail written by an Army official complained that you were pressuring the Army into granting a Chinese military delegation unprecedented access to the National Training Center at Fort Irwin, against the wishes of the Army. Is this true? If so, what are the reasons in favor of giving the Chinese such access?

Answer. I recall the potential visit of a People's Liberation Army delegation to the National Training Center at Fort Irwin. I do not recall having or voicing an opinion one way or another about providing access to the Center.

Question 9. The Defense Authorization bill recently signed into law places restrictions on our military-to-military relationship with China. If confirmed as Ambassador, how will you interpret and implement this law?

Answer. I have read the provisions in the FY2001 Department of Defense Authorization Bill pertaining to military-to-military relations with China. If confirmed, I

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will uphold all the laws of our nation, including this one, to the utmost of my ability.

Question 10. Would you favor an increase in the number of political officers in the embassy in Beijing and the U.S. consulates in China to report on abuses of religious freedom, political dissent, and other violations of human rights? How many officers are currently assigned to this task? Is this sufficient?

Answer. Presently, there are 19 political officers assigned to the embassy in Beijing and U.S. consulates in China. Certain officers have primary responsibility for this kind of reporting, while for others it is a collateral responsibility. Quite often, responsibility for this kind of reporting is extended to other officers as the situation in China varies over time. Most organizations—and the State Department is no different—needs this kind of management flexibility to carry out its full range of responsibilities.

Right now, I simply do not know a good answer to this question. I do know that all 19 of the political officer billets in China are filled. If I am confirmed, I will be in a better position to assess the requirements for political officers after I arrive in Beijing. If I come to the conclusion that the current number is insufficient, I would support increasing the number of officers with these reporting responsibilities.

Question 11. According to information received by the committee, in July 1997 you granted access to a U.S. nuclear submarine to a visiting Chinese delegation against the advice of a representative of the Pentagon's Office of International Security Affairs. Is this true? If so, please inform the committee as to why you felt granting this access to the Chinese was necessary. Have the Chinese, either before or after this incident, given us access to one of their submarines equal to the access you gave them?

Answer. This issue came up during General Wu Quanxu's visit to Pacific Command headquarters. General Wu brought with him one naval officer, RADM Zhao Guojun. This presented us with an opportunity to expose a flag officer in the People's Liberation Army Navy to the high caliber of our nation's submarine fleet and crews. Thus, there were some discussions among my staff, the Office of the Secretary of Defense, the Joint Staff, and the staff of Commander in Chief U.S. Pacific Fleet about Commander in Chief U.S. Pacific Fleet's proposal to give RADM Zhao an unclassified tour of *USS Dallas*. Since a previous People's Liberation Army delegation had been given an unclassified tour of a U.S. nuclear submarine in March 1997, I supported the proposal. The tour was comparable to what one might see on the Discovery Channel.

The People's Liberation Army Navy has given me similar access to one of their diesel submarines (not a new one) and given Commander-in-Chief U.S. Pacific Fleet and his party access to a nuclear submarine.

Question 12. According to the Straits Times of April 10, 1996, you stated that the U.S. is "committed to the peaceful reunification process" between China and Taiwan. Is this your understanding of U.S. policy?

Answer. No, this is not my understanding of U.S. policy. The United States supports the peaceful resolution of PRC-Taiwan issues. I do not recall making this statement though it is possible I did. If I did say this, I spoke inaccurately.

Question 13. Do you believe that any Chinese actions in the 1990s have merited U.S. sanctions?

Answer. Though I personally have never been a part of this decision process, our nation has sanctioned Chinese actions several times during the 1990's. I believe these are serious matters that deserve serious attention, particularly in the areas of religious persecution, human rights abuses, and proliferation. In my current status, I am not a party to the ongoing reviews of Chinese actions. If confirmed, I hope to have a voice in the decisions and would expect to consult with the Congress on these matters in the future.

Question 14. In a question for the record to Kurt Campbell pursuant to the Committee's August 4 hearing on the Taiwan Security Enhancement Act, the following question was asked: "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 and released publicly in February 1999."

Dr. Campbell's response was that the DOD is prepared to brief committee staff on this topic at any time.

Unfortunately, this response is inadequate. Please work with DOD to ensure the requested list is delivered to the Committee by the close of business Monday, October 25, 1999.

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Answer. I have been in contact with Dr. Campbell's office as well as Under Secretary Slocombe's office. I understand that the information you have requested has been provided to Mr. Doran on the committee.

RESPONSES OF ADMIRAL PRUEHER TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR ASHCROFT

Question 1. Senator Bob Smith writes in the Washington Times (October 28, 1999) that you ". . . allegedly ordered deletion of the section of the classified U.S. plan for the defense of Taiwan dealing with strategic matters . . ." and that Strategic Command and the Air Force objected to this proposed deletion. Did you order the deletion of the section of the classified U.S. plan for the defense of Taiwan that Senator Smith references? Did any personnel in Strategic Command or the Air Force object to your proposed deletion and, if so, what was the substance of their objections? While you were Commander-in-Chief, Pacific (CINCPAC), did the Chairman of the Joint Chiefs of Staff (JCS) transfer Taiwan planning from Pacific Command to the JCS? If so, why did he make the transfer?

Answer. Senator Smith, or his researcher, appears to have been given erroneous and partial information. The discussion of this issue is simple but should be at a classified level. Senator Ashcroft, since we missed the opportunity for a discussion prior to the hearing, I recommend that I come see you to discuss these press allegations, which, in my view, are extremely misleading.

Question 2. Have you opposed any arms sales to Taiwan, such as Advanced Medium Range Air-to-Air Missiles or submarines? Should the United States provide theater missile defense equipment to Taiwan, and, if so, under what circumstances?

Answer. Pacific Command was opposed to the introduction of any beyond-visual-range missiles into East Asia, in order to avoid sparking a regional arms race and to preclude other nations in the region from acquiring Russian missiles of similar capability. With respect to theater missile defense equipment for Taiwan, U.S. policy does not preclude provision of this equipment should the technology eventually be available. I believe that we must meet our obligations under the Taiwan Relations Act and look at Taiwan's defense needs in a comprehensive way.

Question 3. Have you opposed direct military communications links with Taiwan? Did the lack of such links endanger U.S. forces in the Taiwan Strait in March 1996?

Answer. To my knowledge, there were never any proposals to establish direct communications links with Taiwan while I was CINCPAC. During the 1996 crisis, I was confident about the communications available to me, especially links to our forces in the vicinity of the Strait.

Question 4. Did anyone in the Pentagon object to the tour you gave to a Chinese delegation of a U.S. nuclear submarine? Did the tour you granted of the submarine undermine U.S. efforts to get reciprocity in reviewing Chinese military hardware? In hindsight, do you think granting the tour of the U.S. nuclear submarine was the right decision?

Answer. I was aware of an objection during the staff level discussions of this issue. The tour does not appear to have undermined U.S. efforts to gain access to Chinese military hardware. If anything, in light of the tour of a Chinese diesel submarine given to me and the tour of a Chinese nuclear submarine given to Commander-in-Chief U.S. Pacific Fleet, the tour for the PLA Navy officers of the U.S. nuclear submarine advanced our objectives in this regard. In hindsight, the decision to allow a tour of the submarine seems to have been a good one.

Question 5. While CINCPAC, did you decide that no nuclear target planners would be assigned to Pacific Command staff and did Strategic Command object to this decision? If so, what was the substance of their objections?

Answer. The issue was how best to coordinate the nuclear weapons responsibilities of Pacific Command and Strategic Command. I was in frequent contact with Commander-in-Chief Strategic Command on this issue; the solution we worked out by mutual agreement was to have a full-time nuclear command-and-control cell at Pacific Command and a cadre of planning specialists at Strategic Command who would be available to deploy to Pacific Command. This arrangement made the most sense in light of available manpower.

Question 6. Under what circumstances do you think the United States should defend Taiwan if attacked by China?

Answer. The U.S. policy is clearly expressed in the Taiwan Relations Act that we would consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a matter of grave concern. As stipulated by the TRA, the President and Congress shall determine in accordance with con-

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stitutional processes appropriate action by the United States in response to any such danger. I support this policy.

Question 7. What are China's strategic interests and objectives in East and South Asia? Do you view China's efforts to extend its influence in the South China Sea with concern, and how should the United States ensure that our security interests in this area are protected?

Answer. As I understand them, China's stated strategic interests and objectives in East and South Asia include: maintaining sovereignty over territorial claims; precluding emergence of a regional hegemon; restraining a regional arms race, especially in South Asia; maintaining a nuclear-free Korean Peninsula; and maintaining access to markets that provide energy, food, and vital trade.

New construction on the part of China and other countries in the South China Sea are a concern insofar as they complicate efforts to resolve competing claims peacefully and raise tensions in the region. So far, they have not undermined freedom of navigation, a core U.S. interest. I was particularly concerned about this issue during the hiatus in the U.S.-Philippine defense relationship, owing to the lack of a Visiting Forces Agreement. In response to this concern as CINCPAC, I directed an increase in the visibility and activity of ship transits through this region. The United States must continue to monitor this issue carefully.

Question 8. Do you favor aggressively pursuing national and theater missile defense programs to counter North Korea's missile programs? Will you advocate close cooperation with Japan on theater missile defense in spite of Chinese objections?

Answer. I support theater missile defense wherever we have soldiers, sailors, airmen, and Marines deployed and vulnerable to missile attack. My view is not specific solely to Asia.

I believe our cooperation with Japan on theater missile defense is presently at the right level. In my discussions with the Chinese, I had made the point that theater missile defense is in response to threatening missiles. A lack of threat would diminish the need for TMD.

RESPONSES OF ADMIRAL PRUEHER TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR FEINGOLD

Question 1. The State Department's Human Rights Report on China indicates that the economic reform of state-owned enterprises has had especially severe consequences for women. How do you plan to address this problem?

Answer. In addition to what was noted on this subject in the State Department's 1998 Country Report on Human Rights, a December 1998 Asian Development Bank report sustains this view. I intend to do my part to help bring China into the World Trade Organization and to promote other ways to enhance economic growth that would improve the well-being of women in China.

Question 2. Recently, the State Department has designated China as a severe violator of religious freedom. What kinds of sanctions do you expect to be imposed in response to this finding?

Answer. As a result of the Tiananmen Square massacre, Congress enacted legislation restricting U.S. exports and assistance to China, including restrictions on the export of crime control and detection equipment. The Secretary of State has designated these existing sanctions as satisfying the requirements of the International Religious Freedom Act.

RESPONSES OF ADMIRAL PRUEHER TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR HELMS

Question 1. According to a member of your delegation, the PRC Ministry of Defense described your December, 1997 visit to China as enjoying the broadest access ever accorded to a visiting military official on any one trip. Why do think the Chinese selected you for this access?

Answer. I do not know for a fact that this statement is correct. In any event, I think I was given access in part because Pacific Command and American Embassy Beijing pressed this issue very hard with the Chinese. Pacific Command's communications with the People's Liberation Army, though sometimes adversarial and sometimes productive, have always been direct and candid.

Question 2. Some analysts assert that diplomacy alone may not be sufficient to counter the Chinese missile threat to Taiwan because missiles are so integral to China's military modernization objectives. What is your assessment of this, and if

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confirmed as Ambassador, how do you propose to confront the problem of Red China's massive buildup opposite Taiwan?

Answer. In any potential military situation, I would not want to count on diplomacy alone. For example, forward-deployed military forces working in concert with diplomacy and economics are a much more effective means of accomplishing national security objectives than diplomacy alone. If confirmed, U.S. national security interests will remain among my top concerns and I will look for ways to reduce PRC-Taiwan tensions, including cross-Strait dialogue and reducing the number of missiles opposite Taiwan.

Question 3. Is it your view that China is a cooperative partner with the U.S. in restraining North Korea? Can you provide examples of Chinese cooperation on the North Korean issue?

Answer. China does not coordinate its policies with the United States in this regard. However, restraining North Korea is strongly in their interest. China has told us that they favor our efforts to encourage North Korea not to engage in provocative actions and to bring about a peaceful, non-nuclear Korean Peninsula. Although China has been increasingly communicative about its contacts with the DPRK, they do not report on the contents of these discussions. The PRC cooperates well with the U.S. in the Four Party Talks.

Question 4. While you were CINCPAC, in October 1998, China moved aggressively to fortify its structures on Mischief Reef, which lies within Philippine maritime boundaries. During this time, did you have any dialogue with the Chinese about this matter? What did you tell them? Did you have any dialogue with the Filipinos about this matter? What did you tell them?

Answer. I did have a dialogue on this subject with General Acedera, at the time the Chief of Staff of the Armed Forces of the Philippines. I told General Acedera that I lacked much latitude to work with the Philippine Armed Forces owing to the lack of a Visiting Forces Agreement. However, I directed an increase in the visibility and activity of U.S. military ship transits through the South China Sea and arranged for a channel of exchanging information with the Philippine Armed Forces. On at least two occasions I reiterated our U.S. policy to Chinese delegations, although these were not calls in response to specific acts.

Question 5. What do you think the Chinese are pursuing on Mischief Reef? Do you think this situation requires an increased emphasis on repairing the U.S. Philippine alliance?

Answer. The Chinese appear to be improving their ability to assert sovereignty over Mischief Reef. Reinvigorating the U.S.-Philippine alliance is a good idea, period. The Mischief Reef situation highlights the need to enhance that relationship.

Question 6. What is the nature of Chinese military cooperation with and activity in Burma and Cambodia? Do you think it is possible that China is attempting to flank the Strait of Malacca? If you are confirmed as Ambassador, will you pressure China to cease its support for these unsavory regimes?

Answer. Though it is possible, I do not recall seeing evidence of China's intent to flank this vital strait, either from own sources or from nations flanking the Strait. China's growing activity with Burma and Cambodia is not usually in our interest and I shall look for effective ways to discourage it, if I am confirmed.

Question 7. The Defense Appropriations bill for FY 2000 provides $10 million for the U.S. Pacific Command to enhance regional cooperation, military readiness and exercises. As former CINCPAC, how do you think that money ought to be used?

Answer. CINCPAC has a well-vetted plan for enhancing regional cooperation and maintaining military readiness. I cannot easily add to this effort.

Question 8. Do you believe the U.S. should take the lead in multilateral forums, such as the UN Commission on Human Rights in Geneva, to sponsor a resolution critical of China's human rights record?

Answer. The United States has consistently taken a lead role in multilateral diplomacy to keep the spotlight on China's human rights record and to urge the Chinese authorities to respect the human rights of Chinese citizens. We have worked with other governments each year at the UNHCR in Geneva, at times sponsoring a resolution on China's human rights record, and at other times supporting such a resolution sponsored by likeminded countries. This year, the United States government will continue those efforts, in consultation with other concerned governments.

Question 9. Could you describe the role of the People's Liberation Army and People's Armed Police in maintaining tight government control in Tibet and Xinjiang? What steps could the U.S. take to open up China's ethnic minority regions to greater outside access by journalists, diplomats, and human rights monitors?

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Answer. China stations People's Liberation Army units in Tibet and Xinjiang, as in other outlying regions, for military defense. My understanding, however, is that the main instruments of control over local populations are provincial and local public security bureaus which oversee the police. It is these bureaus and police that are usually associated with repressive actions, although the military have been called in during crises.

The United States has long urged China to open access to Tibet, Xinjiang, and other minority areas to journalists, NGO's and others. In 1998–99, foreigners, including international NGO personnel, have experienced fewer restrictions on access to Tibet than in 1997, and several official delegations traveled to Tibet to discuss human rights issues, although the Government tightly controlled these visits. The U.S. government will continue to work with other governments and multilateral organizations for improved access to Tibet and Xinjiang.

Question 10. How should the U.S. respond to the intensified "patriotic education campaign" in Tibetan monasteries in the past year, leading to the expulsion of Dalai Lama supporters?

Answer. Secretary Albright, Assistant Secretary Koh, and ranking U.S. officials in Beijing have raised with Chinese officials the human rights situation in Tibet, including concerns about intensification of the "reeducation" campaign in Tibet's monasteries, the treatment of political and religious prisoners, and the campaign against the Dalai Lama. We have also raised cases of imprisoned Tibetans, requesting that they be released, and asked that an international observer be granted access to Gendun Choekyi Nyima, the boy recognized by the Dalai Lama as the Panchen Lama, to verify his whereabouts and well being. We will continue to vigorously press at both high levels and working levels against repression in Tibet.

Question 11. Is there anything to be gained from the bilateral U.S.-China human rights dialogue, which Beijing suspended in May after the Belgrade embassy bombing? How could these dialogue meetings—underway since 1990—be restructured to make them more useful?

Answer. This question deserves a better answer, which I will be able to provide, if confirmed, after I have been able to see firsthand the status of the dialogue. In the past, we have used the dialogue as a channel to secure information on political prisoners and sometimes to get them released. Without dialogue, progress in these areas is minimal. One area in which restructured dialogue would be particularly useful is religious freedom. Under the International Religious Freedom Act, Secretary Albright has designated China as a country of particular concern for violating religious freedom. The time may be ripe for talks about positive steps and systemic changes needed to enhance religious freedom. Specific issues that need to be addressed include reforming the registration process to enable "underground" and "house" churches to operate more openly; permitting manifestation of faith (such as belief in the Second Coming); and generally restraining governmental intervention in the substance of religious belief and activity.

Question 12. What should the U.S. position be on the banning of the Falun Gong movement in China, the detention of its members, and the expected trials of some of them on charges of subversion?

Answer. The crackdown on the Falun Gong in July is a violation of international human rights standards as set forth in human rights instruments, including the International Covenant on Civil and Political Rights China has signed. While the United States government takes no position on the substance of Falun Gong beliefs, I am not aware of any evidence that practitioners have done anything other than peacefully exercise their rights. We will continue to urge China to exercise restraint, lift the ban on Falun Gong and allow practitioners to peacefully express their personal beliefs, and release all those who have been detained for peacefully exercising their rights.

Question 13. What efforts can the U.S. undertake, bilaterally or with other governments, to press China to do away with its huge system of reeducation through labor?

Answer. The United States government has pressed the Chinese authorities to end the abuses associated with China's "reeducation through labor" camps—the so-called laogai system. Such practices have no place in any internationally responsible nation. The U.S. Government has addressed these issues repeatedly and vigorously in the annual State Department Human Rights Report for China, in bilateral talks with the Chinese Government, and in multilateral forums such as the UNHCR in Geneva. We will continue to press the Chinese authorities to end the abuses characterizing the laogai system.

Question 14. Do you think the President should visit China again before his term ends, and if so, under what conditions would such a visit be worth considering?

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Answer. If confirmed, I will be in a better position to answer this question once I have had an opportunity to assess the situation in Beijing.

Question 15. In an interview with Sea Power in December 1998, you stated that strict reciprocity with the Chinese in military exchanges was not necessary. Why do you believe this?

Answer. I believe the United States currently enjoys overwhelming superiority in conventional weaponry relative to the rest of the world and that one of the primary purposes of military exchanges with the Chinese is to prevent miscalculation. For that reason, it is not necessary to maintain an exactly equal ledger sheet for each visit or minor exchange with the People's Liberation Army.

Question 16. Do you think it is proper for the World Bank or other IFI's to be funding Chinese government projects that will have the effect of reducing the Tibetan population in historically Tibetan regions?

Answer. As I understand it, the USG—as a matter of law and policy—opposes all IFI loans to China except those defined as meeting "basic human needs." Though the China Western Poverty Reduction Project may address basic human needs, the U.S. Executive Director voted against it when it was presented to the World Bank's Board of Directors in June and strongly supported an independent investigation of the project. I am briefed that the World Bank did not perform a thorough assessment of the project's potential impact on the indigenous peoples and environment of the project area, thus not complying with its own guidelines or rules.

I am encouraged to see the World Bank's Inspection Panel has returned from Qinghai and look forward to reviewing the report about whether the Bank has fulfilled its obligations on this project.

Question 17. Should China gain entry into the WTO yet continue its current mercantile practises? How do you think we should respond? In such a case, will you, if confirmed as Ambassador, lobby for vigorous multilateral sanctions against China?

Answer. China's accession to the WTO under commercially viable conditions will lead to greater market access for U.S. goods and services—especially telecommunication and financial services—throughout China. As China's trade system becomes increasingly more open and transparent, and more in line with international rules and standards, I believe one outcome is that U.S. businesses and agricultural interests will be able to win their fair share of contracts, establish a reputation for quality and reliability, and, reduce America's deficit with the PRC. I am committed to achieving a level playing field for U.S. business and agricultural interests.

We do have recourse if China does not abide by its WTO commitments or global trading rules. The U.S. and other WTO members will be able to take China to WTO dispute resolution. If China did not comply with a ruling against it, the WTO could authorize sanctions. Industry representatives value access to multilateral dispute resolution precisely because it has helped lower foreign trade barriers. In addition, countries have generally been more willing to comply with multilateral dispute resolution decisions than with unilaterally imposed sanctions. We will not hesitate to make use of the WTO dispute resolution mechanism to rectify any Chinese behavior that discriminates against U.S. interests.

If confirmed, I plan to be increasingly informed on measures, not simply sanctions, to achieve fair market access.

Question 18. In your answer to a previous question, you stated that the U.S. Navy has already developed weapons and tactics for dealing with the Russian Sovremennyy destroyers and Sunburn missiles. Which weapons systems are those? (A classified response is acceptable if necessary.) Can the Phalanx system shoot down the Sunburn? What point defense against the Sunburn does Taiwan's Navy have? Do they have the Phalanx?

Answer. Nimitz-class aircraft carriers and embarked airwings, Los Angeles-class attack submarines, Tomahawk Anti-Ship Missiles, Mk–48 torpedoes, Harpoon missiles, the SPY–1 radar, and the Standard Missile–2, electronic locating data, over-the-horizon targeting, and below-the-radar-horizon missile launches are among the weapons and tactics for dealing with Sovremennyy class destroyers.

Under some circumstances, it is possible for the Phalanx to shoot down the Sunburn. Many of Taiwan's surface combatants are armed with the Phalanx.

Question 19. Do you think that providing a visa to Taiwan President Lee in 1995 was a mistake? Please provide a yes or no answer.

Answer. I understand why the Administration thought it was appropriate at the time to issue the visa. With the benefit of hindsight, my opinion is Lee Teng-hui made a mistake in pursuing parts of his visit because it increased cross-Strait tensions, hurt Taiwan's economy, and eroded Taiwan's security.

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Question 20. [Classified].

Question 21. Do you believe that the Six Assurances of 1982 are and should remain U.S. policy?

Answer. I agree with the Administration's reaffirmation of the principles articulated by then Assistant Secretary Holdridge in his 1982 testimony to the House Foreign Affairs Committee. I believe that these principles should remain U.S. policy.

Question 22. His Holiness the Dalai Lama's message has for years been the same: that he wants to establish real substantive dialogue with the goverment of China, yet they refuse. How, as Ambassador, will you press the Chinese government to engage the Dalai Lama?

Answer. The Dalai Lama has indicated his interest in a dialogue with the Chinese Government to resolve issues of human rights and cultural preservation; most recently, in Milan, Italy, he reiterated that his objective was to discuss with China's leaders real, genuine autonomy for Tibet within the Chinese state. The U.S. has actively promoted such a substantive, direct dialogue between the Chinese Government, and the Dalai Lama or his representatives, but China has not recently indicated an interest in such a dialogue. If confirmed as Ambassador by the Senate, I will address with the Chinese authorities our strong interest in their initiating discussion with the Dalai Lama on the core issues of Tibet's status, to try to reach a acceptable resolution of these issues.

Question 23. Within the past twelve months, has there been any indication, no matter how slight, that Chinese individuals or companies have exported any product or technology to Pakistan or any country on the terrorism list, which would enhance their weapons of mass destruction (WMD), or missile programs? If so, please provide details.

Answer. I am not personally aware of any information to this effect. However, I have been briefed as part of my preparations for confirmation that this is an area that the State Department and intelligence agencies are examining closely. I understand that these agencies have provided or are prepared to provide appropriate briefings.

If confirmed, I will treat with utmost seriousness any reports of Chinese exports of products or technology to Pakistan or any other country on the terrorism list that would enhance their WMD or missile programs.

Question 24. Within the past twelve months, has there been any indication, no matter how slight, that Chinese individuals or companies have been present in Iran, Syria, Libya, or Pakistan providing any sort of cooperation, assistance or guidance to their weapons of mass destruction or missile programs? If so, please provide details.

Answer. I am not personally aware of any information to this effect. However, I have been briefed as part of my preparations for confirmation that this is an area that the State Department and intelligence agencies are examining closely. I understand that these agencies have provided or are prepared to provide appropriate briefings.

If confirmed, I will treat with utmost seriousness any reports of Chinese entities providing any assistance, cooperation or guidance of this kind to Iran, Syria, Libya, or Pakistan.

Question 25. Within the past twelve months, has there been any indication, no matter how slight, that Chinese individuals or companies have been assisting or cooperating with a Cuban chemical or biological weapons program? If so, please provide details.

Answer. There is no indication of which I am aware that such cooperation is occurring. China's relationship with Cuba, particularly the potential for cooperation in areas of concern to the United States, will be an issue I will monitor closely. This concern will be reflected in post reporting.

Question 26. Within the past twelve months, has there been any indication, no matter how slight, that Cuba and the PRC are cooperating on intelligence gathering, including Signals Intelligence, directed against the United States or its citizens? If so, please provide details.

Answer. I am not aware of any such cooperation. China's relationship with Cuba, particularly the potential for cooperation in areas of concern to the United States, will be an issue I will monitor closely. This concern will also be reflected in post reporting.

Question 27. Within the past twelve months, has there been any indication, no matter how slight, that the military regime in Burma and the PRC are cooperating on intelligence gathering, including Signals Intelligence? If so, please provide details.

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Answer. I am not personally aware of any information to this effect. However, I have been briefed as part of my preparations for confirmation that this is an area that the State Department and intelligence agencies are examining closely. I understand that these agencies have provided or are prepared to provide appropriate briefings.

If confirmed, I will treat with utmost seriousness any reports of Chinese military cooperation or intelligence gathering with Burma.

Question 28. What is your estimate of the dollar value of the military supplies delivered by the PRC to the military regime in Burma since 1989? Is the Burmese regime paying for these arms with the receipts of its narcotics trafficking or the grant of special privileges to the PRC, including military bases on Burmese soil?

Answer. The Burmese regime the State Peace and Development Council (SPDC), closely guards information on its military spending. The dollar value of PRC-sourced military supplies is not known to me and revenue sources for such procurement would be, at best, speculative on my part.

Question 29. Within the past twelve months, has there been any indication, no matter how slight, that Chinese individuals or companies are assisting the WMD or missile programs in North Korea by serving as conduits for Western goods or technology to Pakistan or any country on the terrorism list? If so, please provide details.

Answer. I am not personally aware of any information to this effect. However, I have been briefed as part of my preparations for confirmation that this is an area that the State Department and intelligence agencies are examining closely. I understand that these agencies have provided or are prepared to provide appropriate briefings.

If confirmed, I will treat with utmost seriousness any reports of Chinese assistance to WMD or missile programs in North Korea or Pakistan, or any country on the terrorism list.

Question 30. Within the past twelve months, has there been any indication, no matter how slight, that Chinese individuals or companies have used North Korea as a transshipment point for any WMD or missile-related goods or technology destined for Pakistan or any country on the terrorism list? If so, please provide details.

Answer. I am not personally aware of any information to this effect. However, I have been briefed as part of my preparations for confirmation that this is an area that the State Department and intelligence agencies are examining closely. I understand that these agencies have provided or are prepared to provide appropriate briefings.

If confirmed, I will treat with utmost seriousness any reports of Chinese entities using North Korea as a transshipment point for WMD or missile related goods or technology destined for Pakistan or any country on the terrorism list.

Question 31. While you were CINCPAC, you were known as an active promoter of close and more frequent military ties with China. Do you believe that our defense relationship with Red China should be more, or less, robust than our defense relationship with democratic Taiwan? Please answer this with a yes or no.

Answer. I want to be responsive, but am unable to give a simple yes or no because our military relationships with the PRC and with Taiwan are inherently different.

With respect to Taiwan, our relationship mainly involves providing equipment and training that meet Taiwan's defense needs.

With respect to the PRC, our relationship is not one of military equipment and training but rather one of dialogue and exchanges so that we can better understand each other's capabilities and avoid any miscalculation. The military interactions are a clear subset of our overall relationship, but these interactions can improve our ability to influence China's activity.

Question 32. In your December, 1998 Asian Wall Street Journal piece, you noted your agreement with Red Chinese leader Jiang Zemin that there must be understanding between nations before there can be trust. Is it your view that a lack of understanding and communication is at the heart of our disagreements with China, or do you think that the communist ideology and methods of the Chinese government have anything to do with it?

Answer. Our different values and forms of government are the foundation of our disagreements with the PRC. The point I tried to make in the article is that improved communications can lead to understanding, and potentially a modicum of trust; such an atmosphere would gives us potential to grapple with our disagreements.

Question 33. Again quoting from your Wall Street Journal article, you wrote that, "There's an awful lot of ignorance in the U.S. about the difficulties of governance

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in China," given its size, etc., and that "our nation needs to understand this." Is this to say that there is no way to govern a nation of 1 billion people other than Communist dictatorship?

Answer. Not at all. I noted the challenges of providing food, clothing, shelter, jobs, energy, and water for 1.25 billion people. As we encourage a positive transition to open markets, democratic principles, and respect for human rights in China, these challenges to governance will impact the pace at which change can occur, owing to the inertia of size and difficulty of effecting change.

Question 34. If you are confirmed as Ambassador, will you insist on the release of political prisoners, the granting of religious freedom, and true autonomy for Tibet as conditions for a genuine partnership with China? If not, please explain why this would not be in our interest?

Answer. If confirmed as Ambassador to China, I will raise with Chinese leaders, in the most effective way I can, the issues of political prisoners, religious freedom, and true autonomy for Tibet. Freedom of political and religious expression, and the right to one's cultural identity, are core values of the American people. I will express those values strongly and clearly to the Chinese leadership. I will try to help them understand that constraints on freedom—whether the incarceration of persons for peaceful political activity, the limits placed on freedom of religion and conscience, or the constraints imposed on the religious, cultural, and linguistic autonomy of the Tibetan people—truly limit the nature of the United States-China relationship that is so important to the Asia-Pacific region.

Question 35. If you are confirmed as Ambassador, will you insist that the Chinese reimburse us for the damage they purposely did to our embassy and consulates in China, before or in tandem with any reimbursement we make for their embassy in Belgrade?

Answer. We have made it very clear to the Chinese, that any resolution to their claim for damages to their Belgrade embassy must be concurrent with a resolution to our own claims. I agree with this position.

As I understand it, parallel negotiations for payments for damages done to our respective diplomatic facilities are ongoing. Our last discussions with the Chinese took place on October 20–21 in Beijing. We continue to make progress on both negotiations and will meet again at a future date.

Question 36. At your confirmation hearing you stated that we invited Chinese military observers to the RimPac joint military exercises in 1998, but not Taiwan observers. Why did we not invite Taiwan? Do we plan to in the future?

Answer. As a military commander, I did not have the latitude under our current Taiwan policy to invite Taiwan observers. As far as I know, we do not plan to invite Taiwan observers.

Question 37. Earlier this year Assistant Secretary Roth and other administration officials urged China and Taiwan to consider so-called "interim agreements." Prior to his joining the government NSC Asia Director Lieberthal spelled out his notion of an "interim agreement," calling for Taiwan to constitutionally forego independence for 50 years in exchange for Beijing's promise not to use force. If confirmed as Ambassador, would you support the notion of encouraging such a solution to the problem of Taiwan's status?

Answer. I would support any solution worked out peacefully by the two sides through dialogue. The U.S. government position, which I support, is that PRC-Taiwan differences are matters for those on both sides of the Taiwan Strait to resolve. Our sole abiding interest is that any resolution be a peaceful one. We do not seek to play a mediating role.

It is certainly logical, that as cross-Strait talks unfold between Taiwan and the PRC, they may wish to reach interim agreements on any number of issues as they pursue this process.

Question 38. Also in your Wall Street Journal piece, you expressed concern over the lack of communication with Red China we had at the time of the 1996 crisis. But we also did not have any direct or secure military communications with Taiwan, just as our carriers were possibly on the verge of defending them. How much of a concern was that to you? Do you think we ought to rectify this situation?

Answer. Though I have been away from the particulars of the situation for eight months, I thought communications with Taiwan, though unofficial, were adequate. Our communications were sufficient and rapid enough for our purpose.

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