

US report urges closer Taiwan-US relationship

Written by Taipei Times
Thursday, 18 November 2010 09:39 -

In its annual report released yesterday, the US-China Economic and Security Review Commission made a series of recommendations aimed at boosting the Washington-Taipei relationship and pushing the administration of US President Barack Obama to take stronger action on trade issues with China.

The commission recommends that the US Congress direct the Pentagon to “address the issue” of Taiwan’s air defense capabilities, to include a detailed assessment of Taiwan’s needs vis-a-vis China’s growing military air and missile capabilities.

The Pentagon should also assess the US military’s capacity to withstand a Chinese air and missile assault on US bases in Asia and the implications of a similar assault on Taiwan’s air defenses, including the impact further deterioration in Taiwan’s air defense capabilities could have on US forces should they become involved in a cross-strait conflict.

At the same time, the commission wants Congress to encourage the White House to continue to support the improving relationship between Taiwan and China.

Perhaps most significantly, the commission recommends that Congress push the Obama administration to “identify ways to strengthen economic relations between the United States and Taiwan in order to improve Taiwan’s position in further economic negotiations with the mainland [China].”

This move will strengthen efforts planned for the new Congress when it comes to power next year to promote consideration of a free-trade agreement (FTA) with Taiwan.

The commission also wants Congress to pass a joint resolution reaffirming the importance of, and continued US commitment to, the Taiwan Relations Act (TRA). A reaffirmation of the act would confirm congressional support for further arms sales to Taiwan.

The commission asks Congress to urge the White House to encourage China to “build upon

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the improved cross-strait relationship by renouncing the use of force in regard to resolving its dispute with Taiwan.”

“Beijing should also be encouraged to demonstrate its good intentions by drawing down the number of short-range ballistic missile forces deployed against Taiwan,” it says.

The commission also says that Congress should encourage the White House to continue working with Taiwan to modernize its military, particularly its air defenses. Analysts said this could be interpreted as support for Taiwan’s request to buy 66 F-16C/D aircraft, which Washington is still considering.

The 12-member commission was created 10 years ago by Congress to advise on China-US relations. Its report was based on briefings, eight hearings and visits to China, Hong Kong, Taiwan and Vietnam.

Overall, the report sounds warning bells about China’s military activities and indicates a growing apprehension among the commissioners.

While it praises the improvements in cross-strait relations under President Ma Ying-jeou (馬英九), the report says that the security situation “is still of serious concern.”

“China’s continued military buildup across from Taiwan is increasing the gap in military capabilities between the two sides. In particular, Taiwan’s air defense capabilities are degrading as its air force ages and the PLA’s [People Liberation Army] air and missile capabilities improve,” it says.

The report says the growing imbalance across the Taiwan Strait poses potential problems for the US.

“The PLA increasingly has the capacity to deny Taiwan’s air force the ability to defend Taiwan

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in the event of an air or missile attack, which in turn increases Taiwan's reliance upon US support in the event of a crisis," it says.

"Furthermore, the PLA's air and conventional missile capabilities could now endanger US military forces and bases in the region should Washington decide to intercede on Taiwan's behalf," the report says.

Turning to the Economic Cooperation Framework Agreement (ECFA), the report says the commissioners were told in July by a representative of the Chinese Ministry of Foreign Affairs that Beijing continues "strongly" to oppose Taiwan signing FTAs with other countries.

Several witnesses testified to the commission that Beijing was willing to let Taiwan gain the better part of the ECFA deal for now, "in order to advance China's political agenda of unification with Taiwan."

The commission also urges Congress to prod the Obama administration into tougher action against what it calls China's policy of keeping its currency undervalued, saying Beijing is creating global imbalances and using "market access-limiting practices" that fall outside its WTO commitments.

The report notes that China has continued buying up US debt and has become the single biggest foreign buyer of Treasury securities, the commission reported.

"Although the size of China's holdings has raised concerns about the degree of influence China has on the US economy, the lack of alternatives and the potential detrimental impacts on China's economy make it unlikely that China would stop buying US debt or liquidate its holdings altogether," its report said.

Wang Baodong (王寶東), spokesman for the Chinese embassy in Washington, said the commission's report seemed based on false assertions that hark back to the Cold War era.

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“I’d say China’s peaceful development has helped enhance regional security and global stability,” Wang said in an e-mail.

“Its responsible economic and currency policy and its sound [WTO]-related records have contributed greatly to world economic recovery and more balanced and sustainable global development,” he wrote.

Source: [Taipei Times - 2010/11/18](#)