

**Statement of Senator Daniel K. Inouye**  
**Before the U.S.-China Economic and Security Review Commission**  
**Hearing on “China’s Active Defense Strategy and its Regional Impact”**  
**January 27, 2011**

I would first like to thank the Co-Chairs of this hearing for inviting me to share some thoughts on the security relationship between the United States and China. Along with our fight against terrorism, the stability of the Asia-Pacific region is the most important long-term security issue faced by our country. The question of how to promote cooperation within the region where possible, while avoiding destabilizing shifts in the security framework, must be a prime concern of our foreign policy.

The region is growing by leaps and bounds in military, diplomatic, and economic power; and this transformation is seen most dramatically in China. Once dominated by a poor, undernourished, undereducated peasantry, China is now home to a growing middle class, a robust manufacturing workforce, and considerable innovation in science and technology. While these changes in China’s economy and society have occurred almost overnight, changes in China’s defense and foreign policies are works in progress.

In the area of defense, rapidly increasing spending has increased the size of China’s navy, created formidable cyber warfare capabilities, developed new anti-ship and anti-satellite missiles, initiated a new stealth fighter, and begun construction of an aircraft carrier. Each of these investments is a matter of significance for the security posture of the Asia-Pacific region, but should not be a cause for immediate alarm. Most analysts believe it will take many years before China can field a stealth fighter or a naval aviation wing. These capabilities will take time to develop and test, as well as to train crews, manufacture the systems, and implement an effective military doctrine. There is a big difference between having a military capability and being able to use it effectively.

It is concerning that China’s armed forces are investing so heavily in anti-access weapons, almost certainly to counter our power projection capabilities. But in evaluating how these anti-access weapons may change the security posture of the region, we would be wise to compare China’s future capabilities to those which we are currently working on, rather than those we currently possess.

Even in this constrained budgetary environment, our military research and development efforts are making progress on a number of revolutionary systems. We are working on prompt global conventional strike capabilities that can strike anywhere in the world in a matter of minutes. Our Navy is moving to increase anti-ballistic missile systems in a new generation of surface combatants, and it is also investing in offensive and defensive directed energy weapons. Plans for an unmanned combat aerial vehicle are being accelerated, and new battlefield networking capabilities will improve how we fight over vast distances. These and other technologies hold great promise in advancing how we project power around the globe. The competition between anti-access and power projection weaponry has yet to be decided.

Aside from the issues of military technology, the fundamental question that remains to be answered is how China wishes to see itself on the world stage. Does China wish to displace the United States as the world's only superpower? Or is it focused on being a premier regional power? Could there be different goals for how China uses its economic, diplomatic, and military power? Given the lack of transparency in the Chinese government, it should not be surprising that much of the world is wary of China's increasing power.

In recent times, China has shown interest in acting as a global power, such as its participation in anti-piracy operations off the coast of Somalia and exercising its "soft power" in the developing world. At other times, China seems to have flexed its muscles as a regional power, such as in the recent disputes over oil-rich islands in the East China Sea. Sometimes China appears to avoid using its influence, such as its reluctance to dissuade North Korea from undertaking dangerous military provocations against its neighbors.

While it is not clear how China wants itself to be seen in the international arena, I believe there are areas of cooperation that we should pursue, especially when it comes to trans-national threats. There is a universal understanding that pirates, whether in the Horn of Africa or the Straits of Malacca, are the common enemy of humankind who threaten trade routes among the largest economies of the world. The narcotics trade is an increasing problem for China, with North Korea, Southeast Asia, and Central Asia using the country as a trans-shipment and a destination for drugs and precursor chemicals. Finally, the State Department has found that China is a source, transit, and destination country for the immoral practice of human trafficking.

No country can avoid the effects of these trans-national threats, and no nation can hope to tackle them alone. Closer cooperation on trans-national issues could help ease China's transition into an important regional and global partner and build confidence on the ability of our countries to cooperate on security issues where our interests coincide, such as promoting stability in Pakistan, reducing the threat of nuclear terrorism, and dealing with the situation in North Korea.

While I urge both nations to work for closer ties, we cannot overlook our differences on the difficult issue of Taiwan. Stability in the Taiwan Straits is one of the top security issues in the world. If war were to break out, the consequences for the region and the world's economy would be dire. There are several reasonable steps to reducing the risk of such a war.

The United States should continue to assure our friends and allies of our commitment to the peaceful development of the region. This includes maintaining our strong military commitment to insuring freedom of the seas and dissuading potential aggression. The forward presence of our Navy and Marine Corps is essential to this mission as is the ability of our Army and Air Force to rapidly respond to a potential crisis.

It is also important to foster increasing ties between Taiwan and the Mainland. The last few years have shown remarkable progress by both sides in establishing new economic and social integration. Trade between China and Taiwan has exceeded \$100 billion a year, and a new free trade agreement promises to increase that figure. Direct flights between the Mainland and Taiwan are now common, numbering in the hundreds each week. Recent estimates in the *Washington Post* state that more than a million Taiwanese now live in China, which amounts to

five percent of the island's population. I have even heard stories that it is now routine for tourists to make trips across the Straits to find a husband or wife.

As tense as the military situation may be, these positive developments in cross-strait relations are bringing China and Taiwan closer together. As the two sides become increasingly integrated, I believe the will to seek a military solution will be reduced.

There are similar opportunities for closer ties between the United States and China, which may help put tensions into better perspective. We need to take a closer look at increasing exchanges on a number of levels, including military-to-military, academic, and technical contacts. These can be useful tools to emphasize openness, transparency, and common understanding. On that note, I fully support the work of the U.S.-China Inter-Parliamentary Group, which has facilitated many useful exchanges involving members of Congress; and I am scheduled to travel to China in April to meet with various leaders.

Once again, I thank the Co-Chairs for inviting me to present my comments to the Commission. I believe that we are part of the Asia-Pacific Century, and the relations between the United States and China will play a large part in shaping the security and economic conditions of the region for many decades to come.