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**"The National Security and Foreign Policy Implications for the United States of Arms Exports to the People's Republic of China by Member States of the European Union"**

**INTRODUCTION**

**Chairman Hyde, Chairman Hunter, distinguished Members of the Committees, thank you for the opportunity to discuss with you the issue of arms exports to China from EU member states. This is my first testimony before your Committees. I look forward to working with you on this and other foreign policy issues.**

**This is an issue of central importance to U.S. interests in the Asia/Pacific region, and it intersects with our relations with many of our most important allies in Europe. That is why we have made our position clear to all parties – we strongly oppose the European Union lifting its embargo on arms exports to China. We believe that lifting the embargo would be detrimental to peace and security in the Asia/Pacific region, and that it would be the wrong signal to send given continued, serious human rights abuses taking place in China. That is why we have maintained our own embargo on China since the 1989 Tiananmen Square massacre, and why we will continue to urge the EU to maintain its embargo.**

**PEACE AND SECURITY IN ASIA**

**One of the central issues in this discussion is security in the Asia/Pacific region, where the United States has served as the guarantor of peace and stability since World War II. Maintaining this stability is in the clear and vital interest of both the United States and of Europe.**

**Today, we see China continuing a military buildup which is viewed as threatening by its democratic neighbors. We need to preserve peace and**

**security in the Asia/Pacific region, and we believe the EU's lifting of the embargo would negatively affect regional stability and America's security interests. As the September 2002 National Security Strategy of the United States makes clear, while U.S.-China relations are an important part of our strategy to promote a stable, peaceful and prosperous Asia-Pacific region, "there are, however, areas in which we have profound disagreements. Our commitment to the self-defense of Taiwan under the Taiwan Relations Act is one."**

**Our commitments on Taiwan are an area of particular concern when we consider the EU ending its arms embargo. Simply put, we do not believe cross-Strait relations would improve if China gains access to advanced weaponry. We are also concerned about protecting key U.S. military technologies that we share with European allies, should the EU lift the embargo. Likewise, we are concerned about China's record of proliferating weapons to Iran, Sudan, Burma and other states of concern.**

**As President Bush said on February 22 in Brussels, in the very heart of the EU, "there is a deep concern in our country that a transfer of weapons would be a transfer of technology to China, which would change the balance of relations between China and Taiwan." Lifting the embargo now could also be seen as an endorsement of China's recent anti-secession legislation, which codifies in law the use of non-peaceful means, under certain circumstances, to prevent Taiwan's independence.**

## **ENGAGEMENT WITH CHINA**

**While our opposition to the EU lifting its embargo is firm, it also should be seen in the context of our overall relationship with China. During his visit to Beijing in 2002, the President stated that "China is on a rising path and America welcomes the emergence of a strong and peaceful and prosperous China." Secretary Rice reaffirmed that view recently in Tokyo, when she said "we want China as a global partner, able and willing to match its growing capabilities to its international responsibilities."**

**Economic liberalization and increased trade have opened a place for China in the international community, and we strongly support China's integration into that rules-based community – not just economic institutions, but diplomatic, peacekeeping, relief and reconstruction ones as well. China is also playing a vital role in hosting the Six Party Talks on the North Korean**

**nuclear issue, and we need China to remain engaged there to bring pressure to bear on North Korea.**

**Finally, I would note that the United States has a flourishing commercial relationship with China, despite the fact that we maintain a strict embargo on military sales to China. This, in itself, is an important fact for our European allies to appreciate.**

## **HUMAN RIGHTS**

**As our relationship with China develops, however, we remain concerned by its human rights record. The United States and EU embargos were imposed in response to the Tiananmen massacre in 1989. The U.S. Government has stated repeatedly that we view our embargos as complementary, and that the underlying reason for their imposition remains valid.**

**As the State Department's Human Rights Report from 2004 makes clear, the human rights record of the Chinese Government remains poor and serious abuses continue. According to estimates by non-governmental organizations, hundreds of persons remain in prison as a result of the Tiananmen demonstrations. We remain very concerned about ongoing suppression of fundamental liberties, such as freedom of expression, religious practice and press, and judicial abuses such as arbitrary detention and torture.**

## **OPPOSITION TO EU LIFTING EMBARGO**

**Given these security, proliferation and human rights concerns, we have made our case vigorously to EU member states that they should not lift their arms embargo on China. In my judgment, there were inadequate senior-level consultations with us by the Europeans before they embarked down this path in early 2004. But we quickly moved to engage them, and the President, Secretary of State Rice, former Secretary of State Powell, and Secretary of Defense Rumsfeld have raised this in clear terms with their EU counterparts.**

**During her first visit to Brussels as Secretary of State in February, Secretary Rice said that "we do have to worry about the military balance in the region and that we have concerns about technology and technology transfer." We have made this point in many NATO meetings in the last**

**several months, and this has featured in many of Secretary Rice's meetings with European allies. We have conducted joint State-Defense visits to twelve EU capitals to ensure they understood our concerns. We have made intelligence-based presentations to all EU member states in Brussels.**

**I would also like to thank Congress for its resolutions opposing a lifting of the EU arms embargo. I can assure you from my many discussions with our European allies that Congress' voice has been heard, and this has been a powerful and compelling argument with the EU. We especially appreciate the strong, bipartisan support for this policy by the members of these two Committees.**

**At every opportunity, we have given European governments a strong, consistent message that lifting the embargo would be a direct challenge to vital U.S. interests, and that doing so would undermine efforts to bring China's human rights practices into compliance with international standards. We have also received valuable support on this issue from Japan, which shares our concerns about the consequences of a lift.**

**One of the European responses to our arguments has been that it would substitute for the embargo a package of transparency measures, including improvements to the EU Code of Conduct on arms transfers. Our response is that there is no enforcement mechanism or objective measurement to ensure the Code will serve as a restraint. We welcome improvements to the Code of Conduct, but the fundamental nature of the Code would not change. In 2003, EU governments applying the Code of Conduct approved defense exports to China worth 416 million Euros. In our view, changing the Code is not the answer – maintaining and strengthening the EU embargo is.**

**Our efforts have had a positive impact. When the EU began considering lifting the embargo, most European commentators believed that a lift was inevitable and would be concluded by Summer 2004. Instead, we made U.S. security and human rights concerns known to EU members, and the EU took the time to consider the larger implications of lifting the embargo. We do not believe the EU is now close to a decision to lift. But we realize that we must keep this issue at the forefront of our agenda with Europe for some time to come.**

**The question remains why some in the EU still support lifting the embargo on China. Some EU states were supportive because they hoped that**

**this would result in improved access to the Chinese commercial market, whether or not they actually increased military sales to China.**

**Other EU governments have not been openly supportive of lifting the embargo but also have not actively opposed such an action. These states generally have not sold military items to China in the past and have no intention of doing so even without an embargo. Many of these states share our serious concerns about China's human rights record. Originally, the lift was presented as a political gesture, a part of the EU's agreed policy of building a better relationship with China. In fact, some members states have argued that lifting the embargo would not affect their policy of denying defense articles to China.**

### **STRATEGIC DIALOGUE**

**We believe the EU has not made a compelling case for why the embargo should be lifted, and our government is united in the belief that there are compelling national security reasons for maintaining the embargo. We and the EU have a shared interest in maintaining regional peace and security and in promoting human rights in China. We must align and strengthen our export control regimes, so that we can limit sales to China that put these interests at risk.**

**What is now abundantly clear is that there is a great need to undertake a Strategic Dialogue with the EU on this issue. We will soon begin such a dialogue with the EU on the security situation in the Asia-Pacific region in general.**

**This will not be a negotiation over terms for lifting the embargo but a means of ensuring, among other goals, that EU members understand the real dangers to regional security that lifting the embargo would pose. It is also an opportunity to discuss ways of strengthening and harmonizing European export control regimes to track more closely with U.S. controls.**

**We will include in these discussions with the EU our concerns about current EU sales of military equipment to China. Several items that have been approved for sale, including fire control radar, aircraft engines, submarine technology and maritime search radar, seem inconsistent with the EU's Code of Conduct on military sales.**

**According to 2003 EU data, EU members approved 159 licenses for exports to China of items on the Common Military List. These items were worth almost double the value of licenses from 2002. The fact that approvals of licenses for defense exports to China greatly outnumber denials adds to our concern that the EU needs to strengthen its existing regime.**

**We will also encourage the EU to strengthen its human rights dialogue with China. China continues to hold hundreds of Tiananmen-era political prisoners. It continues to restrict fundamental liberties including freedoms of expression and religious practice. The circumstances that led to the imposition of the embargo some sixteen years ago need to be honestly addressed by the Chinese government.**

## **CONCLUSION**

**In conclusion, I would like to underscore that the careful consideration being given to the implications of a lift is a significant milestone for the EU. Taking U.S. concerns into account before making a decision is a direct affirmation of President Bush's call for a "new era in trans-Atlantic relations." It is our hope that EU members will continue to do so.**

**We welcome the EU as an equal partner in promoting our shared values and the security of democratic nations around the world. Our common agenda should include engaging China to develop our shared security, economic and political goals in the Asia-Pacific region. Working with our allies in Japan and Europe, we believe there are means other than selling advanced weaponry for advancing these goals.**