

LATE TESTIMONY

TESTIMONY OF
Daniel Paul de Gracia, II
Concerned Citizen

BEFORE THE
House Committee on Economic Development and Business Concerns
Chair, Rep. Kyle T. Yamashita
Vice Chair, Rep. Glenn Wakai

IN CONSIDERATION OF THE MEASURE
SCR53 SD1 HD1 (HSCR1549-08)
"REQUESTING THE PRESIDENT OF THE UNITED STATES TO ENTER INTO A FREE
TRADE AGREEMENT WITH TAIWAN."
Friday, April 4, 2008
Conference Room 325, 9:30 am

Single copy transmitted electronically to EDBtestimony@capitol.hawaii.gov

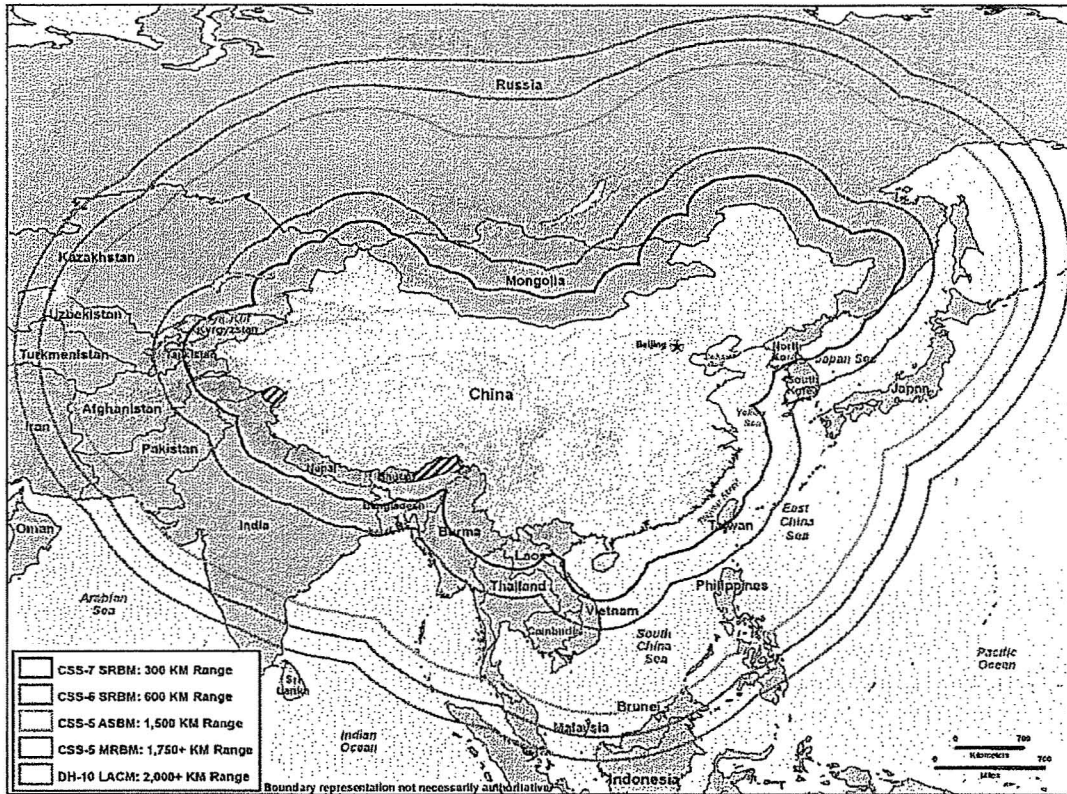
Chair Yamashita, Vice Chair Wakai, Honorable Members:

The purpose of this concurrent resolution is to promote the establishment of a free trade agreement with Taiwan to indirectly facilitate the participation of Taiwan in multilateral Asian trade agreements.

I strongly support this resolution, however I would like to caution the Committee that America's relationship with Taiwan has significant implications upon the security and stability of the Asia-Pacific region as well as our relations with the People's Republic of China. The Department of Defense recently provided a 2008 report to Congress pursuant to Section 1202 of the National Defense Authorization Act for Fiscal Year 2000 (Pub L. 106-65) which indicated that regarding unification with Taiwan, "Although Beijing professes a desire for peaceful resolution as its preferred outcome, the PLA's ongoing deployment of short range ballistic missiles, enhanced amphibious warfare capabilities, and modern, long-range anti-air systems opposite Taiwan are reminders of Beijing's unwillingness to renounce the use of force" and further notes that "[t]he PLA is capable of pursuing increasingly sophisticated military courses of action against Taiwan."

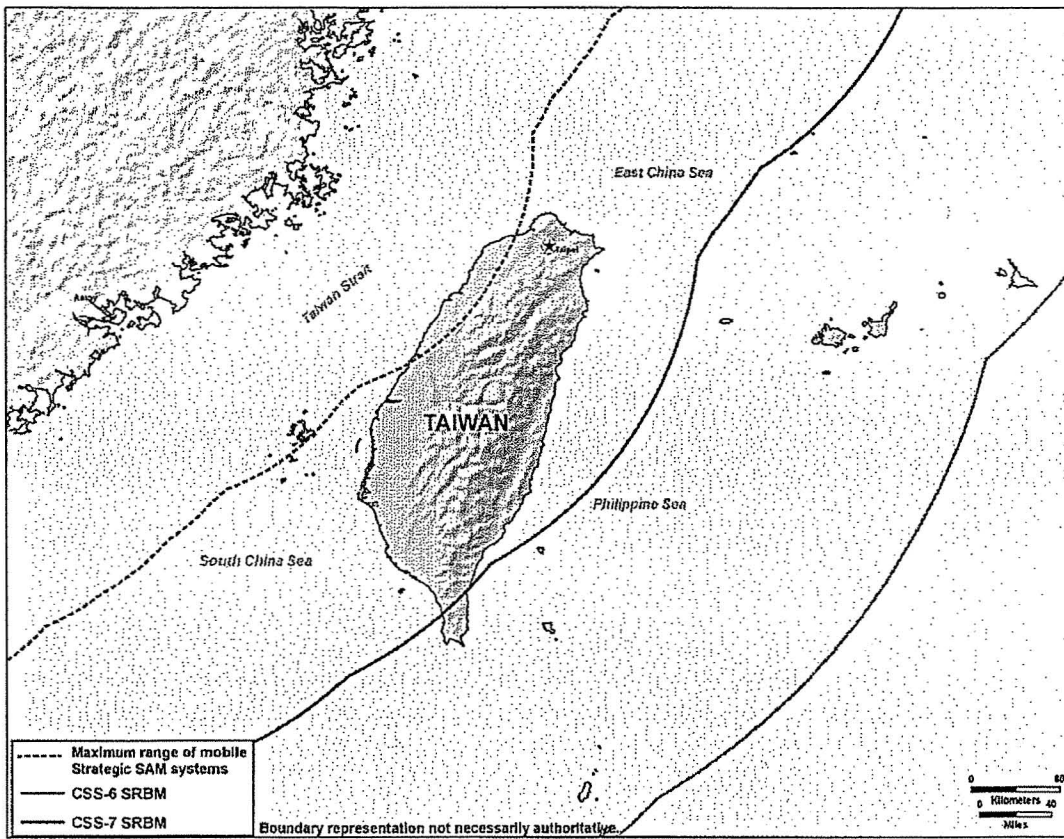
As Taiwan increases in economic and political status in the region and ultimately the world, the People's Republic of China may grow increasingly belligerent towards both Taiwan and the United States. If it is our intent to facilitate the prosperity of Taiwan, we must do so with the understanding that Taiwan needs the full, unrestricted might of the United States behind it to prosper. Taiwan is

America's single most important ally in the region and must be viewed in many ways as the gravity center - the belly button if you will - of the Asia-Pacific region. As demonstrated by the below graphic, China has the capability to shower Taiwan and her neighbors with conventional (non-nuclear) missiles in the event of war.



As of November 2007, the Department of Defense estimates that the PLA had deployed between 990 and 1,070 CSS-6 and CSS-7 short range ballistic missiles, and is increasing this force at a rate of 100 units per year. The PLA is also acquiring large numbers of highly accurate cruise missiles, such as the domestically produced ground-launched DH-10 land attack cruise missile (LACM); the Russian SS-N-22 "Sunburn" supersonic anti-ship cruise missile (ASCM) outfitted on China's four Sovremenny guided missile destroyers, and the new SS-N-27B "Sizzler" supersonic ASCM, outfitted on the last eight of twelve total Russian-built Kilo-class diesel electric submarines acquired by China.

In addition to this, there is not a single aircraft operating in Taiwan which cannot be shot down over Taiwanese airspace by long range, mobile strategic Chinese surface to air missiles as demonstrated by the below graphic, placing Taiwan at incredible risk on "day one" of the



outbreak of any hostilities with China. Likewise, China bases 490 combat aircraft within unrefueled operational range of Taiwan, and has the airfield capability to expand that number by hundreds.

John F. Kennedy said, "When written in Chinese, the word crisis is composed of two characters, one representing danger, the other meaning opportunity." Taiwan has the greatest opportunity to stand as an example to all of the Asia-Pacific region that democracy and free market principles work, but it is in danger of destruction and harm from China. The fight for the region hinges on Taiwan. If we establish a free trade agreement with Taiwan, we also need to consider that as Taiwan prospers, Taiwan will need more backing from the United States in the form of defense commitments and transfers of advanced military equipment to stand against the might of China. I urge the Committee to take this into consideration as it passes this measure on to adoption.

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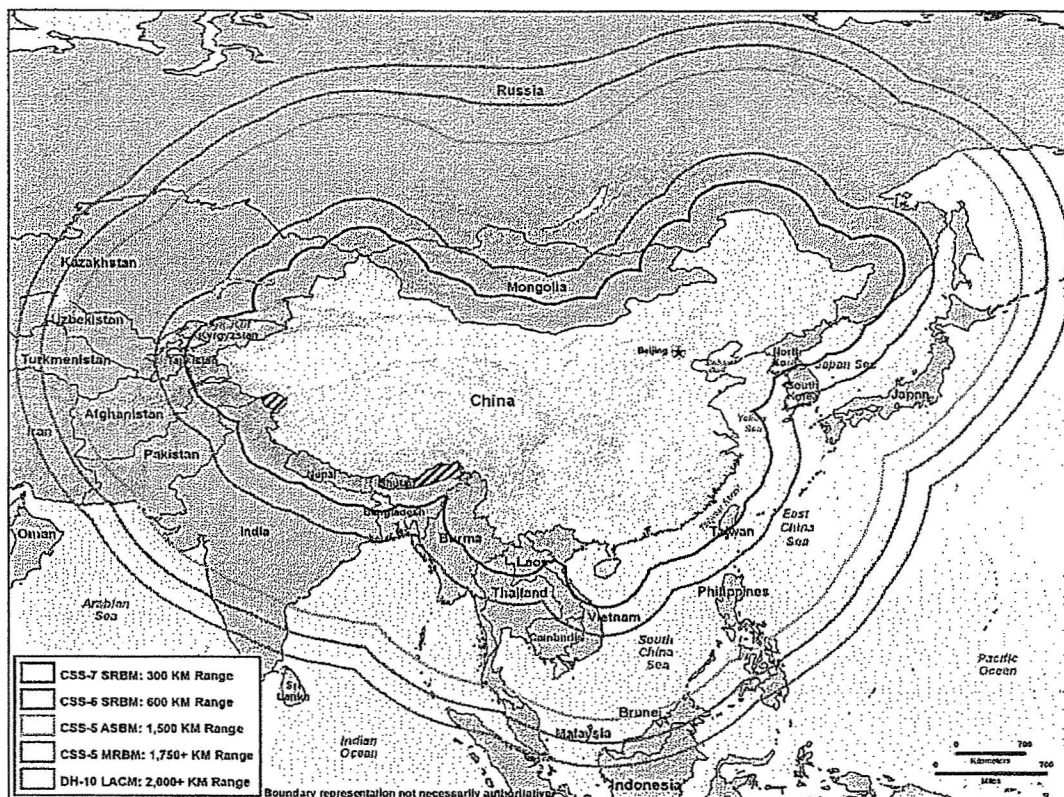
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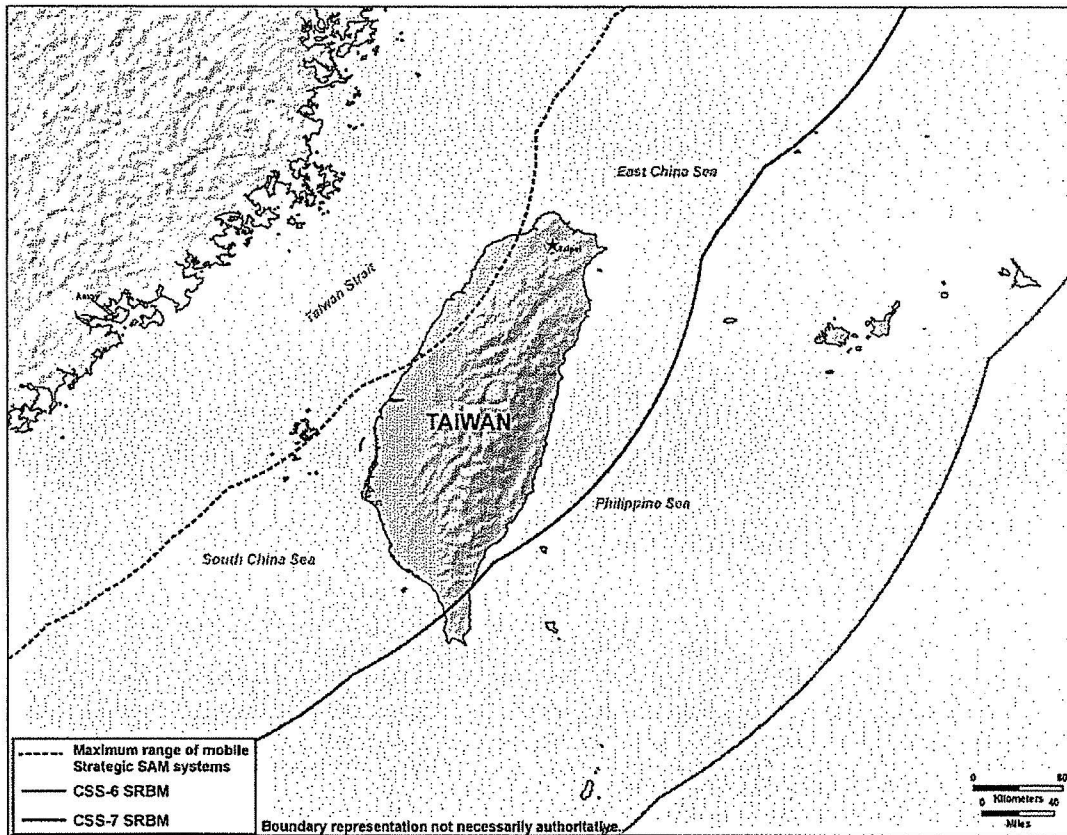
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