

Appendix 77 – US Taiwan Policy Review III (1995)

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CAPITOL HILL HEARING WITH DEFENSE DEPARTMENT PERSONNEL

Hearing of the House International Relations Committee Asia and the Pacific Subcommittee

SUBJECT: Challenges to U.S. Foreign Policy in Asia Witnesses:
Assistant Secretary of State Winston Lord, Assistant Secretary of State Robin Raphel Chaired
by Representative Doug Bereuter (R-NE)

2200 Rayburn House Office Building

MR. LORD: Thank you very much, Mr. Chairman. I will read excerpts from my written remarks and would ask that the full text be included in the record, along with a recent speech I made to the Commonwealth Club in San Francisco which sets forth administration views on Asia Pacific policy across a broad spectrum. Let me also say that your own opening statement is very reassuring indeed, both in substance and in tenor and mood. Many of the themes that you strike in that statement, including the three basic elements of our policy of prosperity, security and freedom in the region very much echo what I'm about to say.

And let me also echo the bipartisan spirit with which I've already found in our own discussions that you've approached this agenda with. And in that respect, I would like to pay tribute also to Mr. Berman's remarks and also my past cooperation with the former chairman of this committee, Mr. Ackerman. I'm glad he has joined us here this morning. I look forward to your series of hearings, and I will be delighted to appear at as many of those as you would like me to in the coming months.

REP. BEREUTER: Thank you.

MR. LORD: I've just returned from a 10-day, five-country tour through Asia with Deputy Secretary Talbott, and I was once again struck by America's large stakes in the region as well as the strong desire there that the United States remain engaged. This region is impressive for its diversity and dynamism. Economically it's become the most robust and important area in the world. The region is not uniformly affluent, however. It is also home to grinding poverty. And I think it's no coincidence that the poorest countries generally have some of the most repressive regimes, while the more affluent are among the most free.

Strategically, the Asia Pacific is the region where four of the world's major powers intersect. We fought three wars there in the past half-century. And here at home our population has been shifting toward the Pacific and is increasingly enriched by large numbers of Asian immigrants. The hopes for a peaceful, prosperous and free future are promising provided the United States stays actively engaged, and several of you have already underlined that in your opening remarks. I elaborate all these things in my opening statement, but I won't take the time here. For all these reasons, during the last couple of years the Clinton administration has

aggressively sought to elevate this region higher on our foreign policy agenda to bring home to the American people the huge U.S. interests in the region and to heighten our engagement and staying power with our partners in the region. We've promoted a full range of U.S. goals, and in addition to more traditional concerns, this includes a new emphasis on some of these global issues such as narcotics control, population planning, AIDS prevention and treatment, environmental protection, and cooperation to curb international crime.

The broad outlines of American policy toward the region were articulated by President Clinton when he took his first overseas trip of his presidency to Japan and Korea in July 1993, and at that time he set forth his vision of a new Pacific community built on shared strength, shared prosperity and a shared commitment to democratic values -- the very themes that you set forth in your own opening remarks. And we believe, as does Congressman Berman, that the three pillars of this policy -- prosperity, security and freedom -- are mutually reinforcing elements. Let me briefly review, again -- (inaudible) -- and what's in my text, what's been accomplished and some of the specific goals that we see in the next couple of years.

First on the prosperity front, and then I'll go to security and freedom, here we address our challenges on three levels -- above all the global level, the World Trade Organization, the Uruguay Round and the GATT, also on the regional and bilateral levels as well. On the regional level, APEC is the centerpiece of our efforts. I review in my text what's been happening there. The president elevated this organization by having it meet at the leaders' level in Seattle in September -- November of 1993, also outlining our stakes in the region more generally. This gave new impetus to the organization, which does operate by consensus, as you know, and this past November, under Indonesia's leadership, with our strong support, a very bold political commitment to free and open trade and investment in the region by the year 2020 or sooner, was articulated. Our challenge this year is to support Japan as the chair, looking toward the meeting in Osaka in November, and to make sure that a comprehensive and detailed action program and blueprint for carrying out that vision of Bogor is indeed implemented.

We see APEC not as a trade bloc nor a formal trade agreement like NAFTA, but rather as a building block for global trade liberalization and a spirit to freer trade in other regions.

In addition to our global approach, therefore, to trade liberalization, to which APEC contributes, and our regional efforts, we have been working bilaterally to open markets, most notably with Japan, where we've made our trade agenda a central element in our relationship. And through our framework talks we have reached a series of sector agreements, as well as Japan's agreement to stimulate macroeconomically its economy and therefore its imports. But there's much unfinished business, despite these successes, particularly in the automotive sector, deregulation and the faithful implementation of those agreements we've reached.

With China, we're in the middle of series of intense negotiations, the two most notable being intellectual property rights. Those negotiations will resume. We would hope to still reach an agreement, but we will take firm action, as already announced by Mr. Kantor, if we do not. And also China's application to the World Trade Organization, which we do strongly support in principle, but we do believe that China has to reach and meet certain disciplines of the

GATT in terms of precedents for other countries and terms of the strength and robustness of its economy, not to mention its \$30 billion surplus with us.

We've also been carrying out and been negotiating down protectionist barriers with other countries on a bilateral basis, including Korea, Thailand, and with -- we've been doing this as well with Taiwan. And we've consulted individually and collectively with the six dynamic ASEAN economies, which together are our fourth largest trading partner.

Economics has thus become a core element of our overall policy towards the Asia Pacific. It's the most dynamic region, the most important for our exports and for our jobs and in addition, active economic engagement helps to anchor America in the region not only in trade and investment but also in security and political terms. And let me now turn to those arenas.

In a region where the major powers meet we have large, abiding security interests, and relations among these major powers are more stable today than they have been any time in this century. But managing those relationships is nevertheless a key challenge in the years ahead, and how are we working to consolidate those favorable circumstances?

First, and you pointed this out, we're maintaining our forward military presence in the Western Pacific. There'll be shortly as many forces there as there are in Europe. We have reinforcement capabilities as well. The Defense Department -- I believe even this week -- will be coming out with a new study of our strategy towards East Asia and the Pacific, which will reaffirm the maintenance of roughly 100,000 forces in the Asia Pacific region. This in our view is a very strong and concrete evidence of our engagement and staying power.

Our alliance with Japan is strong and remains the linchpin of our defense posture in Asia. We've tried to insulate any trade frictions from our security ties with Japan. We're paying particular attention to this aspect of our relations with Japan this year, which is the 50th anniversary of the end of World War II; as well as stressing other positive elements in our partnership like the common agenda on environment and so on and our cooperation on regional matters such as Korea and Cambodia. But we're also making clear to the Japanese that we have unfinished business in trade.

Relations with China are of course crucial. I don't have to tell this committee how important a country that is and will be in the coming century. We have clear national interests in seeing that China is integrated into the international system on appropriate terms, with all its benefits, but also all its disciplines and obligations and interdependence.

Nearly a year and a half ago, the president initiated our policy of comprehensive engagement, which basic rationale is that we have a series of high-level and working-level visits and negotiations, knowing we're going to have trouble on certain fronts, and thereby hoping with this broad agenda to make certain progress in other areas, so that we don't lose overall momentum in dealing with that important country.

We have had some modest success in certain areas. They've cut off aid to the Khmer Rouge. They've been generally constructive on the Korea nuclear negotiations. They're helpful on

issues like narcotics control and alien smuggling. But we have also had a series of great difficulties and tensions over issues of -- recently, such as the sensitive one of Taiwan, human rights and trade, and, to a certain extent, non-proliferation. And resolving these differences is made more difficult by China's succession politics, so we're in a difficult phase with China right now. We intend to continue constructive relations wherever we can with them, but we're also going to show firm resolve wherever necessary, and I lay this out in my statement. Despite some current strains, we remain confident that over the long run, our shared interests will clearly outweigh our differences.

A comprehensive and balanced China policy is essential also to maintaining peace, stability, and economic development on both sides of the Taiwan Strait. I know there's a lot of interest on both sides of Capitol Hill here on our Taiwan policy. We recognize the government of the People's Republic of China as the sole legal government of China, but we also maintain a vigorous and expanding unofficial relationship with Taiwan within the framework established by the Taiwan Relations Act and three joint communiques with the PRC. Administrations of both parties have followed this policy for several years, and we continue to do so. Now the people of Taiwan have benefitted from this policy.

You know their economic miracle; their security, we believe, is well assured with our help; and in recent years they've made very encouraging and bold strides toward democracy and human rights; and they've initiated high-level dialogue with the officials in Beijing to try to ease tensions in that area.

Recognizing our stakes and friendship with Taiwan and developments in recent years, this administration conducted the first comprehensive review of Taiwan policy in 15 years and implemented significant adjustments in our unofficial relations with Taiwan. I believe we've done more to strengthen our ties with Taiwan than any administration in recent years.

On the other hand, we will continue to reject proposals which would place at risk the peace and growth that Taiwan has achieved. We will not reverse the policies of six administrations of both parties; that would not be in our interest and it would not serve the interests of the people of Taiwan.

Continuing on the security front, with Russia our global approach of supporting reform and integration includes welcoming it into the Pacific community. And with Vietnam, the fullest possible accounting for our missing-in-action remains our highest priority. We have other important objectives like security and economic ones, which improve relations we will promote. This last month, we opened a liaison office in Hanoi after favorably settling property and claims issues, and we think this liaison office will play an important role in encouraging further progress, both unilateral efforts and joint efforts with the Vietnamese on MIAs and furthering our other objectives, including human rights. As the president has said and demonstrated consistently, Vietnamese cooperation in accounting for missing servicemen remains the priority criterion for further progress in our bilateral relationship.

These are some of the short-term security challenges we have. And our alliance relationships and forward military presence form the foundations for our Asian security policy.

But as we look toward the longer run and to supplement but not supplant these foundations of alliances and presence, we've also explored new multilateral security dialogues in Asia. Now, this has not received the attention that APEC has on the economic side, but it's equally important. I spell out the purposes and some of the mechanisms in the regional security field, and I would hope we could have a lot of dialogue with the committee on this over the coming months. It's a very important area.

The most important mechanism is the ASEAN regional forum, where for the first time last July not only the ASEAN and other dialogue partners participated but Russia, China and Vietnam. And over time, these dialogues can ease tensions, build confidence, and hopefully head off future war.

The Korean peninsula represents, of course, the most the most critical security challenge in Asia.

We believe a major administration accomplishment in 1994 was the successful negotiation of the agreed framework with North Korea. There's been detailed hearings on this recently by secretaries Christopher and Perry, and General Shali and others. I'm happy to go into detail with respect to the questions of this committee. I do lay out in my statement why we think this is firmly in our interests, I might add in the interests of global nonproliferation and stability in Northeast Asia. And our allies and others have strongly supported this. The South Korean foreign minister was up here on the Hill last week underlying his support for this accord.

We believe that we have effectively met both the past, the present and the future nuclear threat from North Korea with a policy of not only diplomacy, but backed up by force when necessary, a willingness to go to sanctions if necessary, a beefing up of our military preparedness on the peninsula, and working very closely with our allies and with other countries.

It is not based on trust -- this agreement -- it's based on verification by the IAEA, which is already being carried out by national means, and also checkpoints along the way where North Korea does not get benefits until it fulfills its obligations. So far, it has been carrying out the freezing activities of their present capability, which heads-off the possibility of producing dozens of nuclear weapons each year in the near future; and they've stopped construction on big reactors, they've sealed their reprocessing facility, they've shut down their small reactor -- all of this under, so far, acceptable IAEA inspections; they've stayed in the NPT.

However, as you've seen in recent days, there's been some negotiations with respect to what kind of reactors would be provided. They will be South Korean reactors. We can get into this if you would like. But for financial, political and technical reasons they must be, and North Korea will come around on that, in my view, they're going to have to.

And secondly, I want to stress the importance of South-North dialogue. I've recently been with Secretary Talbott in Korea. I'm going back myself in 10 days. We're going to work closely with our South Korean friends and with the North Koreans to make sure that this element of the agreed framework is carried out. The future of the peninsula must be solved by the Korean

peoples themselves.

There's more in my statement, but in the interest of time I'll proceed to my last section, namely, promoting freedom. False prophets claim a contest of values between the United States, or the West, and an Asian monolith. They assert that Asians do not share universal aspirations for individual rights. I say tell that not only to Japan and Korea and Taiwan and the Philippines and Thailand; I say tell it to the Cambodians who cross mine fields, 90 percent of them, to cast their votes. Tell it to the Mongolians who cross deserts to cast their votes in successive free elections. Asian electorates and elected leaders would reject the notion that human rights are uniquely Western or the implication that autocracy is intrinsically Asian. Most would agree with President Kim of South Korea that respect for human dignity, for democracy and free market economics have firmly taken root as universal values.

What is our approach? We are not trying to impose our form of society or our ideals. Each country must find its own way consistent with history and culture. But international obligations to which countries have subscribed should be fulfilled. Many Asians have devoted their lives and given their lives for these values. Americans are bound to respect them. In addition, we appeal to countries' self-interest. Experience teaches that sustained economic development is more likely where government policies are transparent, where courts provide due process, where uncensored newspapers are free to expose corruption and to debate economic policy, and where business people can make independent decisions with free access to information.

Economic rights granted by authoritarians can be easily taken away. The foundation of open economies -- rights that protect contracts, property and patents -- can only be guaranteed by the rule of law. The reality of Japan, Hong Kong, South Korea and Taiwan shows that accountable government is the bedrock of stability and prosperity. The reality of Burma and North Korea is that repression entrenches poverty.

Moreover, Mr. Chairman, the defense of liberty is not merely an idealistic endeavor. Enlarging freedom serves concrete American interests as well. The greatest threats to our security and to Asia's come from governments that flout the rule of law at home and reject the rule of international law abroad.

In 353 wars fought since 1819, not a single one was between two established democracies. Open, accountable governments do not practice terrorism, they do not generate refugees, they make better trading partners.

Consequently, we'll continue to champion human and labor rights in Asia without arrogance or apology. And finally, we will continue our strong support for fledgling democracies like Cambodia, where I've just visited, and like Mongolia, where I'll be going in February in a couple of weeks.

Let me just short-circuit the rest of my remarks. I do have here a laying out of our goals for the remainder of the year. That includes implementing the U.S.-Korean agreed framework, but not at the cost of our strong ties with the Republic of Korea. I've already addressed that. It

includes APEC and developing a meaningful work program with Japan, the chair, at Osaka. It means reaffirming our alliance and other common interests with Japan while tending to unfinished trade business. It means pursuing a policy of comprehensive engagement with China, both firmness where necessary, but cooperation wherever possible. It means further developing our regional security dialogues in the new ASEAN regional forum and in Northeast Asia. And it means advancing many other interests: strengthening our ties with ASEAN; seeking full cooperation and the fullest possible accounting for our POWs and MIAs in Vietnam, Laos, Cambodia, Russia, China and North Korea; strengthening our ties with Australia and New Zealand –

I've just come back from there with Talbott; pressing for political openness in Burma; continuing our support for the elected governments in Cambodia and Mongolia; and continuing our support for democracy and human rights throughout the region, including working with NGOs, like, the National Endowment for Democracy and the Asia Foundation; and addressing global issues. I will conclude by saying we can't do this without broad public and congressional support. You've indicated your desire to work with us. We reciprocate that. We'll see disagreement and debate, but I think there's broad agreement on our goals.

We see the Pacific community as something we can build with patience together with others without forfeiting, and indeed building on a diversity. And we see this community already taking hold with trade linking economies, telecommunications transcending borders and transportation shrinking distance.

This is the 50th anniversary of the end of World War II. This commemoration of past sacrifice reminds of our responsibility to the next generation of young Americans and Asians. It provides an opportunity to rededicate ourselves to shaping a Pacific community that is richer, safer and freer.

Thank you, Mr. Chairman.

REP. BEREUTER: Thank you very much, Mr. Secretary. It's an excellent written and oral statement explaining the Clinton administration and American foreign policy actions and objectives. This is an important forum for the American people as well as the Congress to understand what is happening in Asia and the Pacific region, and we appreciate your contribution by your testimony, (delivered ?) within the 15 minutes just exactly.

I'd like your general comments about whether or not we have reason to be optimistic about this change in Indian-American relations. Secretary Lord, if you could give me a brief set of comments on my remarks.

MR. LORD: First on the cultural issue with respect to East and West, usually this is posed in a more confrontational way, as I said in my opening statement, as if there's an Asian view toward human rights and an American or Western view toward human rights. I've tried to stress, and you've suggested in your question that there are some commonalities. I do believe there are some universal aspirations that can be built on. I've already mentioned the many democracies in Asia. Neither Jiang Zemin nor Lee Kuan Yew can speak for all of Asia. There are different patterns out there and many democracies and accountable governments, and we will support them. So I think this shibboleth that it's the Asian way versus the Western way

should be discarded. Now, of course there are differences. They have to be respected. And there are such themes as emphasis on the community versus the individual. But I do believe they're bridgeable. I think we have to respect diversity but build on common themes.

It's big subject. I'll go into it in greater length if you would like, but I know you're trying to move on here. On the assertiveness business, no question that Asian countries, for good reason, are increasingly self-confident. It is the most dynamic economic region in the world and one of the most stable regions in the world. So they are being more assertive, as they should be. We have tried to meet this and adapt our policy by striking a balance, and this is a challenge in our foreign policy in the post-Cold War world generally between American leadership, which is still required and needed, and building of consensus. Every country in the Asia Pacific region, with the possible exception of North Korea, wants us to stay on. We're seen by virtue of history and geography as relatively benign versus others. We are providing geopolitical balance between potential and historical antagonists. I can spell this out if you like. And if we were to withdraw our military presence or our general engagement, this would set up a dangerous vacuum.

So they want us out there, so American leadership in that respect is required. It's required with respect to diplomacy, where we took the lead, for example, in South Korea-North Korean problems, although the future of that peninsula has to be settled by the Koreans themselves, or in Cambodia, where we work with others. And, of course, we want it because of our economic market, and we're still the biggest market for many of these countries in trade and investment. So at the same time, however, as we exercise leadership, which we have to do in Asia as around the world, we do recognize, given the assertiveness you've mentioned, the need to build consensus. And that's why we're building this Pacific community with others, and the two most striking examples are APEC, where you have to operate by consensus but the president has shown leadership as well, and secondly, these regional security dialogues, where again we're trying to work with others to build common structures.

So I think we are adapting our policies to this new assertiveness, but American leadership is still required.

...

Mr. Royce.

REP. KIM: Mr. Chairman? Mr. Chairman? REP. BEREUTER: Yes.

REP. KIM: May I? I must attend another meeting. May I submit this question?

REP. BEREUTER: Yes. You have permission to do that and if you can come back, I'd appreciate it and we welcome your participation.

REP. KIM: Thank you. The question has to do with denying visa to President Li of Taiwan. I think it's a terrible policy. I wish to extend—

REP. BEREUTER: Mr. Royce has been -- Mr. Royce has been good. All right, thank you. Mr. Royce.

REP. ROYCE: Thank you, Mr. Chairman. And I'd ask this question of Secretary Lord. But in my meetings over the past year or two with ambassadors and other officials and private leaders from a number of Asian countries, their theme that they raise again and again is their growing concern about China's aggressive force posture, their concern about the blue water

navy that's being developed, the continuing nuclear development and violation of nuclear proliferation on the part of China.

And the largest of these countries, of course, that's worried about this is India, which shares the longest border with China and has fought with China, and shares the Indian Ocean with the nuclear-armed subs that China has in the region. And what I hope is that we are -- in our foreign policy -- that we're not making our future strategy dependent on today's anomalies and doubts and conveniences. I don't want to shortchange progressive market democracies in the region in order to coddle an aging and corrupt gerontology (sic).

And if I look -- and I think that my colleague, Mr. Kim, was about to make this point -- if I look at what's happening in denying the presence of Taiwan the right to -- as a private citizen to receive an honorary award from his alma mater at Cornell, it's difficult for me to justify that. The question I'd ask you about China is, do you think that China will undertake military operations in regard to the Spratly Islands? Or are there other military objectives that you think they covet? And I would like your response to that.

MR. LORD: There are many parts of your introduction that we could return, maybe on a bilateral basis, to pick up on. We don't have time today, but there's some other themes that we could address.

But to get to your last specific question -- we would, of course, oppose the use of force by China or any other claimants in the Spratlys to solve those issues. We don't take a position on the historical or legal dimensions, but we have taken a strong position opposing the use of force. We encourage Indonesia and others who are trying to solve this problem peacefully.

China is building up its defenses. It's not an immediate threat to us, but it's causing some concerns, together with territorial claims, among its neighbors. I do not believe China has the intention to, however, launch these forces, either on the Spratlys or elsewhere, in virtue of its own self-interest. They have economic and other interests to have good relations with their neighbors.

But clearly, as we look over the coming decades -- and China will be increasingly strong -- that is why we are following a policy together with others of several elements to try to contain this potential threat. We think, on the whole, that the long-term objective should be to integrate China into the international community, because if it is interdependent and has the obligations as well as the benefits of being in the world and Asian community, it is less apt to practice adventurism and upset its other national interests.

We have also opened -- and I was with Secretary Perry on this trip a couple of months ago -- a military dialogue with China precisely to try to learn more about its intentions and to share that with his/its friends. We're maintaining a strong military presence in the area for geopolitical and security balance, and we have these regional security dialogues, which include China, which are designed to see whether we can work out a more peaceful posture in the future. So we're taking nothing for granted. I don't believe China has any intention or motive to launch military attack. We would, of course, be opposed to the use of force in the

Spratlys or anywhere else.

REP. BEREUTER: Thank you very much.

I want to recognize the arrival and presence of our chairman, Chairman Gilman. Thank you very much for your interest in our subcommittee hearing today.

REP. BENJAMIN GILMAN (R-NY): Thank you, Mr. Chairman. I welcome having the opportunity of observing.

REP. BEREUTER: Thank you.
Mr. Gejdenson?

REP. GEJDENSON: Thank you. Let me just start off by saying that you won't simply hear a chorus about President Li from the other side; you'll hear it from this side as well. I think many of us feel that especially with the progress that's gone on in Taiwan -- and I know Mr. Berman was going to raise this issue as well -- that it seems to me illogical not to allow President Li and on a private basis to go back to his alma matter -- not just that it's the right thing to do because of all the progress that's occurred in Taiwan, but I think it's also an excellent message to China.

You know, I have great respect for both of our witnesses today, and have worked for some time with Secretary Lord and have a great respect for the work that you've done. But you know, during the Cold War, there was often a deafening silence when it came to human rights in countries that we thought had taken the proper anti-Soviet posture. And so, if you were a country that was sufficiently anti-Soviet, we would look the other way as you oppressed your own people and were involved in other activities that Americans and American policy found offensive.

I am fearful that we are in the midst of developing a policy that lets our economic needs create that same kind of response. I understand it's a very difficult situation dealing with a country as large as China, with as many problems as China has. It's always difficult to interject yourself in another country's domestic problems. We did so in the Soviet Union with Soviet Jews; we did so in South Africa over their issues.

And I think that the policies of the Chinese government -- while there are many areas that we have important opportunities to work together -- are policies that violate every basic attitude we have towards human rights. And I would frankly hope that as strong as we've been in the last several weeks on intellectual property -- and important issue and one that I think we're doing a great job on -- that we see the same kind of effort on human rights.

And I understand that there's often arguments for silent diplomacy, that countries are often least responsive when we directly confront them. But the other side of the issue is we send some very important signals by our policies. Can you tell me, Secretary Lord, what results came from the first review, as you said, in my decades of our Taiwan policy? After reviewing the changes that happened in Taiwan, what was our response? How did we change our policy?

MR. LORD: Again, several points you've made we can at some point bilaterally pursue them. We have a time limit. So I'll just answer the questions that are specifically posed at the end, but there are other issues that I'm glad to respond to, including the Taiwan issue, if you wish -- I mean the other aspects of the Taiwan issue. But on your specific question, as I said in my statement, we took the most comprehensive review and, we think, took more steps to strengthen our relationship with Taiwan than any previous administration. It included the willingness to go even up to Cabinet level to promote our economic and commercial interests; the changing of the name of the Taiwan office here; more strongly supporting Taiwan's membership in international organizations which do not require statehood, and in those which do require statehood, trying to get their voice heard more effectively; sub-Cabinet economic dialogue; a variety of steps that we think reflects not only our friendship but particularly our commercial and economic interests with Taiwan. We did this in the framework, however, that has been established by Republican and Democratic administrations over several --

REP. GEJDENSON: Let me just interrupt you there. I mean, I understand the basis for a country to have a consistent policy, and I understand that this is a policy that we have consistently held to. There are some times that I think you need to take a step forward, and if you look at the progress on Taiwan, I just think -- you know, for years I used to say to the Taiwanese when they came to see me that you haven't had a new election, you've got this government that was elected in '46 or '47 in China, it's unacceptable to argue that you've got a democratic government. They've had democratic elections. They (got repressed?). They're a significant trading partner. They made far greater efforts on intellectual property than the mainland. And it seems to me not unreasonable for this country to say if the president of the -- of that country wants to come here for a nongovernmental visit, that it doesn't make sense as a reward for all those actions to say he can't come as a private citizen with no official capacity. And that's a great frustration to me.

Let me just say that I do think it's a difficult challenge in the mainland but it's one that we have to take more effort on.

And I would say to our other secretary congratulations on hiring David Gillette (sp). He'll do a great job for you.

Now -- thank you, Mr. Chairman.

REP. BEREUTER: Thank you. the gentleman from Illinois, Mr. Manzullo.

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REP. GARY ACKERMAN (D-NY): Thank you very much, Mr. Secretary, Madame Secretary, and congratulations for a brilliantly negotiated agreement with the North Koreans. This is the first time in any administration that I can ever remember where we stopped the development of nuclear devices by North Korea. I don't know that we fully expected them to tell us where their nuclear device is, and I congratulate you for not telling them where our nuclear devices are as well. (Laughter.) At the -- not at the risk but for the purpose of being redundant, just an additional comment concerning Cornell University.

My son is a graduate of Cornell University -- cost a lot of money and tuition. He's gone on to

do other things. Someone else graduated from Cornell University and went on to be the president of Taiwan. It's embarrassing to many of us to think that after encouraging the people and the government on Taiwan to democratize -- which they have -- to think that a person who has gone on to become a freely elected public official cannot return to the United States for a personal visit to receive an honorary degree. I mean, you know, that's a good business deal. You advertise the cost of your first, because now you get two degrees for the price of the same initial tuition.

But -- but nonetheless, I and many others that -- that you have heard from today encourage those who are in the decision-making capacity to -- to reconsider, because I think that with everything playing out, including the message that we do want to send to China, that this would be certainly a very, very appropriate step to -- to take at this time. Then -- if you want to respond just briefly to that, and I know you have three or four times already, and you can pass if you want.

MR. LORD: I -- Mr. Chairman, with your permission, I will respond, because several people have raised this issue of --

REP. BEREUTER: Please proceed. MR. LORD: -- the visit by Mr. Li.

First, I want to stress again how much we admire what has taken place in Taiwan: a movement toward democracy and human rights, in addition to economics; secondly, our personal admiration for Mr. Li. This administration was the first to allow even a transit visit for any top leader from Taiwan in Hawaii. I know it was criticized for not being long enough. He was shown every courtesy, except --

REP. ACKERMAN: He couldn't get off the plane!

MR. LORD: He could. That's like the Energizer bunny; we cannot stamp out that false rumor. The fact is --

REP. ACKERMAN: He got off the plane.

MR. LORD: He could have gotten off the plane. I sent one of my people out from Washington to Hawaii to greet him in the VIP lounge in Hawaii. He chose not to get off the plane himself.

REP. ACKERMAN: But he couldn't get out of the airport. Was that it? He could go to the VIP lounge?

MR. LORD: It was a transit visit, and that is our policy. Getting back to the specific question, we have taken -- I've already gone over the steps we've taken, but also --

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REP. BENJAMIN GILMAN (R-NY): I thank the gentleman for yielding, and again I want to commend you for conducting this timely hearing. We welcome our two secretaries here who have been giving us some good testimony this morning. I note that in recent weeks, there have been reports of a major -- (coughs) -- excuse me, of a major crackdown against human rights activists in China. Is that part of the succession battle? What can you tell us?

Secretary Lord?

MR. LORD: There's no question there's been a very disturbing trend, particularly in the last few months of long sentences, rounding up some dissidents, warning those abroad not to come back to China. I do believe it's at least in part related to the succession situation. I think there is a concern among the leadership about quote "stability" unquote, particularly at a time of change in leadership, and therefore I think that's one reason they have been cracking down.

REP. GILMAN: Do we have any idea who the successor will be to Deng Xiaoping?

MR. LORD: Again, one hesitates to comment about their domestic politics and also have humility in trying to find out what's going to happen in China. I think it's fair to say that this has been a rather gradual succession process, and therefore, there's been a lot of foreshadowing. Deng Xiaoping himself I think is no longer making key decisions, and therefore, probably, at least for the short run, Mr. Chairman, you will see this coalition that's currently in place. How long that will last, I cannot tell you. I don't see right now any leader of the stature of Deng Xiaoping, Mao Tse Tung or Chou En Lai, and therefore I think, at least for the near term, you will see a collective leadership.