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## Lee Ying-yuan for Mayor

On 7 December 2002, elections are being held in Taiwan for a number of local offices. The most important race is the one for mayor of the capital Taipei, where DPP candidate Lee Ying-yuan is running against incumbent mayor Ma Ying-jeou. The race has a number of interesting twists and turns, and will have important implications for the future.

The two candidates have some similarities, but more important differences. Both are intellectuals at around 50 years of age, and both received degrees from Harvard University. But Mr. Ma is a mainlander, who was one of the upcoming “golden boys” when the Kuomintang was in power. In 1998 he won the Taipei mayorship by defeating then-incumbent Chen Shui-bian. Mr. Lee is a native Taiwanese, who became active in the democracy movement during his studies in the US, and was imprisoned for his political beliefs upon his return to Taiwan.

Mr. Ma has the advantage of being the incumbent, and the fact that the some 40% mainlanders in Taipei give him a cast-iron power base. His “good-looks” popularity and the fact that he is the darling of the mainlander-dominated media also give him the edge.

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**Mayoral candidate Lee Ying-yuan (R) together with president Chen Shui-bian**

But Mr. Lee has been catching up fast. His cheerful, easy-going personality, his hard-working wife Laura, and his dedicated campaign staff have helped him reduce the gap with Mr. Ma. Also important are the strong support from President Chen himself, and from former President Lee Teng-hui, who in 1998 – when he was still President – supported Mr. Ma.

Still it is an uphill battle for Lee. If he wins this will be a major victory for the ruling DPP. However, this will free time and resources for Mr. Ma in the upcoming Presidential election campaign in 2004: Many mainlanders see the flamboyant Mr. Ma as the only way in which they can defeat President Chen Shui-bian.

## *Lee: from dissident to diplomat*

The 49-years old Dr. Lee was born in Yunlin County, grew up in Taiwan, and earned his degree in public health at National Taiwan University. In the late 1970s, he went to the US for advanced studies in health policy and management, received his master's degree from Harvard University and his Ph.D. in health economics from the University of North Carolina.

In 1988 and 1989 he and his wife received teaching appointments from National Taiwan University, but the Kuomintang authorities refused them entry to their homeland because of their political activities while studying in the US. *"I had applied 13 times during two years for permission to return to my homeland ... but to no avail,"* Lee recalled.

In June 1990, he did return, but under cover, as part of a plan by the US-based World United Formosans for Independence to move its headquarters back to the island. During the following 14 months, Lee played a cat-and-mouse game with secret police agents around the island. He never visited a public place more than once and he used makeup to cover an obvious mole on his right cheek. To challenge the authorities, he even took a picture of himself in front of the presidential office. And Lee always carried a razor, a toothbrush and toothpaste with him in case he was imprisoned.

Eventually, he was arrested in September 1991, and – together with three other major independence advocates – charged with sedition under the anachronistic Article 100 of the Criminal Code. In early 1992, they appeared in separate court sessions, where trumped-up charges were leveled against them, but after strong pressure from the international community and from within Taiwan itself, they were finally released on 23 May 1992.

In 1995 Dr. Lee ran for a seat in the Legislative Yuan from Taipei County and won, becoming a key member of the then-opposition DPP, focusing on foreign affairs.

## *Ma Ying-jeou's murky past*

The incumbent mayor, Mr. Ma Ying-jeou, has a past that is just the opposite of Mr. Lee's. Mr. Ma was born with a silver spoon in his mouth as the son of a Hong Kong-based high Kuomintang official. In the early 1950s, the older Ma followed Chiang Kai-shek to Taiwan, and Ma Jr. grew up as part of the political elite on the island.

In the 1970s, he went to the US to study political science, also at Harvard University. But unlike Lee, who became active in the overseas democratic movement, Ma remained a staunch supporter of the repressive Kuomintang regime. Students who were at Harvard during the same time as Ma say that he was a "student spy", a familiar phenomenon in those days: the ruling Kuomintang recruited "loyal" students to infiltrate student groups and to spy on others, reporting their political activities to the secret police organizations back in Taiwan.

Mr. Ma was rewarded handsomely for his loyalty: after his return to Taiwan he soon became personal secretary to then-President Chiang Ching-kuo, and by 1985, he was deputy secretary-general of the KMT party. As late as 1986, he was still strongly defending the martial law, which was still in force at that time, and the imprisonment of major opposition leaders following the 1979 "Kaohsiung Incident."

He subsequently rose through the party ranks, and in the 1990s served as justice minister under President Lee Teng-hui. In 1998, he ran against then-mayor Chen Shui-bian and won with 51% of the vote.



**Ma Ying-jeou as student-spy**

However, his management of the city has been weak at best: statistics show that in particular crime rose by 50% between 1999 and 2001. Also, prostitution rose significantly during his tenure, while corruption among police became a major concern.

# A new flag debate

A new debate on the national flag has erupted in Taiwan. It started on 11 November 2002, when Prof. Chen Shih-meng, Secretary-General to President Chen Shui-bian, remarked in a Q&A session with legislators that “the ROC flag does not equal the nation”.

The flag Prof. Chen was referring to is the white sun on blue background on a crimson field flag, which was developed by the Chinese Nationalists before the 1911 Chinese Revolution. It became the ROC flag in 1921 and was brought over to Taiwan by the Kuomintang after Japan’s defeat in 1945. After that it was used by the Kuomintang in its losing fight to “recover China.”

Below we present two articles:

## *An international perspective*

A new debate on the national flag is taking place in Taiwan. The battle lines are predictable: the old Kuomintang and James Soong’s PFP are clinging to the old flag, brought over from China in 1945, while the TSU and significant parts of the ruling DPP are in favor of a new flag that represents the new, democratic Taiwan.

It is therefore good to take a step back, and see how this issue is perceived by the international community, and particularly from the United States and Europe. Overseas observers, governments and parliaments see Taiwan in a positive light because of its recent democratization, but the US and Europe can’t bring themselves yet to normalize relations with Taiwan because of pressure from China.

This pressure from China is deeply-rooted, primarily in the Civil War fought from the 1920s through 1949 between the Chinese Communists and the Chinese Nationalists of Chiang Kai-shek. To the Chinese, the Kuomintang and the ROC flag became symbols of that decades-long conflict.

Taiwan went through its democratic transformation in the 1980s and 1990s, which culminated in the election of DPP-President Chen Shui-bian in March 2000. However, the new government took on the shell of the old system, including its symbolisms, such as the 1947 “ROC” Constitution, the 1911 “made in China” flag, and the equally outdated anthem, a 1928 Kuomintang Party song.

It is clear that those symbols have little to do with present-day Taiwan: they are left-over attributes of the Kuomintang's days in China. While it is perhaps understandable that the Kuomintang old guard wants to cling to them in a fast-disappearing sense of security, it would be wise for Taiwan to move expeditiously to a new set of symbols.

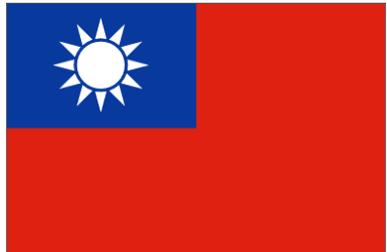
The reasons are as follows: as long as Taiwan clings to symbols that are associated with the old Civil War, it is a reminder that this Civil War is not quite finished. For closure, it is necessary that these symbols are buried.

An even more important reason is to find a new flag, anthem and Constitution that truly represent the present-day, new Taiwan. This process may take a few years, but it is an essential part of becoming a “new” nation. In the case of the United States, it took 11 years – from the 1776 Declaration of Independence to the 1787 Constitutional Convention. The US national anthem, the “Star-Spangled Banner”, wasn't written until 1814.



**One of the new proposals: the World Taiwanese Congress flag**

The old symbols only represent the Kuomintang which came over from China. Present-day Taiwan is made up of aborigines, the Hakka and Hoklo-speaking population, as well as the mainlanders who came over after 1945. For Taiwan to survive, they all need to identify with the new Taiwan, and evolve into a new identity that is truly Taiwanese in nature.



**The old "Republic of China" flag**

From the international perspective, it is also necessary to develop a new Taiwanese identity: as long as Taiwan continues to present itself as “Republic of China”, the international community will be forced – by the force of the “One China” dictum – to continue the line that only informal, economic and cultural ties are possible.

Only when Taiwan states clearly and unequivocally that it distances itself from the old “ROC” identity, and presents itself as a new and democratic nation, “Taiwan”, will it be possible to open the doors towards full recognition and diplomatic relations. There is no easy – or fuzzy — way out. A fair and open debate about the national flag and anthem would be a good start.

## *Taiwan needs a flag to call its own*

*This editorial appeared in the Taipei Times on 16 November 2002.*

*Reprinted with permission.*

At a campaign rally last Sunday presidential advisor Alice King said that she found the sight of the ROC flag offensive. And so do we. And so should anybody who supports democracy in Taiwan and self-determination for the people of Taiwan. The ROC flag is a piece of KMT self-aggrandizement masquerading as a national icon. It is the symbol of the one-party state the KMT intended the ROC to be.

The white sun and blue background motif was a logo adopted by Sun Yat-sen's Society for Regenerating China in 1895. The crimson background was added to the society's flag before the 1911 Chinese revolution. The society became the KMT in 1919 and proclaimed its flag to be the Chinese flag in 1921. Until that time the ROC had used an entirely different five-colored striped flag, each color supposedly representing the five major ethnic groups in China.

So let it be clear, the flag the ROC uses is not a sacred symbol of the Chinese revolution — and of course we might argue what the revolution itself has to do with Taiwan, at that time a Japanese colony — it is a sacred symbol of the KMT. Is it fitting to have such a symbol in a democracy? Imagine if the US Republicans sought to replace the Stars and Stripes with a large elephant in a red white and blue background. It seems laughable; actually it's contemptible, and it is the reality of Taiwan's so-called national symbol. Actually the message of the current flag is quite clear, and that is that the ROC was meant to be a one-party state, ruled forever by the Leninist KMT. How in these democratic days can anyone countenance such a thing?

Of course the ROC flag is one of the world's more unusual — in that it is rarely allowed to be flown outside of the ROC. Such is Taiwan's international isolation that all it usually gets to show is the equally ridiculous plum-blossom flag, which is also, incidentally, adorned with the repulsive KMT symbol.

If the flag wasn't bad enough the national anthem is even more of a disgrace. One gags on the first line: "The Three Principles of the People is the goal of our party." Of course it's not surprising that the anthem sounds like a KMT party song; it is a KMT party song, adopted as such in 1928.

The assumption behind the flag and anthem, as the luckless Presidential Office Secretary-General Chen Shih-meng pointed out earlier this week was that the KMT was going to rule China for ever. Such a sentiment can hardly be appropriate in these more democratic days.

Countries do, of course, change their flags when their circumstances change. Many of the countries of Eastern Europe remodeled their flags after emerging from Soviet domination. Russia itself changed its flag when the Soviet Union was dissolved in 1991. Should Scotland ever separate from the UK, no doubt the Union flag — one of the world's most readily identifiable — will also change.

Yesterday TSU Legislator Chien-Lin Hui-chun said that the flag should be changed “to better reflect the truth.” What is that truth? For many years it was that Taiwan was a territory illegally annexed after World War II by the so-called ROC and ruled as a colony thereof. This is no longer the case. It is separate, an independent country and it is time that it developed the symbols to stress this.

In this light it is a wretched shame that the president in his lack of wisdom saw fit to stamp down hard on the debate that Chen Shih-meng opened up this week. The longer this administration lasts the more it feels like a KMT administration in all but name.

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## **First Lady Wu goes to Washington**

From 19 through 29 September 2002, Taiwan's First Lady Wu Shu-chen made a triumphant tour through the United States, culminating in a visit to Washington DC. It was the first time that the wife of Taiwan's president made such a trip in more than several decades, and a clear sign of warming relations between Taiwan and the United States.

Mrs. Wu is wheelchair-bound after a 1985 accident in the southern city of Tainan, when a truck drove into her while she was accompanying her husband during a tour to thank the people in Tainan for their support during the just-ended election campaign. There were strong indications that the accident was politically inspired by the then-ruling Kuomintang.

## *“Dream the impossible dream”*

She landed in Seattle on 19 September 2002, and was made an honorary citizen of Washington State by Governor Gary Locke, who is of Asian descent himself. From there she continued to New York City where she gave a speech at the National Arts Club. In her address, she urged the world’s democracies to support Taiwan’s quest to enter the United Nations. She said: “Taiwan will not give up, just as Welly Young said in his song (referring to the song “Dream the impossible dream”, which had just been sung by Taiwanese-American Broadway singer Welly Young). Even though many people consider this impossible, we will not give up, and one day we will make the impossible possible.”

She continued on to Washington DC, where she met a number of Senators and Congressmen at a luncheon at Taiwan’s Twin Oaks residence, and gave a speech at the American Enterprise Institute, one of Washington’s leading think tanks. In the speech she said: *“We believe that Taiwan is a free and democratic country which respects human rights. There is no reason for us to be excluded from the community of nations. I have confidence that our ongoing effort will enable us to obtain our deserved representation. I also believe it would give us the opportunity to contribute and to play out our responsibility as a member of the global village.”*

Senator John Rockefeller of West Virginia, who attended the dinner, remarked *“there is no better reflection of today’s Taiwan than this dedicated woman who embodies so many of the positive changes that have occurred on the island.”*

The US House of Representatives passed a special resolution, warmly welcoming Mrs. Wu to Washington. It was passed unanimously 410-0. The resolution praised Wu as being “one of the main forces behind Taiwan’s charity and humanitarian assistance for the victims of the terrorist attacks.”

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**Wu Shu-chen at the Jefferson Memorial in Washington**

One of the main sponsors of the resolution, Benjamin Gilman of New York, emphasized Taiwan's right to be a full member of the international community. He said, "*Self-determination is a right that the Taiwanese should not be deprived of, and it is in our interest to demand that communist China immediately stop threatening Taiwan when its leaders simply state a fact of truth: Taiwan is independent and it should be a full-fledged member of the United Nations.*"

In Washington, Mrs. Wu also laid a wreath at the Jefferson Memorial. She then flew on to Los Angeles, where she hosted a banquet attended by some 1200 Taiwanese-Americans living in the LA area, and returned to Taiwan on 29 September 2002.

## ***Wu best spokesperson for Taiwan***

*This editorial appeared in the Taipei Times on 22 September 2002.*

*Reprinted with permission.*

Unlike her predecessors, Taiwan's first lady Wu Shu-chen is much more than just an alter ego or accessory of her husband, President Chen Shui-bian. Not only has she made her own contributions to Taiwan's democratization, but she has in fact been a very important part of Chen's political success. She is therefore a most suitable candidate to promote Taiwan's accomplishments in democracy and human rights and to help strengthen cultural and social ties between the US and Taiwan.

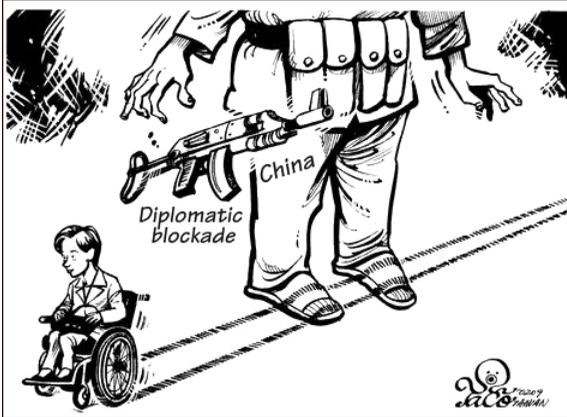
Wu is immensely popular in Taiwan. Reportedly, Chen once admitted in private that he could thank his wife for about 50 percent of the votes he garnered in all the elections he had entered. Moreover, according to a survey published by the China Times on Sept. 14, more than 60 percent of the interviewees approved of Wu's performance.

This popularity has much to do with Wu's down-to-earth and witty personality, which ordinary people in Taiwan can identify with. For example, like any other wife poking fun at her husband, Wu has not only joked about Chen's weight problem in public, but also threatened to run for the presidency herself if Chen ever dared take a mistress.

On the other hand, she is also respected for her courage and endurance in times of hardship. Despite physical handicap, the wheelchair-bound Wu was elected a legislator while her husband was in jail. After Chen's release, he worked as her aide. Wu is probably the only first lady who has had her husband working for her. Wu's experience in overcoming trials and tribulations further enhances her standing as a spokesperson for Taiwan's battle to win international recognition and join the international community.

Wu's visit to the US affirms the emergence of a new model of diplomacy for Taiwan, which began to take shape when she traveled to France to accept the Prize for Freedom on behalf of Chen and visited the Czech Republic at the invitation of Czech first lady Dagmar Weskrnova. Facing a diplomatic blockade by China, Taiwan is unable to conduct foreign relations through regular diplomatic channels. As a result, neither Chen nor Vice President Annette Lu are able to obtain visas to travel to most countries. They have become prisoners confined to Taiwan. Under the circumstances, the first lady is an ideal substitute spokesperson for Taiwan.

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Unrestrained by any official government post, she enjoys much more freedom and latitude in terms of places she can travel to and topics she can address. In particular, she can promote the rights of disadvantaged groups, such as women and children in developing countries and the physically handicapped. These activities will not only help enhance Taiwan's visibility, but also strengthen unofficial ties with other countries.

Wu's US visit also highlights the George W. Bush administration's friendliness toward Taiwan even after Chen's recent "one country on each side" comments. At least two things reinforce this observation. First, Chinese President Jiang Zemin is scheduled to visit the US next month. So, the timing of Wu's visit can be fairly described as sensitive. Second, Wu's visit is the most recent of several visits to the US by top Taiwanese officials, including Premier Yu Shyi-kun and Minister of National Defense Tang Yao-ming.

Under the circumstances, all the people of Taiwan should view Wu's visit with excitement and pride. Stop all the malicious and groundless attacks.

# Bush meets Jiang

## *Non-event in Crawford, TX*

At the end of October 2002, Chinese President Jiang Zemin visited the United States, and paid a visit to President Bush at his ranch in Crawford, TX. Since Jiang was set to retire soon, the visit was more symbolic than substantial. Indeed, the press reports during and after the event indicated that the two sides had primarily reiterated known positions, and no new ground had been broken.

However, about a month after the event, it became known that Jiang had offered to remove or decrease the missiles deployed along the southeastern coastline targeting Taiwan in exchange for the U.S. reducing its arms sales to Taiwan in terms of both quality and quantity.

A top US official privately told Taiwan's de-facto ambassador in Washington that the U.S. government would not be so naive as to accept Jiang's proposal: China's missiles are offensive, while the US sales to Taiwan are defensive. Furthermore, the missiles can be re-deployed easily, and they are the source of the problem in the first place.

Below are two commentaries on the Jiang visit.

### ***Be wary of Chinese gestures***

*This editorial first appeared in the Taipei Times on 23 November 2002.*

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Chinese President Jiang Zemin was reported to have made a startling proposition to US President George W. Bush during their recent summit in Texas — if the US reduces arms sales to Taiwan then China will put a freeze on the number of missiles targeting the nation. While any Chinese gesture in that direction is welcomed, a closer examination of the situation suggests that extreme caution and skepticism are warranted.

It is highly inappropriate for Jiang to even suggest an exchange. It erroneously implies that the US and Taiwan are also culpable for the cross-strait arms race and the threat to peace. But there would be no need for the US to sell defensive arms to Taiwan without Chinese aggression. China is the one that must undo what it started by removing the missiles with no strings attached. Once that is done Taiwan will put its money to other ends.

The exchange also places Chinese missiles and arm sales to Taiwan on a comparable level when the two are completely at odds. Missiles are offensive weapons while the arms being sold to Taiwan are defensive weapons. Taiwan can purchase all the defensive arms in the world yet it will still represent no threat, but the missiles deployed by China are probably sufficient to send Taiwan to the bottom of the Strait.

Moreover, a mere freeze or even a removal of the missiles hardly seems enough. The real threat to Taiwan is China's repeated declarations that it reserves the right to use force to take over the country. What Taiwan really needs from China is a promise to renounce the use of force and to resolve cross-strait differences peacefully. Until that is done, Taiwan is not safe. Unfortunately, during the recent 16th National Congress of the Chinese Communist Party (CCP), Jiang Zemin talked of using force "only" against pro-independent activists and foreign forces that intend to prevent unification.



**China to Taiwan: "You'd better dance to my 'One China' tune. Understand?"**

Even if one takes Jiang's words at face value there are still many practical issues that must be resolved first. An impartial verification mechanism to check whether China is carrying out its end of the bargain would be needed. Will China agree to inspections by the UN, the US or some other third party? If Jiang is sincere he should offer specific details.

More than likely the gesture by Jiang is no more than a diplomatic and propaganda stunt. For years the US has consistently taken the offensive in raising concerns about missile threats and China has uniformly responded by claiming that it has every right to deploy missiles in its own territory free of foreign interference. This time around, Jiang probably decided to turn the tables on the US. It seems as if he has succeeded, for Bush was reportedly caught off guard by the proposition.

The proposal at least suggests that China is feeling pressured by the international condemnations against its missile deployment and was forced to tactfully shift some of the blame onto the US. China may very well have taken its first step toward civilization, since it is apparently at last beginning to care what others think.

## ***Taiwan should show resolve to US***

*By Li Thian-hok is a prominent member of the Taiwanese-American community.*

*This article first appeared in the Taipei Times on 24 October 2002.*

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On October 25, China's president Jiang Zemin is scheduled to be a guest at President George W. Bush's ranch at Crawford, Texas, sharing the honor with Russian president Vladimir Putin and British Prime Minister Tony Blair who visited the ranch earlier. Although the summit meeting will allow less than two hours for official talks, Bush will no doubt ask for China's cooperation in the global war on terror and in the impending U.S. war against Iraq. Bush needs China to refrain from opposing a strong U.N. resolution for unfettered weapons inspections. Jiang, on his side, wants a resumption of Sino-U.S. military exchanges which have aided the People's Liberation Army (PLA) immensely in grasping the essence of modern warfare. Jiang's main goal, however, will be to drive a wedge between the U.S. and Taiwan and to extract from Bush a verbal or written statement opposing Taiwan independence.

Such a maneuver however will not be a fair quid pro quo. China's cooperation on the war on terror is nominal. Its abstention in the UN Security Council is not indispensable, since the U.S. is prepared to go it alone if necessary. On the other hand, Bush is doing Jiang a big favor by giving the un-elected leader of China a semblance of legitimacy. Jiang's image as a world leader in China's domestic media will also boost his ambition to remain China's dominant, de facto leader after the 16th National Chinese Communist Party Congress in November.

While Jiang may have to relinquish the post of party secretary, he wants to retain his chairmanship of the Central Military Commission for a decent transition period. Jiang also needs to elevate his protege Zeng Qinghong to the Politburo Standing Committee. In these endeavors, the appearance on the world stage with Bush will help Jiang establish the impression that his stature and experience in handling complex world affairs will be critical, at least for a few more years.

*America's "One China" policy*

Washington sources say Bush is not going to make any substantive concession on Taiwan. However, Bush may reiterate America's willingness to abide by its One China policy, without elaboration. The misleading impression given to the media, and indeed to foreign governments, is that the U.S. recognizes Beijing's claim that Taiwan is part of China. In fact, the U.S. government has never formally recognized the Chinese claim of sovereignty over Taiwan. America's One China policy is thus distinctly different from the PRC's "One-China" principle. So why the deliberate use of ambiguous language which degrades Taiwan's international standing?

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First, American businesses are increasingly using China as a manufacturing base. Corporate America and its allies among policy makers, academia and the media have a vested interest in amicable Sino-U.S. relations. The Bush administration has to be mindful of such pressure from the main source of its campaign funds. Second, some in the U.S. Congress and policy establishment feel that in order to avoid a military conflict with China, the U.S. must not appear to impede eventual, peaceful unification of Taiwan with China. Finally, the U.S. wants to hedge its position because Washington is not sure Taiwan is firmly committed to defend and keep its democracy and sovereignty.



**China to United States: "I'm not going to oppose you, but you have to back me, OK?"**

As the PLA improves its capabilities to coerce Taiwan, the costs of U.S. intervention on Taiwan's behalf also increase, in potential losses of both lives and materiel. In a crisis, whether the U.S. will come to Taiwan's aid and how promptly, will depend on America's assessment of Taiwan's national will and ability to fight for its survival as a democratic and sovereign nation.

In his May 23 speech in Berlin, Germany, President Bush said: "We have finite

political, economic, and military resources to meet our global priorities.... The United States should be realistic about its ability to help those who are unwilling or unready to help themselves. Where and when people are ready to do their part, we will be willing to move decisively.”

### *The erosion of U.S. support for Taiwan*

Against this background, it is worrisome that Taiwan has been cutting its defense spending steadily even as the military menace from China grows year by year. A U.S. scholar pointed out recently that Taiwan used to keep 60 days of strategic oil reserves for a military contingency. Now the reserves have been reduced to 5 or 6 days' supply. His conclusion: Taiwan is not serious about national defense.

Many U.S. Sinologists are increasingly concerned that the intensive integration of Taiwan's economy with that of China may eventually compel Taiwan to surrender its sovereignty and freedom. The DPP government's policy of Active Opening is contributing significantly to China's economic development and unwittingly to the modernization of the PLA. It has also caused the hollowing out of Taiwan's economy, as evidenced by hundreds of plant shutdowns, record high unemployment and non-performing loans left behind by businesses moving to China. While Premier Yu Shi-kun announced recently that he would discourage banks from extending loans for investment projects in China, the Ministry of Finance appears intent on liberalizing regulations on loans by Overseas Banking Units for investments in China.

### *Taiwan at a crossroads*

After a quarter century of economic growth and prosperity, Taiwan's economy has reached a crossroads where basic structural changes are needed to sustain continued economic development. Taiwan needs to shift from manufacturing to service industries, raise the level of its manufacturing base to higher value-added products, and to invest in research and development for new knowledge-based industries. To prevent a further exodus of businesses to China, the government needs to improve the investment environment to retain domestic industries and entice foreign (other than Chinese) investments. The proper solutions will take time and hard work. But such efforts are indispensable for Taiwan's survival as a sovereign nation. Economic integration with China may bring about short term advantage in the form of a trade surplus but will ultimately be suicidal.

With the accession of both Taiwan and China to the WTO, there is pressure to implement the three direct links. Such links could further damage Taiwan's weak

economy, witness the experience of Hong Kong, and also impair Taiwan's national security. The DPP government must resist demands by KMT and PFP politicians to rapidly adopt the three links, even without proper national security safeguards.

*Taiwan needs to show resolve with deeds*

Last year's September 11 attacks on America have altered the global geopolitical strategic calculations. The U.S. is set on a war against Iraq. While a quick military victory is widely anticipated, the long-term consequences on the stability of the Middle East and beyond are difficult to predict. The world may be on the verge of a more volatile, dangerous period. If the global economy is significantly harmed as a result of the war, Bush's reelection prospects may be diminished.

The Bush administration has by its words and actions extended goodwill and friendship to Taiwan. In her speech at the Senate Caucus Room on September 25, Taiwan's first lady Madame Wu Shu-chen responded: "Taiwan is a true friend of America. We stand with America now and we will stand with America forever!" The first lady's U.S. visit has helped in improving U.S.-Taiwan relations, and the right rhetoric is important in diplomacy. But deeds will determine Taiwan's fate.

Taiwan's accelerating economic and cultural integration with the People's Republic will soon reach a point of no return, after which the preservation of Taiwan's sovereignty and democracy will no longer be feasible. Instead of expending so much energy on improving relations with China, the DPP government needs to focus on the development of Taiwan's own economy and on bolstering national defense. Realistically, normalization of Taiwan-PRC relations is not possible until China renounces the use of force, dismantles the 400 missiles targeted at Taiwan, and ceases its annual military exercises in preparation for a multi-pronged surprise attack on Taiwan.

Top priority needs to be given to building up the national will to defend Taiwan's freedom. The people of Taiwan can still have a democratic future, but only if they can expeditiously develop a national consensus that human rights and dignity take precedence over monetary gain and that staying on the right side of history is worth fighting for. This is also the way to solidify the favorable U.S.-Taiwan ties so the bond of friendship, shared values and common interests can even survive a regime change in Washington.

## *US-Taiwan relations still evolving*

*By Nat Bellocchi, former chairman of the American Institute in Taiwan*

*This article first appeared in the Taipei Times on 30 October 2002.*

*Reprinted with permission.*

US President George W. Bush recently signed into law the Foreign Relations Authorization Act, Fiscal Year 2003. Like so many authorization bills, it carried with it some “pork barrel” items. Pork added to legislation usually is thought of as some member of Congress getting funds for his or her constituency to build a sewage project, or maybe a public park named after someone famous. Foreign relations also have constituencies in the US and though the objectives are quite different, the process is similar.

Taiwan got a share of it this time. It came in several sections of this legislation. In addition to some “Sense of the Congress” items, which sound good but are often ignored, it contained a much stronger statement to the Executive Branch: “Notwithstanding any other provision of law, for

purposes of the transfer or possible transfer of defense articles or defense services under the Arms Control Act, the Foreign Assistance Act, or any other provision of law, Taiwan shall be treated as though it were designated a major non-NATO ally.”

In dealing with domestic politics, there is wiggle room in this for the executive branch through flexible interpretation, but simply ignoring the section carries with it some political risk. If section 1206 formally becomes policy, for example, it would demonstrate a stronger relationship between the US and Taiwan, and it could put Taiwan higher on the priority list for licenses to buy arms. Both of these results, however, can be accomplished in other ways.

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**US-Taiwan submarine deal: "hang on, we're passing through a Chinese minefield."**

For Taiwan, the struggle between Congress and the executive branch over authority on foreign policy started in earnest with the Taiwan Relations Act (TRA) in 1979. In that case, Congress won big. The act became a unique law that to this day determines our legal relationship with the people of Taiwan. Like the recently passed law that includes section 1206, however, the TRA also had wiggle room, and this has been displayed over the years most often on security issues. The first and most important example of this flexibility has been the interpretations of the Aug. 17, 1982, communiqué between the US and China that resulted eventually in the US being able to continue arms sales to Taiwan.

Not without difficulty, however. There are strong forces in the China-expert community that have always sought a strict interpretation of the communiqué to avoid problems with Beijing. This view succeeded in blocking the sale of new fighter aircraft throughout the 1980s, but failed to prevent the technology transfer necessary for Taiwan to build its own new fighter — the IDF.

During the years before the IDF was built, Taiwan's air force was in dire need of replacements. Eventually, for a variety of reasons, an interpretation of the US' commitments prevailed that permitted the sale of F-16s.

The 1996 missile crisis in the Taiwan Strait changed our interpretation of what we can do or should not do with regard to arms sales. In the past administration, some changes began, but the priority was on the political expansion of our relationship with China, with security a secondary consideration.

Despite this attitude, there were efforts, particularly in the Department of Defense, that began the movement to modernize the military relationship with Taiwan. This was an effort to meet the need, almost non-existent during the missile crisis, to communicate and coordinate with each other, and to permit the US military to better meet the requirements of the TRA for maintaining adequate resources in the area in the event the US decided to help Taiwan defend itself.

With the present administration, the TRA requirements are taken much more seriously. This includes the necessity of providing modern equipment, the training, coordination and the communications for Taiwan's self-defense.

The US could not meet its responsibilities of modernizing the military relationship without permitting the sale of missiles, submarines, communications equipment, radar and high-tech equipment that is the basis of modern military defense. And with the

equipment and the means of using them, coordination and communications between the two militaries is in the interest of both countries.

There are now some China experts in the US who see one element of this new military relationship as provocative to Beijing, and push the idea that it crosses the “red line” beyond which China would strongly react. This element of the security relationship has been given the tongue-twisting name of “interoperability.” We in the US have often overreacted to what we think Beijing considers provocative, however, and I believe this could be one such instance.

Interoperability could come in all sizes, and in all degrees of visibility. Cooperation, coordination and communications don’t come in clearly defined doses; they can be custom built to suit the circumstances.

Calling interoperability the equivalent of a defense treaty, as some do, is an exaggeration that could do harm in maintaining both Taiwan’s ability to defend itself and our flexibility in choosing options for defending our own interests in the region.

So from the Congressional standpoint, there is a good reason for introducing section 1206 in the recently enacted legislation. Bush, in signing the act into law, chose his words very carefully. He put up the necessary challenge against congressional encroachment in foreign policy, but left open the issue of whether it is a reiteration of present policy or policy to come.

He made clear (doubtless urged by Beijing’s displeasure) “that US policy remains unchanged.” That is becoming a ritual requirement even though the US’ “one China” and the “one China” used by Beijing are not the same.

But more importantly, Bush added, “To the extent that this section could be read to purport to change US policy, it impermissibly interferes with the president’s constitutional authority.” That left it quite open whether what section 1206 said in any way differed from present US policy.

# Missiles and links

In our previous *Taiwan Communiqué* (issue no. 102, pp. 16-20), we reported on the debate in Taiwan on direct trade and travel links with China, pitting many in the pro-link business community against the con-link in the political and security community.

During the past month, the DPP-government and the military have made the case that the three links should not be pursued as long as China threatens Taiwan with some 400 missiles along its coast. There have also been a number of commentaries indicating that the increasing economic instability in China (30-40 percent unemployment in some areas) make any investment from the Taiwan side – or from any other direction for that matter — highly questionable.

## *Missiles must go before links open*

*This editorial first appeared in the Taipei Times on 1 November 2002.*

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President Chen Shui-bian and his government have been under pressure to open direct links since taking office. The pressure intensified recently after statements from Beijing hinting of a new Chinese approach toward transportation links.

Legislators from the pan-blue camp want to amend the Statute Governing the Relations between the People of the Taiwan Area and the Mainland Area, focusing on transport links. Taiwanese investors in China and media pundits are warning that if direct links aren't opened within three years, it will be too late. Faced with these pressures, the government should take the initiative and have the Straits Exchange Foundation inform its Chinese counterpart that Taipei is ready to discuss the issue at any time.

But the big question remains of who will lead such negotiations. There have been a variety of suggestions, but the commercial negotiation mechanism used for cross-strait negotiations under the WTO agreement seems to be the best approach. Using this mechanism would elevate the links issue to the level of international commercial relations. It would also comply with the government's view of the Chinese market as a key part in Taiwan's internationalization efforts.

The SEF and China's Association for Relations Across the Taiwan Strait have

conducted negotiations in the past. No new negotiation channels would have to be established if they were used — as would be the case if private companies or associations negotiated directly with their counterparts. The transportation question involves many issues that require authorization and certification from public institutions and this would cause lengthy delays in the negotiations. Remember how drawn out the Taiwan-Hong Kong aviation pact negotiations were?

In fact, to talk about opening direct links is a bit of a misnomer, since both postal and business links have basically been open for a while. Transportation links remain the sole sticking point.

Although China said that it now views direct links from a cross-strait perspective instead of a domestic one, it still wants to restrict participation to transport companies from the two sides of the Strait and bar international companies. This is tantamount to viewing the Strait as a domestic waterway and navigation rights as domestic in nature.



**Jiang Zemin: "There is only one precondition for my visiting Taiwan."**

The international community should make sure its voice is heard. The Strait is an international waterway and restricting access to it, even if just for traffic between China and Taiwan, is not acceptable. Taiwan has long been a busy international transfer center. Even if Taipei and Beijing were to privately reach such an agreement, the international business community would be unlikely to accept it.

The opening of direct transport links would be a significant milestone in cross-strait reconciliation efforts. But that doesn't mean the connection will be an easy one to implement or maintain. Many in Taiwan question the sincerity of Chinese officials, feeling that the "honey-mouthed and dagger-hearted" Beijing government is simply launching another propaganda campaign. After all, at the annual Beidaihe conference in September, Chinese leaders said that using business to pursue unification is more effective than politics or missiles.

If China wishes to push reconciliation forward, it could start by changing its attitude and its approach. Removing the hundreds of missiles deployed along its coastline targeted at Taiwan would go a long way toward erasing the doubts and fears people here have about Beijing.

After all, in view of the cross-strait arms race, opening direct links so that aircraft and missiles could fly together and cargo ships and warships sail side-by-side is contradictory and incomprehensible .

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## Report from Washington

### *“Assent of the people” resolution passed*

On 26 September 2002, the US Senate passed the Resolution on Taiwan’s future, which was introduced at the end of June 2002 (see *Taiwan Communiqué* no. 102, pp. 22-23) by including its language in the final conference report of the Foreign Relations Authorization Act (HR1646). In it, Congress declares its support for Taiwan as “a mature democracy that fully respects human rights” and reiterates that “it is the policy of the United States that any resolution of the Taiwan Strait issue must be peaceful and include the assent of the people of Taiwan”.

The conference report also included approval of:

- \* recognition of Taiwan as a major non-NATO ally for the purpose of transferring defensive articles and services
- \* the authorization of the sale of four Kidd Class Destroyers to the Taiwanese authorities, and
- \* flying the American flag at the American Institute in Taiwan office in Taipei.

### *Mid-term election results good for Taiwan*

The results of the 5 November 2002 mid-term Congressional elections in the US are on the balance rather good for Taiwan. Although some of Taiwan’s staunchest congressional supporters — including Benjamin Gilman, Jesse Helms, Frank Murkowski and Robert Torricelli – retired or didn’t seek re-election, others – in particular the four

co-chairmen of the Taiwan Caucus (Bob Wexler, Steve Chabot, Sherrod Brown and Dana Rohrabacher) won their re-election bids. Also, Nancy Pelosi (D-California), who has shown strong support for Taiwan, rose to prominence as Democratic Leader in the House of Representatives.

In the Senate Foreign Relations Committee, Senator Richard Lugar is expected to be named chairman, replacing Joseph Biden, who was traditionally rather stand-offish to Taiwan. Another person in the Senate who will give strong support to Taiwan is Elizabeth Dole, who succeeds Jesse Helms of North Carolina.

**Taiwan Communiqué comment:** *A more even support from Congress will help the Bush Administration in its quest to enhance relations with Taiwan. Three important issues are: 1) negotiation on a free trade agreement, 2) increase pressure on China to remove the some 400 ballistic missiles aimed at Taiwan and end its military threat against the island, and 3) speed up the acquisition of defensive weapons such as Kidd-class destroyers, submarines and AEGIS-equipped warships, as well as expand military cooperation and intelligence exchange with the US.*



**Congresswoman Nancy Pelosi at the "Stand up for Taiwan" rally in DC on 18 June 1998**

*There has also been an increasing number of voices calling for making the Taiwan Relations Act the central piece of legislation in the relations between US, Taiwan and China, and to relegate the "One China" dictum and the three Sino-US communiqués to history. The latter are outdated leftovers from the Cold War period, and do not take account of the fact that democracy has come about on Taiwan. The consent of the people in Taiwan, peaceful resolution, and normalization of relations should be the cornerstones of the ties between the three countries.*

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