A new “fighting cabinet”

Mr. Yu Shyi-kun becomes Prime Minister

On 21 January 2002, President Chen Shui-bian announced in Taipei that the new Cabinet would be led by Mr. Yu Shyi-kun, secretary-general of the Presidential Office. During the subsequent days, the new Prime Minister announced his new Cabinet line-up (see article below), and the Cabinet took office on 1 February 2002.

Mr. Yu is a veteran DPP leader, who gained his political and administrative experience through his membership in the Provincial Assembly in the 1980s and as County Magistrate of Ilan County – on the Eastern seaboard of Taiwan – from 1989 through 1997. He was able to turn the county into a showcase of clean and effective government.

When Chen was elected President in March 2000, Mr. Yu became vice-premier in the first Cabinet – under Mr. Tang Fei – but resigned in July 2000, taking political responsibility for the Pachang Creek incident, when four workers perished in front of TV camera’s after rescue helicopters failed to show up due to administrative bungling of local officials.

In October 2000, Mr. Yu was appointed secretary-general to the president, paving the way for his re-emergence in the Chen government. Mr. Yu is an effective and able administrator, who has proven himself as a man who gets things done.
In his inaugural address on 1 February 2002, he gave an indication of his long-term vision when he stated: “Our final goal is to build a new country and society, just as I worked to build a new Ilan County. There is not only the beautiful island of Formosa, but also the pride of the people and their government that joins the environment, humanities, and economy to create a new civilization.”

**The new Cabinet line-up**

Immediately after his appointment, Mr. Yu started to announce the members of his new cabinet, retaining effective members of the previous cabinet, such as Minister of Economic Affairs Lin Hsin-yi — who will hold the position of vice-premier – and Mainland Affairs Council chairwoman Tsai Ying-wen and Overseas Taiwanese Affairs Commissioner Mrs. Chang Fu-mei.

Foreign Affairs Minister Tien Hung-mao, who was generally considered ineffective, was replaced by deputy secretary-general to the President Eugene Chen, while Prof. Kao Ying-mao, who served at the National Security Council, was appointed deputy Foreign Minister. The two are expected to show more leadership and vision in foreign affairs, while being more aggressive in weeding out the deadwood at the Foreign Ministry left over from the KMT era.

Another minister who didn’t survive the shuffle was Ovid Tzeng, who made himself unpopular by blocking reforms and taiwanization of textbooks in the educational system. He also continued to push Hanyu Pinyin romanization — a system used in China — even though the government had opted for the homegrown Tongyong Pinyin system. He is being replaced by Mr. Huang Jung-tsun, currently a minister without portfolio.

At the Defense Ministry, chief of general staff Tang Yao-ming was promoted to be the defense minister, the first native Taiwanese to hold that position: under the previous KMT regime that post was always reserved for a Chinese mainlander.

At the Justice Ministry, Mr. Chen Ting-nan – who had led the fight against corruption and “black gold” – retained his position, leading to a welcome continuation of the Chen Administration’s policies in that area.

Labor Affairs Commissioner Mrs. Chen Chü retained her position, as did Mrs. Tchen Yu-chiou, the chairwoman of the Council for Cultural Affairs, an accomplished
concert pianist who had done much to regenerate Taiwanese arts and culture. Mrs. Tchen’s late husband, legislator Lü Hsiu-yi, was one of the founding members of Taiwan’s democratic movement.

In the economic/financial area, Mr. Yu asked Mrs. Christine Tsung to be Taiwan’s first female minister of economic affairs, while the chairman of Taiwan’s Banks’ Association was asked to lead the Finance Ministry. The choices led to an immediate upturn of Taiwan’s stock market.

Interestingly, several of the new appointees, including defense minister Tang, Council of Aboriginal Affairs chairman-designate Chen Chien-nien as well as Yang Teh-chih, who was re-appointed chairman of the Veterans’ Affairs Commission are still members of the Kuomintang. In a decision on 22 January 2002, the KMT announced that any of its members joining the cabinet “will face disciplinary action.” The persons involved said they would go ahead and fill their positions in the cabinet anyway.

An influential person in the immediate surroundings of the President will be newly appointed Dr. Chen Shih-meng, now deputy governor of Taiwan’s Central Bank, who will fill the position of secretary-general to the president. Together with the newly-appointed Cabinet secretary-general Dr. Lee Ying-yuan – who served until recently as deputy representative in Washington – he will have an important role in shaping the policy of the new cabinet.

Both Chen and Lee played key roles in Taiwan’s transition to democracy in the late 1980s and early 1990s, but came from very different backgrounds: Chen is the descendant of Chinese mainlanders, who became an early advocate of political reforms and Taiwan independence. Dr. Lee is a native Taiwanese who went to study in the United States and became active in the overseas Taiwanese movement. He returned in
1989, was arrested together with other political activists and imprisoned. In subsequent years he was elected to the legislature and – upon President Chen’s election in 2000 – was sent to serve in Washington.

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December election victory for DPP

It has been a couple of months since the December 2001 legislative elections in Taiwan. Since the previous issue, *Taiwan Communiqué* no. 99, appeared just before those elections, we have not been able to do a retrospective yet.

The results showed a significant increase for the DPP, going from 69 seats to 87 seats, which made the party the largest in the Legislative Yuan. The Kuomintang, which had been the largest party with 123 seats, dropped down to 68, almost half of its previous majority.

Of the other parties, the opposition Peoples First Party of James Soong made its expected gain — to some 46 seats — while the newly-founded “Taiwan First” Taiwan Solidarity Union made a strong showing with 13 seats. The rabidly pro-unificationist New Party almost vanished from the political landscape when it dropped from 11 seats to only one seat.

Not without some satisfaction we may point out that this outcome is almost exactly in line with our own predictions, which we published in *Taiwan Communiqué* no. 99. In fact, our prediction was much closer to the actual outcome than any of the opinion polls making their way through Taipei just before the elections. See http://www.taiwandc.org/twcom/99-no1.htm

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The only one where we were a bit off was the New Party, and that’s because we couldn’t fathom the depth to which they would plunge.
On the following pages we publish two commentaries about the elections, one from the Taipei Times, and one by Mr. Michael Fonte, of the Washington-based Formosan Association for Public Affairs (FAPA).

A new day dawns for Taiwan

This editorial first appeared in the Taipei Times on 2 December 2001. Reprinted with permission.

The voters of Taiwan have sent a clear message to the parties: “We are not satisfied with your performance, none of you are completely trustworthy.” There was no big winner in yesterday’s elections — no party won an absolute majority in the legislative polls. The stage is set for a partisan realignment.

The DPP is now the biggest party in the Legislative Yuan, having won 36.5 percent of the vote and 87 seats — a considerable increase of 22 seats, but far short of a majority. It remains under considerable threat from the opposition parties as it struggles to form a new Cabinet and in governing the country afterwards. The DPP fared poorly in the local elections, winning in three new areas but losing six of the seats it had held.

Acutely aware of its difficulty in cultivating talent and in local politics, the DPP was quite conservative in its nominations, which totaled less than half of all legislative seats. The party is also well aware of voters’ disappointment with the government’s performance as Taiwan struggles with its first bout of economic contraction and soaring unemployment. Shifting ministerial appointments, brash decision-making and policy flip-flops do not win voter confidence. These are the lessons that the DPP should learn from the ballot box.

The KMT has suffered a massive blow; only time will tell if it was a deadly one. The party lost its legislative majority for the first time. It must now really learn how to be number two, after winning just 31 percent of the vote — a significant drop from its previous 46.4 percent showing — and 68 seats — a nosedive from the 110 seats it had held.

The elections were a clear sign of the KMT’s continuing decline. Badly battered by defections to the People First Party (PFP) and the Taiwan Solidarity Union (TSU), the party tried to maintain a business-as-usual attitude while promising reforms. Voters showed their unhappiness with the KMT’s policies and the sluggish pace of its internal reforms, and their disgust with the way the KMT has handled its role as an opposition...
party. In the past year the KMT showed that it was not only ignoring the message voters sent in last year’s presidential election, it completely misinterpreted it. This time there is no room for error. KMT Chairman Lien Chan should step down to take responsibility for the party’s poor performance.

Yesterday was PFP’s electoral “baptism.” It increased its number of legislative seats from 20 to 46. But its performance was not enough to send PFP Chairman James Soong into the legislature. He was No. 11 on the party’s slate for legislators-at-large, but only the top nine on the list will gain seats. Meanwhile, despite its victory in the Kinmen County Commissioner election, the New Party has almost completely vaporized, after most of its support base shifted to the PFP.

Despite being Taiwan’s youngest political party, the TSU proved to have strong appeal, thanks to the all-out support it received from former president Lee Teng-hui, its pro-localization banner and a platform focusing on political stability. Even though it fielded second-rate candidates, the TSU has won 13 legislative seats.

It will take time for post-election groupings to take shape. Possible mechanisms for realignment include President Chen Shui-bian’s cross-party alliance for national stabilization, Lien’s proposed national alliance to uphold the constitution and Lee’s proposed Taiwan Advocates group. As the smoke clears from the intense campaign, party leaders should take heed of the lessons delivered yesterday as they jockey for places and power inside or outside a coalition government. The people of Taiwan have spoken — party leaders must now prove they were listening.

Elections strengthen ties with US

By Michael Fonte, senior policy advisor at the Formosan Association for Public Affairs (FAPA) in Washington. This article first appeared in the Taipei Times on 12 December 2001. Reprinted with permission.

The US State Department gave a ringing endorsement to Taiwan and relations with the island in the wake of the Dec. 1 elections. “Taiwan’s democracy is one of the reasons that the ties between the people of the United States and Taiwan are so close — and will continue to flourish in the future,” said State Department spokesperson Susan Pittman.

Congressional praise was also effusive. “The Taiwanese people are rightfully proud of their achievements. Taiwan’s recent entry into the World Trade Organization, together
with its successive democratic elections, puts the people of Taiwan in the front ranks of democratic peoples around the world,” Representative David Wu said. Newspaper comments added their own high marks for the democratic process in Taiwan, but how to relate to Taiwan drew some very different responses.

In a 4 Dec. 2001 Washington Post op-ed, conservative William Kristol called for drawing Taiwan into an explicit security arrangement with the US and other Pacific democracies. Kristol has been hectoring the Bush administration from the right, often directing his fire at the State Department headed by Secretary of State Colin Powell. He clearly had the Department in his sights with this salvo: “China hands in Washington will desperately try to avoid the clear implications of this vote: America’s ‘one China’ policy is dead.”

Kristol concluded his piece by calling for “some sort of collective security arrangement among the Pacific democracies, with the United States at its center. Mainland China would complain that such a grouping would exclude it. There is, however, an easy answer to the rulers in Beijing: embrace democracy.”

The next day, The Los Angeles Times ran an editorial entitled “Taiwan is fine on its own,” which counters Kristol’s argument. First it praised Taiwan’s democracy and supported President Chen Shui-bian’s refusal to accept the “one China” principle as a basis for negotiations. “If Taiwan were to accept the ‘one China’ idea, there would be little left to negotiate over,” the editorial rightly stated.

The editorial then went on to rebut Kristol. “The American anti-China lobby is seizing on the election results to try to push Washington into making an overt economic and military show of support for Taiwan. That would be a mistake.”
It concludes, “Beijing would only be inflamed and forced into a corner by an overt American display of such support. This is no time for the United States to rock the boat. It is Beijing, after all, that has to fear the example of Taiwanese democracy.”

While Kristol’s positive discussion of Taiwan and its democratic development is most welcome, his prescription for an explicit collective security arrangement is not as simple or “easy” as he would make it out to be.

There are other conservative analysts, members of Congress and even policymakers in the Bush administration who might agree with Kristol. But, at this juncture, the “contain China” crowd does not reflect the full Bush administration approach.

There are other US national interests which most would argue have to be taken into account in East Asia and an “in-your-face” policy toward China might well jeopardize them. Keeping the anti-terrorism coalition cohesive is but one such interest that no leading US official wants to disturb. On the other hand, US policy definitely does not leave Taiwan on its own.

The Taiwan Relations Act (TRA) remains the law of the land and Bush administration officials note this fact regularly. Whereas China’s bureaucrats quote the Three Communiqués as the operational documents governing US-China relations, Powell and his deputy Richard Armitage bring the TRA front and center in their conversations about Taiwan.

The TRA is clear in considering any effort to determine the future of Taiwan by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the US.

The TRA supports arms sales to Taiwan of a defensive character and states that it is US policy to maintain the capacity to resist any resort to force that would jeopardize the security, or the social or economic system, of the people of Taiwan.

Taiwan is not, then, on its own and President George W. Bush has stated clearly his commitment to the security of the country. As Taiwan’s democracy has deepened, US support has grown stronger. The US “one China” policy, as it is now articulated, involves a peaceful, mutually agreed upon resolution of the Taiwan Strait issue and, precisely because Taiwan is a democracy, the consent of the people of Taiwan.
This is not an anti-China policy, nor does it need to be construed that way. It is also not a one PRC policy, as Beijing would have it. Rather, US policy accepts both China and Taiwan as equal partners in a discussion of the future.

It is true that, because of US official recognition of China and unofficial links to Taiwan, the implementation of US policy toward Taiwan does not treat Taiwan as an equal partner. There are growing signs of change, however.

Bush, in a letter to Senator Frank Murkowski dated May 11 this year, agreed that the US “should find opportunities for Taiwan’s voice to be heard in [international] organizations in order to make a contribution, even if membership is not possible,” and stated that his administration “has focused on finding concrete ways for Taiwan to benefit and contribute to the WHO” [World Health Organization].

Bush said that some of the “practical ways” already discussed with Taiwan representatives included: “support for the participation of Taiwan experts on WHO advisory panels, support for Taiwan’s participation in WHO-organized conferences, and expanded health-care cooperation between Taiwan and the United States.”

“As we pursue those goals,” Bush concluded, “we will continue to urge the PRC and the international community to be more receptive to Taiwan’s participation in the WHO and other international organizations.”

The Bush administration has also given much more leeway to high-level visits by Taiwanese officials. While still maintaining the fiction that these are transit stops, administration officials added “dignity” to the usual “safety and convenience” as code words for Chen’s brief visits to New York and Houston. Members of Congress greeting Chen at both stops and his Wall Street visit turned these into public events.

Taiwan’s democracy is one of the reasons why the ties between the people of the US and Taiwan are so close and will continue to flourish in the future, the State Department spokesperson noted.

US policy is moving toward treating Taiwan much more like an equal partner and the Legislative Yuan elections advanced that agenda greatly.
Legislative vice-speaker tussle

DPP’s attempt at political harmony shot down

While the December 2001 elections pointed Taiwan in the direction of political tranquility and maturity, a subsequent event jarred it in the opposition direction.

In order to attempt to achieve a cooperative spirit in the new Legislative Yuan, the ruling DPP said it would support the incumbent speaker, Mr. Wang Jin-pyng, although he is a KMT-member. In the previous session of the legislature, Mr. Wang had showed a considerable amount of impartiality and had been able to bridge the political divide between the DPP and opposition parties.

The Chen government supported Mr. Wang under the understanding that it could forward a DPP candidate for the position of vice-speaker, which would then be broadly supported – also by the opposition parties.

However, it first had to come up with its own candidate, which proved to be no easy task: as the date of the speaker-election approached, President Chen indicated his support for Mr. Hong Chichang, a medical doctor. Dr. Hong — one of the DPP’s longest serving legislators — was an early member of Taiwan’s democratic movement in the 1980s, and became a leading figure in the party’s New Tide faction.

This led to a bruising battle, since other factions within the DPP felt that New Tide already had its fair share of important positions in the government. Prominent DPP legislators, such as Dr. Chai Trong-jong and Dr. Shen Fu-hsiung were also in the race for the vice-speaker position. In the end, Dr. Hong did become the DPP’s candidate by barely edging out Dr. Chai with one vote, 38 to 37.
That was only the beginning of the DPP’s anguish, since only a few days before the speaker and vice-speaker vote, James Soong’s PFP approached the KMT and suggested that the two opposition parties team up for the vice-speaker position by supporting one candidate, former KMT economics minister Chiang Ping-kun. The ploy worked, and to the DPP’s dismay, its candidate was defeated on 1 February 2002 by a vote of 115 to 106.

The move destroyed President Chen’s attempt to achieve some harmony in Taiwan acrimonious political landscape, and set the stage for further politicking the old way – as further explained in the following editorial of the 

**Taipei Times**

**A return to the bad old days**

*This editorial first appeared in the Taipei Times on 2 February 2002. Reprinted with permission.*

Talk about starting off on the wrong foot. Yesterday should have been a good day for Taiwan, as the legislators elected in the Dec. 1 elections took their seats in the Fifth Legislative Yuan. Unfortunately, the election for the legislature’s vice speaker created a major uproar, with lawmakers pushing, shoving and shouting to be heard. There were also widespread rumors of political parties buying votes. It looked like a return to the bad old days, when Taiwan’s legislature became famous around the world for its melees.

It was hardly an inspiring start for freshmen legislators, who occupy about half of the seats in the new legislature. They were given a crash course in legislative bullying and rule-breaking. Instead of the legally-mandated secret vote, legislators had to follow their parties’ request to flash their ballots to other lawmakers.

However, the most unacceptable aspect of the day was that the opposition parties chose to thumb their noses at the government by running their own candidate in the vice-speaker election — dashing hopes that a new legislative session might focus on badly-needed legislation, rather than political power plays.

Even though the DPP is now the biggest party in the legislature, with 87 seats, it had endorsed the re-election of the KMT’s Wang Jin-pyng as speaker in the interests of fostering goodwill. As a result, Wang was re-elected yesterday with a record-breaking 218 votes.

The DPP had hoped that its goodwill gesture will encourage other parties to back its candidate for the vice speaker’s post, Hong Chi-chang. However, PFP Chairman James
Soong came up with a cunning scheme to kill any hopes of establishing a relatively friendly atmosphere in the legislature. He sweet-talked KMT Chairman Lien Chan into endorsing a pan-blue camp candidate for the vice-speaker’s job, former technocrat and freshman KMT lawmaker Chiang Ping-kun. Chiang defeated Hong in the second round of balloting yesterday, 115 to 106.

From the way Soong took Chiang with him to campaign for votes this week, it was clear the PFP leader was using Chiang to provoke hatred between the KMT and DPP. If Soong succeeds, localized KMT lawmakers may be kept from working with the pan-green camp through match-making by the Taiwan Solidarity Union in the 2004 presidential election. Another option is that localized KMT lawmakers may join forces to stand up against Beijing’s favorite puppet — the PFP — so that Soong would not have a good chance at the presidency. The PFP could then wave the pan-blue banner in order to take over the KMT and suck dry the party’s flesh. The PFP really knows how to kill many birds with one stone.

Who Soong thinks he is fooling — besides Lien — is anyone’s guess. Such low-down tactics may have succeeded in hoodwinking Lien, but they can’t deceive the general public. Soong has shown his true character once again.

Perhaps Lien thought he would be able to salvage some of the face he lost in the December elections by having the KMT control both the speaker and vice speaker posts. However, the KMT has forgotten that the DPP’s goodwill gesture in handing over the speaker seat was appreciated by a majority of the people. The KMT may have won the battle in the Legislative Yuan yesterday, but it has lost the heart of most people in Taiwan.

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Dodging the issue on Taiwan passports

By Chen Mei-chin, editor of Taiwan Communiqué.
This article first appeared in the Taipei Times on 25 January 2002.
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On 13 January 2002, on the occasion of the 20th anniversary of the Washington-based Formosan Association of Public Affairs, President Chen Shui-bian announced that “Taiwan” would be added to the cover of Taiwan’s passports. The sound reasoning was of course that the old passport — which has the title “Republic of China” on the cover
— led to frequent confusion at airports around the world, where immigration officials only too often mistook it for a passport from the People’s Republic of China.

The matter led to an immediate uproar in the Legislative Yuan, where the KMT, People First Party and New Party — opposition parties still in the majority just prior to the inauguration of the newly elected Legislative Yuan at the beginning of February — protested that this was equivalent to “changing the name of the country.”

In Beijing, the Taiwan Affairs Office of the State Council, piped in with a protest that Taipei’s move was an attempt to “realize the concept of Taiwan independence.”

From an international perspective — and particularly from the US and Europe — this brouhaha looks ridiculous. Taiwan, which is internationally known as “Taiwan” cannot put “Taiwan” on the cover of its passport?

The problem is of course that Beijing — and its pro-unification lackeys in the opposition parties in Taipei — have been trying for years to portray Taiwan as somehow being a province of China. This is the equivalent of saying that because of historical reasons the US should be part of the UK.

The reality is that following World War II, the former Japanese colony of Formosa — which should have gained independence like other former colonies in Asia and Africa — was unfortunately occupied by the losing side of the Chinese Civil War. From his Taipei retreat, Chiang Kai-shek continued his rearguard fight in that civil war, leading China to perpetuate the hostilities which — continue to this day.

Chiang’s latter-day successors in the KMT, PFP and New Party lost control over Taiwan political system when the Democratic Progressive Party (DPP) – with its grassroots in the native Taiwanese population – gained power in 2000, a democratic
development which was further substantiated in the legislative gains made by the DPP and TSU in December 2001.

Instead of continually sticking their heads in the sand, these opposition figures should come to terms with the reality that democracy has taken hold in Taiwan, and that Taiwan can only gain its rightful place in the international community if it presents itself internationally as “Taiwan” and drop the anachronistic “Republic of China” title.

Even the “compromise” proposed by the Foreign Ministry in Taiwan is confusing: it adds only in small letters “issued in Taiwan” to the bottom of the cover, while leaving “Republic of China” plastered both in Chinese characters and in English across the face of the passport.

If it is really necessary to keep “Republic of China” there, one could have it only in Chinese characters (satisfying Chinese chauvinists), and have only “Taiwan” in English (leading to clarity internationally). This would be a pragmatic compromise.

Still, the matter leaves everyone abroad baffled at the ruckus over “Taiwan independence.” Is Taiwan not independent? If so, on whom is it dependent? The 1933 Montevideo Convention on Rights and Duties of States defines the qualifications for recognition as a nation-state: a defined territory, a permanent population, and a government capable of entering into relations with other states.

Taiwan fulfills all these requirements. Indeed, it has a population greater than that of 3/4 of the members of the UN. It is a de facto independent nation, and should be recognized as such. It is time the opposition in Taipei wakes up to this fact.

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An open letter to Prime Minister Koizumi

The following letter was written in December 2001 in response to a disturbing statement regarding Taiwan by Japan's foreign minister Makiko Tanaka. At the end of January 2002, Mrs. Tanaka was dismissed by Mr. Koizumi. Her gaffe regarding Taiwan's future status was one of the factors contributing to her dismissal.

Mr. Li Thian-hok is a prominent member of the Taiwanese American community. His letter first appeared in the January 3, 2002 issue of China Brief, a publication of the Jamestown Foundation, a research institution based in Washington, DC.
Dear Prime Minister Koizumi:

On Christmas Day, Japan’s Foreign Minister Makiko Tanaka told a press conference: “I think the Chinese people have the wisdom of taking time concerning political issues. Hong Kong was returned to China and the situation was resolved quietly, and I hope the Taiwan issue will be handled in a similar manner. Japan as a neighboring country and the rest of the world should make efforts so that the issue will be resolved peacefully.”

Tanaka’s remarks betray her ignorance about many aspects of the Taiwan issue. First, only 13% of the 23 million people on Taiwan consider themselves strictly as Chinese. A great majority of the Taiwanese have clearly rejected unification with the People’s Republic of China (PRC) under the Hong Kong model of “one country, two systems.” Taiwan, like Japan, is a free market democracy. The Taiwanese people have struggled long and hard against the Kuomintang dictatorship with blood and tears to win their freedom. They will not peacefully give up their freedom and willingly subject themselves to Beijing’s repressive rule.

Second, Chief Cabinet Secretary Yasuo Fukuda reaffirmed that Japan’s basic position concerning Taiwan remains unchanged: “There is a principle on how our country deals with this matter. As in the (1972) Japan-China joint communiqué, China asserts that Taiwan is an inalienable part of China, and Japan fully understands and respects this stance.”

Japan’s position is basically the same as the U.S. position which states that the U.S. “acknowledges” China’s claim. Neither the U.S. nor Japan has “recognized” China’s stance. Both countries have taken note of China’s claim without formally accepting it.
As Japan’s Foreign Minister Tanaka should have been aware of these nuances of diplomatic language. Her lack of diplomatic experience and sophistication means she is a liability for your administration.

Mr. Taku Yamasaki, secretary general of the Liberal Democratic Party was right in criticizing Tanaka’s comments as overstepping Tokyo’s policy of not taking sides on differences between Beijing and Taipei. “As the foreign minister, she should refrain from making statements that may be interpreted as interfering in domestic affairs, which would exceed the government’s policy,” Yamasaki told the Nihon Keizai financial daily.

Third, Tanaka’s remarks work against Japan’s strategic and security interests. Each day hundreds of merchant ships and oil tankers pass through the sea lanes on both sides of the Taiwan Strait. The sea lanes and the airspace around Taiwan are the lifelines of Japan and South Korea. If Taiwan were to fall into PRC hands, China will be in a position to choke off Japan’s lifelines. Unless Japan wants to become a protectorate of China, offering its financial and technological resources upon demand to the new hegemon of Asia, Taiwan’s security is ultimately Japan’s security as well. Can a person who fails to grasp such an elementary strategic reality be qualified to serve as Japan’s foreign minister?

Finally, as you said so yourself, the Japan-U.S. security alliance is the linchpin of peace and security for East Asia. The Bush administration understands the strategic importance of Taiwan to both Japan and the U.S. That is why President Bush has declared that the U.S. will help defend Taiwan, “whatever it takes.” It is in America’s interest to preserve the status quo in the Taiwan Strait, at least until the PRC evolves into a peaceful democracy. U.S. policy is peaceful resolution, not peaceful unification.

It seems clear Tanaka has not cleared her statements beforehand either with you, Japan’s Prime Minister, or with the U.S. State Department or the White House. The U.S. has heavy responsibilities: to guarantee the security of East Asia while fighting a war against terrorism in Afghanistan and elsewhere. The U.S. does not need a Japanese Foreign Minister declaring a brand new policy which parrots Beijing’s position and which is diametrically opposed to U.S. interests at such a critical time. Tanaka’s careless remarks have undermined U.S. confidence in Japan as a reliable ally.

Mr. Prime Minister, we respectfully request that you formally reprimand Foreign Minister Tanaka for her wrongful remarks and also take the opportunity to re-
emphasize Japan’s neutrality in the dispute between democratic Taiwan and Communist China.

With best wishes for a joyous and prosperous New Year to you and to Japan.

Respectfully yours,    Li Thian-hok

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New signs of China’s military expansion

On 31 January 2002, the Washington-based Jamestown Foundation published an article by Richard Fisher, titled “The PLA’s growing combat potential”, which highlighted the recent purchase of an additional three Sovremenny-class destroyers from Russia, and its implications for security in the Taiwan Straits.

In its 1 February 2002 issue, the Hong Kong-based Far Eastern Economic Review published an extensive article by its reporter David Lague, titled “Buying some major military muscle”, about the international arms-buying spree of China’s People’s Liberation Army.

On the following pages, we briefly summarize both articles, followed by information and comments on Israel's sale of “dual use” technology, also designed to enhance China's military capabilities in the Taiwan Straits.

The three Sovremenny destroyers, which are to be delivered by 2006, have greatly improved capabilities as compared to the two Sovremenny’s recently delivered by Russia to China. The latter two are outfitted with the supersonic SS-N-22 Sunburn anti-ship missile, and are primarily intended to hold off US aircraft carrier battle groups which would come to Taiwan’s aid in case of a Chinese attack on the island.

The new Sovremenny’s, of the Project 956EM type, incorporate recent Russian advances in warship design and weapons, including stealth shaping. The major difference in the weapon system will be that they will carry the Mach-3, 300 km range, Yakhont missile, which is reported to have land-attack capabilities as well. The PLA will thus be able to use the new ships for distant political intimidation missions. The new Sovremenny’s are also reported to have much longer survivability in combat: the older versions were only designed to launch their missiles, and couldn’t withstand any major battle damage themselves.
The Jamestown Foundation articles states that the new destroyers would be a major element in China’s strategy to overwhelm Taiwan with a “space-missile-air power” combine.

In the Far Eastern Economic Review article, Mr. David Lague gives a broad overview of all aspects of China’s weapons and technology purchasing drive. It states that the primary purpose is to build up the military power to take Taiwan by force and to deter the United States from coming to Taiwan’s assistance.

The article quotes the Stockholm International Peace Research Institute as saying that in 2000 China became the world’s biggest importer of arms, valued at a total of US$ 3 billion, more than twice the value of any other buying country. In combination with “dual use” technology equipment, most analysts expect the total to be much higher. Russia and Israel are reported to be the major suppliers, although for non-lethal military hardware and dual use technology, US and European manufacturers are said to be eager suppliers.

The article states that while in recent years there was much international attention on Chinese espionage at US nuclear-arms laboratories, China is now simply buying much of its technology needed to upgrade its military power. It gives the example of Rolls-Royce, which recently supplied China with 90 Spey jet engines. In the West, these engines power civilian jet aircraft, but China is fitting them on its JH-7 fighter bombers, which are also being modified with modern radar and long-range missiles.

Another example is the British company Surrey Satellite Technology, a prime European producer of micro-satellites, both for communications as well as earth observation. Surrey has transferred technology and capabilities to China in a joint venture with Beijing’s Qinghua University, which could easily transfer it to the PLA. “…this type of technology is vitally important for the Chinese military to mount combined air and sea operations in the Taiwan Strait” says the article.
The article concludes that the main concern for the US and regional governments is that short-term corporate greed is overpowering Western fears of arming a potential enemy of the future to the teeth.

**Israel's “dual use” duplicity**

The above FEER article already referred extensively to the large-scale purchase by the Chinese military of “dual use” technology to enhance its military capabilities. Another example was given in a recent article in Defense News, which highlighted the Israeli sale of up to seven communication satellites to China (“Israeli-China satellite Pact proves progress in bilateral impasse”, by Barbara Opall-Rome, Defense News, 18 January 2002). A further contract of surveillance satellites on the basis of the Israeli EROS platform is reportedly also in the works.

The communication satellite deal was signed on 17 January 2002 in Beijing between Israeli Aircraft Industries and China’s government-owned China Aerospace Corp., which produces rockets and satellites for China’s military. However, the first two satellites were portrayed as destined for Hong Kong’s use for broadcast of the 2008 Olympic Games in Beijing. However, the 1000 kg AMOS-HP satellite platform is reported to be a future standard for a military communications platform.

The deal is also reported by Defense News to be a compensation order for Israel to make up to China for the cancellation of the earlier Phalcon early warning radar aircraft (see “Israel’s AWCS sale to China” in Taiwan Communiqué no. 91 and “The Israeli Phalcon radar sale” in issue no. 92).

**Taiwan Communiqué comment:** While Israel and China are presently arguing that the satellite sale is “purely for economic and commercial purposes” it is obvious that a network of small communication satellites under the control of the Chinese military is a strategic asset in any future conflict in the Taiwan Straits.

The satellites would provide the PLA with real-time intelligence and surveillance, and would improve their chances in the case of an attack against Taiwan or against US military forces in the area. We therefore urge Israel not to proceed with the deal, and urge the US government and Congress to pressure Israel to refrain from building up the capabilities of a repressive, Communist country that threatens its neighbors. This is equivalent to selling weapons to Hitler Germany.
Report from Washington

Holbrooke can’t get it straight

On 2 January 2002, Mr. Richard Holbrooke — the former US ambassador to the UN who would have become US Foreign Secretary if Al Gore had won the November 2000 Presidential elections — wrote an article in the Washington Post, titled “A defining moment with China.” In the article, he argues that the US and China should conclude a new “Fourth Communiqué.”

The next day, the Bush Administration immediately countered that no “fourth communiqué” was necessary, and subsequent newspaper editorials and articles also rejected the idea (e.g. Jim Mann’s excellent article “We don’t need a new accord with China” in the Washington Post, 11 January 2002).

While Mr. Holbrooke has a long history as a US civil servant and as a diplomat – he was part of the negotiations with China on the 1978 normalization of relations with China as an assistant secretary of state in the Carter administration — he was never really able to grasp the basic issues relating to Taiwan and was generally considered very China-leaning. A foreign journalist in Taipei who had dinner with Holbrooke was shocked at how poor his knowledge of the situation was. Holbrooke apparently thought Taiwan was in favor of the Beijing-proposed “One country, two systems” (see “Dangerous diplomacy,” in Taiwan Communiqué no. 79, February 1998).

On the following pages, we present yet another riposte to Mr. Holbrooke; this one by former US ambassador Nat Bellocchi.

A fourth communiqué is not needed

By Nat Bellocchi, former chairman of the American Institute in Taiwan
This article first appeared in the Taipei Times on 27 January 2002.
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It remains very unclear just what motivated a public suggestion that the US consider negotiating a fourth communiqué with China. A very China-friendly former US president, Bill Clinton, publicly had his administration turn down the idea toward the end of his term in office. In an article written by Richard Holbrooke, former US
ambassador to the UN, Holbrooke attributes the idea to the opportunity to better relations with China brought on by the new war on terrorism.

China is not exactly in the forefront of this war, neither ideologically or geographically, and there have been several other reasons given by experts in subsequent articles why this is not any better an idea now than it was during the last government. I’ll add a few more.

One reason for considering a new documentation for the US relationship with China, Holbrooke argued, includes the enormous changes that have taken place since the era when the three communiqués were written. In the process of all these changes, however, the ambiguity of the present documents, rules and laws that comprise the relationship often allowed the flexibility needed to avoid crises.

When the US announced it was willing to sell F-16s to Taiwan, the communiqué notwithstanding, for example, it was “interpreted” to be no change in policy. It was based on an “understanding” in the negotiation of the communiqués about arms that were no longer available.

Ambiguity has its downside, of course and even the Taiwan Relations Act has its share of it. Whenever a threat exists to Taiwan, under the act the US executive branch must consult with Congress in deciding what to do about it. So how does the executive branch avoid the unwanted participation in the decision? Don’t ever use the word “threat” in reporting to Congress, i.e. no consultation. But this is not something a fourth communiqué could address, as it is an internal US affair.

Another habit that would continue despite any future communiqué is what may be called the policy-statement creep. Senator John Glenn, a participant in writing the act, made a speech on the Senate floor in July of 1982 when the communiqué was about to be revealed, charging the State Department with deceit.
Since 1972, he said, the department claimed continuously there had been no change in our China policy. In 1972, he went on, the US declared that it acknowledged that the Chinese on either side of the Taiwan Strait maintained there was but one China and that Taiwan was a part of China. While we would not challenge that statement, we would remain neutral on the subject.

In the 1979 communiqué, however, the US acknowledged “the Chinese position that there is but one China” moving the US closer to the Chinese interpretation. He then went on to complain that the administration was moving even closer to the Chinese position in the then forthcoming third communiqué.

This same phenomenon occurred as Clinton moved from the 1996 missile crisis to the “three no’s,” and then after strong domestic complaints, seemed to move in another direction by declaring the “three pillars” of US China policy and then to the “assent of the people of Taiwan” requirement. The three pillars: one-China policy, dialogue and peaceful resolution, were in fact simply the US’ one-China policy since 1972, now divided into three parts.

Another characteristic of US China policy that a fourth communiqué would be unlikely to change is the wide scope of our disagreements. I recall having to take Maureen Reagan to make a courtesy call on then vice premier Li Peng. Before doing so, I called the late Gaston Sigur, who was then assistant secretary of state, as her briefing paper was much too brief.

After some thought, Gaston said that given the short time we had, his best advice was to tell Reagan that she could talk about anything she wanted to, but to warn her not to talk about any subject too deeply. Scratch below the surface of any issue, he said, and you will find controversy. That advice would not be too far off even today.

Would a fourth communiqué continue to avoid stating the US position on Taiwan’s sovereignty, which is that the sovereignty issue is still to be determined? Since China will not accept that, it seems that position is simply not mentioned. Will a “one China” be defined? It now has a different meaning to different people. Will it state the difference between a one-China “principle” (China) and a one-China “policy” (the US)? Not likely. So would yet another communiqué provide clarity or would it simply continue ambiguity? If the latter is the likely result, who needs it?
Then there is an interesting pattern that becomes apparent in considering why the subject is being brought up now. The 1972 communiqué came while Vietnam was still very much a distraction for Congress and the American public. The 1979 communiqué came while the difficult issue of the Panama Canal Treaty had drawn Congressional attention. The 1982 communiqué was negotiated when the first sign of a crack in the Iron Curtain was drawing everyone’s attention. Is the war on terrorism now seen as a similar useful distraction?

Perhaps the most pertinent question is would a fourth communiqué even matter? When it is felt necessary, nations have always decided on what needs to be done and then provided a public reason for doing so, with or without having some document that seems to say otherwise.

On the other hand, if the purpose of another communiqué is just to make China happy, which usually comes at the US’ expense, let’s forget it. A new communiqué that seems to bolster a country that has different objectives than America can only diminish the US’ ability to be a leader in safeguarding democracy and stability in the region.

Taiwan Communiqué 100

On these pages we generally focus attention on political developments in and around Taiwan. For a change, we want to write a few lines about ourselves, since this is the 100th issue of our Communiqué. What a change the past 22 years have brought about!

When we started in 1979-80, Taiwan was still under the repressive Kuomintang, which ruled the island with a Martial Law dating from 1949. Our primary purpose at that time was to focus attention on human rights in Taiwan, and to obtain the release of the tangwai (“outside-the-party”) members who had been imprisoned following the December 1979 Kaohsiung Incident.

Today, Taiwan has a democratically-elected government. We are pleased to have been part of its remarkable transition to democracy and hope that our writings are playing a small role in fostering understanding in the outside world – particularly the United States and Europe – of developments on the island, and of the desire of the people of Taiwan to be a full and equal member of the international family of nations.

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