



Taiwan Communiqué

Published by:

Formosan Association for Public Affairs
552 7th St. SE, Washington, D.C. 20003
Tel. (202) 547-3686

International edition, February 2006
Published 6 times a year
ISSN number: 1027-3999

107

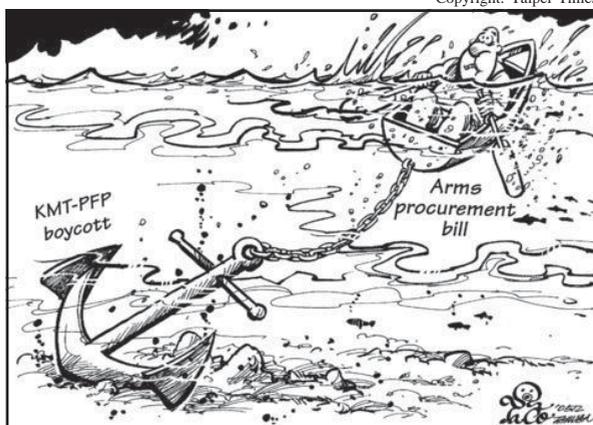
The arms procurement budget stalemate *Pan-blue opposition obstructionism*

During the past year-and-a-half, a special budget to fund the purchase of a U.S. package of arms has languished in Taiwan's Legislative Yuan — held hostage by the pan-blue opposition of the Kuomintang (KMT) and People's First Party (PPF).

The package of defensive weapons, consisting of six PAC III anti-missile batteries, eight diesel-electric submarines and 12 P-3C anti-submarine reconnaissance aircraft was initially approved by the Bush Administration in 2001. In the subsequent years, the details were worked out between the US and Taiwan, and in June 2004, the DPP Administration in Taiwan submitted the budget request to the Legislative Yuan.

However, since that time, the pan-blue coalition of Kuomintang and PFP has blocked the bill from even being placed on the agenda of the Legislative Yuan. The matter was brought to a vote some 45 times in the Procedure Committee, in which the pan-blue parties have a slight majority, but each time it was voted down.

In spite of repeated appeals from the US Administration and from Congress, the pan-



Arms procurement bill being dragged down by
KMT-PPF boycott

blue opposition in Taiwan has persisted in its obstructionism, apparently intent to block the DPP government from making any progress on this issue and many other issues.

Taiwan Communiqué comment: *To outside observers, it is incomprehensible that a small group of Chinese Nationalist stalwarts in Taiwan's parliament — through their internal antics in the Legislative Yuan — can undermine Taiwan's defenses against China, and thereby frustrate Taiwan's progress towards being accepted as a fully free and democratic member of the international community.*

The rejection is thus a shortsighted, self-defeating political move by the pan-blue coalition, which is apparently intent to play political games at the expense of Taiwan's national security. In doing so, the two parties also seem to do the bidding for the Chinese authorities in Beijing, which have vocally opposed the sale of these defensive arms to Taiwan.

*The leaders of the pan-blue coalition - Messrs. Ma Ying-jeou and James Soong — seem to be blind to the fact that, during the past decade, China has increased its defense budget by approximately 18 percent **annually**, which means a doubling in just over four years. China has also focused its weapon development program almost exclusively on weapons designed to invade Taiwan, and weapons which are intended to prevent the United States from coming to Taiwan's assistance.*

It would thus be highly desirable if those within the opposition Kuomintang and PFP who have a sense of responsibility for their country, and a sense of dignity as elected representatives, would listen to the people of Taiwan, and help provide for the proper defense of Taiwan against an outside aggressor.

President Lee Teng-hui does Washington

In October 2005, former Taiwan President Lee Teng-hui visited the United States, first stopping off in Alaska and New York City, and then proceeding to Washington DC, where he stayed from October 17th through 20th. From there he went on to Los Angeles and returned to Taiwan on October 22nd. This visit is both historic and significant, for it is President Lee's first visit to Washington DC since he became the president of Taiwan in 1988.

During his 12-year-presidency, President Lee was not allowed to visit Washington, DC due to the self-imposed restrictions of the United States government.

In 1995, during his presidency, President Lee embarked his first trip to the United States as the President of Taiwan and visited his alma mater Cornell University, prompting protests and missile firings by China into the waters near Taiwan. In spite of China's threats and intimidations, Mr. Lee was re-elected President with an overwhelming majority in Taiwan's first direct presidential election in March 1996.

The main purpose of President Lee's visit to Washington was to rekindle his friendship with old friends, both in the United States Congress, academia, the business community and the Taiwanese-American community.

Mr. Lee – often referred to as “Mr. Democracy” in Taiwan — is generally considered the father of Taiwan's transition to democracy. During his presidency (1988-2000), Taiwan moved from an authoritarian



President Lee examining the US Declaration of Independence at the National Archives

one-party system under the Chinese Kuomintang regime, to a free and open democracy under the present Democratic Progressive Party government. The election of President Chen and the peaceful transfer of power in 2000 was the culmination of Taiwan's transition towards a full-fledged democracy.

“The US inspired my democratic dream”

In an interview with **Newsweek** magazine in 1996, President Lee revealed that he was inspired by American democracy during his student years at Cornell University during the 1960s. He said while referring to the turbulent 60s, *“There was chaos but still democracy. I realized you must use democracy to improve society... The majority used the democratic system to improve the social order.”*

Thus, his visit of the ultimate symbol of American democracy – Washington, DC, a city that embodies the universal spirit of human rights, freedom and democracy — fulfilled his long admiration for American democracy.

Right after arriving in Washington, President Lee and his wife paid a visit to the National Archives, where they saw the original US Constitution and the Declaration of Independence. They also visited the Jefferson Memorial, dedicated to one of the main authors of the Declaration of Independence.

Congressional reception: welcoming a “troublemaker”

During the following three days, he met with members of Congress, think-tank scholars and other international friends of Taiwan, and ended his visit with a speech to some 200 media representatives at the prestigious National Press Club.

During his presentations, President Lee emphasized how recent and fragile Taiwan’s democracy still is, and urged the United States to stand firmly by its democratic ally in the region, and to help strengthen the democracy and freedom by supporting the democratic forces on the island.

He especially highlighted the rise of Chinese military power and the threat of such a rise to the regional and global security environment and American strategic interests. He appealed to the United States and the international community not to ignore the attempts by the Chinese authoritarian regime to absorb a democratic Taiwan, and to help preserve democracy on the island.

At a Congressional reception, he was warmly welcomed by a crowd of members of the Senate and House of Repre-



Congressman Tancredo (R-CO) presents President Lee with a US flag which flew over the Capitol



President Lee with co-chairs of the Congressional Taiwan Caucus Steve Chabot, Sherrod Brown and Dana Rohrabacher

sentatives. Twenty-five members of Congress spoke at the gathering, praising President Lee for his leadership in bringing democracy to Taiwan, and many of them calling for the United States Administration to end its self-imposed restriction on contacts with high Taiwan government officials.

Congressman Dana Rohrabacher of California alluded to the “troublemaker” label which China and the KMT in Taiwan are trying to put on President Lee. Rohrabacher stated: *“President Lee, I want you to know that you are now in the Capital of the United States, where we celebrate those who make trouble for tyrants. We have a monument for some of the greatest troublemakers of history, Thomas Jefferson, George Washington: they were troublemakers for the tyrants of their day.”*

Normalizing Taiwan’s international relations

President Lee also urged the US to help end Taiwan’s isolation in the international community, to assist the island in normalizing its relations with countries around the world, and become a full and equal member of the international community.

He emphasized during his visit that Taiwan is striving for peace and stability in the Taiwan Strait, while China is threatening its small neighbor with missiles and military annexation. He urged the United States and other Western nations not to let a non-democratic China threaten and bully a small democratic neighbor. He stressed that if Taiwan’s democracy is to be preserved, it is essential for the US to stand up for human rights and democracy in East Asia.

Taiwan Communiqué comment: *Former President Lee’s visit to Washington was a memorable and momentous occasion. Congress rightfully honored him with a reception in the US Capitol, and the National Press Club welcomed him at an overflowing press conference in the National Press Building.*

However, the Bush Administration did not allow US government officials to meet with President Lee and his delegation. One must wonder what kind of signal this sends to the outside world, and especially to East Asians who strive for democracy. If the United States wants to spread democracy around the world, it needs to be more supportive of a country that achieved its democracy so recently, and of the person – President Lee Teng-hui — who played such a major role in bringing that democracy about.

We also reiterate the call by many of the members of Congress present at the Congressional reception for the US to lift all restrictions on high-level meetings with the democratically-elected leaders of Taiwan, including President Chen Shui-bian.

December 2005 election results

Local elections about local issues

On Saturday, December 3rd 2005, “three-in-one” elections were held in Taiwan: 23 County magistrate and City mayors, a total of 901 seats in city and county councils, and a total of 319 chiefs of townships.

The opposition Kuomintang won fourteen out of the 23 County magistrate and City mayor seats, while the ruling DPP party garnered only six seats, a loss of four. Of the remaining three seats, two went to other parties associated with the KMT, and one to an independent candidate.

Copyright: Taipei Times

Overall, the DPP received some 42% of the vote, vs. the KMT approx. 51%. In comparison to the 2001 County Magistrate elections this was a decrease for the DPP of 3.3% and an increase for the KMT of 4.9%.

The outcome was a set-back for the DPP, but it has to be remembered that these were *local* elections about *local* issues. Traditionally the KMT has done better in these than the DPP, because it has an established network at the local level (built up during the many years of martial law!). The DPP is still a young party, which has a national-level infrastructure, but is less established at the local level.



DPP electoral postmortem

The voters clearly showed disappointment with the DPP because of its administrative failures and because of an alleged corruption scandal that tainted its “clean” image. From the KMT, Taiwanese voters expect corruption, but the DPP came into office promising to do away with the KMT’s “black gold” corruption and now the party itself was tainted.

Much of the news media in Taiwan, which is still heavily controlled by the Kuomintang, did everything it could to blow the corruption cases out of proportion. The fact is that

the DPP is bringing the cases out into the open, and is combating corruption, while we still have to see any KMT or PFP officials resign because of corruption.

The KMT was thus better at getting the vote out than the DPP, but the reasons had little to do with cross-Strait relations: a significant factor is that the KMT now has a new standard bearer, Taipei mayor Ma Ying-jeou, a handsome and suave personality who attracts voters because of those qualities.

What can we expect to happen?

1. The People's Republic of China and the pan-blue opposition parties in Taiwan -- as well as some Western media reports -- interpreted the results as a show of support for "unification". Nothing is farther from the truth: there was no significant shift between pan-green and pan-blue support or on the unification-vs-independence issue, but primarily a strong disenchantment with the way the DPP administration has let corruption get out of hand, prompting core pan-green supporters to stay home.
2. The DPP will have to do some tough soul-searching about its performance and local policies. President Chen is a "come-back-kid" and will have to devise ways to find a way forward that satisfies his core support in the country.
3. KMT leader Ma Ying-jeou appears to be a more pragmatic political operator than his rigid predecessor Lien Chan. If Mr. Ma expects to really be a leader of the Taiwanese people, he will have to steer his party towards finding more common ground with the DPP instead of the recalcitrant obstructionism of Mr. Lien.

Taiwan Communiqué comment: *The elections show that Taiwan has a strong, vibrant democracy, unlike its neighbor China, which is still ruled by a one-party totalitarian regime. The DPP did lose, and the KMT did win, but both parties retained their power base. Key to this election, it would seem, and future elections, will continue to be the "middle" voters.*

It is thus incorrect to conclude – as some Western news media did – that the election results showed increasing support for an accommodation with China, as advocated by the opposition Kuomintang and PFP parties.

While the elections were not about cross-Strait relations, but about local issues like good government and fighting corruption, we still have to be alert that the PRC doesn't use this election result to undermine democracy in Taiwan further, and push for a creeping change of the status quo and "stealth unification."

President Chen responds: New Year, new beginning

On January 1, 2006 Taiwan President Chen Shui-bian held his annual New Year's speech. In view of the doldrums in which he and his party found themselves after the disappointing December 2005 election results, the speech was widely perceived as one of his last chances to turn the tide.

While it is perhaps too early to state that the DPP is back on track, President Chen made a strong effort to get those who did not vote in the December elections to return to the DPP fold. He did emphasize Taiwan's identity and "Taiwan consciousness", and referred to Taiwan as "Taiwan" instead of the anachronistic "Republic of China" title to which the KMT and PFP opposition parties still cling.

Furthermore, President Chen emphasized that "sovereignty, democracy, peace, and parity" were the four principles he wanted to adhere to. He particularly lashed out at the Kuomintang and the Chinese Communist Party, and stated that he would not allow them "*... to establish an undemocratic premise or impose a set of choices that precludes democratic freedom.*"

President Chen then described the increasing military threat, and mentioned that the PLA has now 784 ballistic missiles targeted at Taiwan. He quoted US and Japanese military reports which stated that China's military development "*... exceeds the reasonable scope of its defense needs, and emphasized the necessity to strengthen Taiwan's self-defense capabilities.*" He said that the delay of the military procurement budget caused by the obstruction of the KMT and PFP opposition "*... has seriously impeded the progress of developing and strengthening our national defense capabilities.*"

The President furthermore emphasized that an over-reliance of Taiwan's economy on China would be detrimental to the island's economy, and argued for stricter "proactive management" of trade with — and investment in — China. He also criticized KMT chairman Ma Ying-jeou for saying in a recent interview that "unification" was the party's ultimate goal, adding that the KMT's policies were threatening "*... to deprive the people of their freedom to choose*" the island's future.

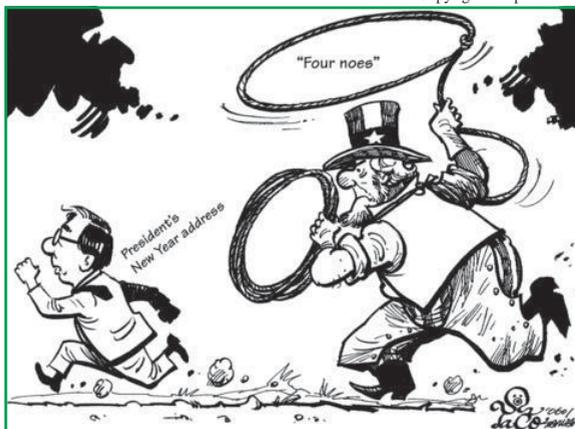
He continued by focusing on internal reforms so as to make Taiwan more efficient and effective, and get rid of organizational structures and practices left over from the time the island was ruled by the Kuomintang, when it still claimed sovereignty over China. In particular he mentioned that when the time is right and conditions in Taiwan's society become sufficiently mature, it should be possible to hold a referendum on a new Constitution.

Taiwan Communiqué comment: *In the Taiwanese community, the President's speech was well-received. Many of his followers welcomed it as a much-needed resolve to firm up Taiwan's position vis-à-vis China, and also with regard to the opposition of the KMT and PFP which have played a destructive game of obstructionism against the DPP government.*

*The international press generally focused on the President's call for more arms to defend the island against China's aggression. One article, ("Taiwan chief seeks more arms, not better ties to China", **New York Times**, Jan 2, 2006), makes it appear as if President Chen's call for more weapons from the US is the reason for the slide in Taiwan's relations with Beijing.*

Copyright: Taipei Times

The New York Times leaves out the fact that for the past ten years Beijing has been building up its military with the specific aim of attacking Taiwan and preventing the US to come to Taiwan's assistance. Over the past decade, Taiwan's defense budget has decreased, while China's budget has increased at a rate of nearly 18% per year. China is thus clearly the aggressor, pushing Taiwan into a corner. Taiwan needs the means to defend itself.



State Department trying to nail down president Chen Shui-bian on the "Four noes."

State Department mantra

After President Chen's speech, the US State Department came out with a brief reaction stating that "...the United States has no objection to the promotion of good governance on Taiwan through referenda or constitutional reforms", but then went on to remind President Chen Shui-bian of his "Five no" pledge, before reverting to the usual mantra that "Our policy has not changed. Our unofficial relationship with Taiwan is governed by our one-China policy, the Taiwan Relations Act, and three U.S.-China joint communiqués. The United States does not support Taiwan independence, and opposes unilateral changes to the status quo by either Taiwan or Beijing."

*Taiwan Communiqué comment: the US State Department is neglecting to mention that in the first part of President Chen's "Five No" statement in 2000, he made an important pre-condition / qualifier when he stated that "As long as the CCP regime has no intention to use military force against Taiwan, I pledge that during my term in office, etc...". Since China has done **nothing but** building up its military to use force against Taiwan during the past five years, the Department's "reminder" to Chen seems inappropriate to say the least.*

The State Department's reiteration of its outdated mantra on the "One China policy" is perhaps not unexpected, but it betrays a lack of creativity and "out-of-the-box" thinking which should go into this issue. In any case, the statement is not evenhanded: if the State Department says it does not support independence, it should also state it does not support unification, otherwise it is taking a biased stance on the future status of the island. Traditionally the United States has remained studiously neutral on this issue, and has only said that the future of the island needed to be resolved peacefully, and to be decided with the consent of the people on the island.

Panda diplomacy

By Kin-ming Liu. Mr. Liu is freelance Hong Kong columnist based in Washington

Six months after the arrival of a panda cub, Tai Shan, at the National Zoo, my fellow Washingtonians are still overjoyed. The demand to see the cute black-and-white creature has been overwhelming. All cub viewing tickets for January have been taken. Pandas, arguably, are China's most successful, disarming charm-offensive against the world.

So when Taiwan reacted angrily to China's recent offer to send two pandas to the island, people were understandably puzzled. How could the Taiwanese reject China's olive branch and say no to the pandas?

"With pandas, there is no blue or green, only black and white," said Lien Chan, the former chairman of the opposition Kuomintang, referring to the colors of the KMT and the ruling Democratic Progressive Party. Ma Ying-jeou, the current KMT chief, the mayor of the capital city of Taipei, and a presidential aspirant in 2008, concurred: "Please do not paint pandas with political colors. It is important to make Taiwanese feel the friendship of China."

In the eyes of the Chinese Communist Party, a panda has only one color: Red. Panda, in this case, is being used as a united-front cannonball against Taiwan. Mr. Lien’s visit to China last April triggered Beijing’s decision to send pandas to Taiwan “compatriots” as goodwill presents. Last week, without consulting the government of Taiwan, China suddenly announced that the two selected pandas would go to Taiwan in June. The chairman of Taiwan’s mainland affairs council, Joseph Wu, rightfully accused China of showing no respect for Taiwan by acting unilaterally. Taiwan’s council of agriculture would decide in March whether to accept the pandas, Mr. Wu said.

Copyright: Taipei Times



Chinese bear to Taiwan: "We're cute, we're cuddly, and you're going to take very good care of us, comrade."

According to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, pandas can only be lent - not given - by

China to other countries. For example, Tai Shan’s mother, Mei Xiang, and his father, Tian Tian, are on a 10-year loan from China to Washington, and both will return home in 2010. A \$1 million annual fee is charged for the conservation of the species in China. Tai Shan himself would also have to be shipped back to China when he reaches 2 years old.

Taiwan should refuse to fall into China’s trap. If it accepts the pandas as gifts, Taiwan would be accepting China’s absurd position that the island is part of China, since moving pandas from one "province" to another doesn’t invoke the convention. Taiwan should insist on treating the case according to the Endangered Species Convention.

Mr. Bush's Far East visit

Kyoto speech: Taiwan example of democracy

In the second half of November 2005 President George W. Bush visited Asia. He first stopped off in Japan, and displayed a good rapport with Japanese Prime Minister Junichiro Koizumi. During his visit to Japan, he also visited Kyoto, where he gave an important speech on democracy in Asia, heralding Japan's democracy, and holding out Taiwan as an example for China to follow. President Bush said:

“Taiwan is another society that has moved from repression to democracy as it liberalized its economy. Like South Korea, the people of Taiwan for years lived under a restrictive political state that gradually opened up its economy.... And like South Korea, economic liberalization in Taiwan helped fuel its desire for individual political freedom - because men and women who are allowed to control their own wealth will eventually insist on controlling their own lives and their own future.”

He continued: “Like South Korea, modern Taiwan is free and democratic and prosperous. By embracing freedom at all levels, Taiwan has delivered prosperity to its people and created a free and democratic Chinese society” and then reiterated that the US’ “One China policy” remained unchanged, and that it was based on the three communiqués, the Taiwan Relations Act, and that there should be no unilateral attempt to change the status quo by either side.

He concluded by saying that the US would continue to stress the need for dialogue between China and Taiwan that leads to peaceful resolution of their differences.

Taiwan Communiqué comment: *The Taiwanese-American community in the US and the Taiwanese in Taiwan highly appreciate President Bush' praise for Taiwan's democracy. It was a well-deserved but long-delayed accolade. In view of this, it is surprising that the Bush Administration continues its anachronistic policy of maintaining only unofficial relations with Taiwan.*

It is obvious to an objective observer that the present “One China” policy was established when Taiwan was still ruled by a repressive Kuomintang regime which claimed sovereignty over China. There is now a new and democratic Taiwan, and the Taiwanese people want their country to be a full and equal member of the international community.

It is thus desirable that the US adopts its policies to this new situation, and move towards normalization of relations with Taiwan. Reiterating the “three communiqués” is unhelpful: they were arrived at without any involvement or representation of the people of Taiwan, and can thus not have any validity in determining the future of the island.

For further comment on President Bush’s speech, we hereby present two essays, one by our co-editor Iris Ho, and one editorial from the Taipei Times, which particularly focuses on the incorrect reference to “*Chinese society*” in the President’s speech.

China, emulate Taiwan

President Bush needs to walk the walk as well

By Iris Ho, co-editor of Taiwan Communiqué

Asia watchers know very well that President Bush rarely mentions Taiwan in his foreign policy speeches. The last time the President made a reference to Taiwan was in December 2003. Standing next to the Chinese Premier in the White House, President Bush repudiated Taiwan for its plans to hold a referendum the following spring. Despite the President’s strong objections to the referendum (which -by the way- did not touch upon any issue the White House deems sensitive such as changing the name or sovereignty of the country) over 30 Members of the United States House of Representatives wrote an open letter to the people of Taiwan on the eve of the elections, urging them to participate in the referendum. They argued that a referendum is a basic democratic practice.

Since the September 11 attacks, promoting democracy in the Middle East has been the main focus of the global media and is at the top of the agenda of most Western governments. However, often times, the Western countries forget that supporting existing democracies is equally essential to maintaining world peace. Case in point: given the speed and scope of China’s military modernization, the cross-Strait military balance has drastically shifted in China’s favor. In addition, China’s “Anti-Secession Law” which was passed by the National People’s Congress in March 2005, officially gives the Beijing government the legal means to attack Taiwan. As long as China refuses to renounce the use of force against Taiwan, Taiwan’s democracy and prosperous economy are under siege by such blatant threats.

It was a step in the right direction that the people of Iraq could walk to the voting booth for the first time in their lives and elect their leaders. But democracy does not stop at holding elections. With the daily threat attacks by insurgents, the Iraqi people are not free from fear. Every new day forms a challenge for them to preserve that fragile democracy.

The people of Taiwan are in the same situation. They have a full-fledged democracy which is merely a decade old. And every new day holds a possible threat to their democracy. They are not free from fear of over 700 ballistic missiles along China's coast pointed at Taiwan or a possible military take-over by China.

As we continue to learn from the events in the Middle East, it is an arduous task to establish a democracy. It takes courage, perseverance, sweat, tears and sometimes even blood to achieve it. The people of Taiwan have paid their dues. They now need the international community to give them the recognition and respect proportional to the praise they receive for their democratic achievements. It is time that the international community in general, and President Bush in particular, put words of praise into deeds of recognition.

President Bush is absolutely right that China should emulate Taiwan. Three out of the four countries visited by President Bush during his Asia trip are democracies - Japan, South Korea and Mongolia. The fourth is not: China. Only when China answers to the call of its people and of the international community for freedom will we be able to establish stability in the region. China, emulate Taiwan.

The US needs to delink Taiwan and China

This editorial first appeared in the Taipei Times on Friday, November 18, 2005. Reprinted with permission.

US President George W. Bush has at long last demonstrated that he is aware of Taiwan's value as a democracy. Given recent US attitudes and commentary directed at this country, Bush is to be congratulated for his sudden enlightenment.

The question that now remains is this: Since the White House appears ready to accept that Taiwan is no longer an authoritarian state controlled by a murderous dictator, how will it translate this knowledge into a meaningful strategy for Taiwan?

Even as Bush praised Taiwan's progress in democratization, he committed the usual fallacy of placing Taiwan under the category of "Chinese society" as a whole — thus pandering to the knee-jerk "Greater China" myth that is at the heart of Taiwan's difficulties in the first place. "By embracing freedom at all levels, Taiwan has delivered prosperity to its people and created a free and democratic Chinese society," Bush said on Wednesday in Kyoto, Japan.

Loose talk about “Chinese society” may make for good rhetoric, but it hardly makes for good historical fact. When, during the past 200 years for a start, has Taiwan’s historical experience been even remotely akin to China’s experience? The short answer is that it has not. One would be better off comparing Canada and Pakistan, as they were both part of the British empire at some point.

Eventually the US must realize that the “Taiwan issue” can not be treated as a subset of the “China issue.” Many people in the US have become accustomed to treating Washington’s policy toward Taiwan as a small and irksome outgrowth of Sino-American

relations. This approach may have had currency in 1951, but it makes little sense now.

From the US’ perspective, preserving Taiwan’s de facto independence is not the end game — nor is maintaining trouble-free relations with China.

US policymakers seem to be unable to decide how to deal with China, and as a result, they lack a grand vision for US policy in the region. Merely playing “diplomacy” — which by current US standards

means not doing anything that someone might find distasteful, ever — is not going to help the US achieve its aims in the region.

The ultimate US goal in East Asia must be the preservation of the current strategic situation, with the US as the undisputed guarantor of regional stability and security. Every policy that Washington employs should be working toward this end. Unfortunately, the shortsightedness of successive US administrations has undermined this strategy, especially when it comes to Taiwan.

After all, one could look at how China deals with Taiwan as a barometer for how China will deal with the rest of the world. Add to this the vital geographic and strategic importance of Taiwan, and one arrives at a pretty compelling argument for ensuring that



Copyright: Taipei Times

United States to Taiwan (building up a defense against China's missiles): "Your actions could heighten cross-Strait tensions!"

this country remains a “buffer” between the world’s second and third largest economies — Japan and China, respectively.

Washington is going to have to make a decision about whether or not it wants to retain the mantle of leadership in the Asia-Pacific. The choice should not be too difficult, given that the alternative — letting Japan and China slug it out for control of the West Pacific — could well lead to World War III.

Taiwan has been compared to Spain in 1936 — a troubled, fledgling democratic state at threat internally and externally. The democracies of the world stood aside as Spain fell victim to authoritarianism, backed by Nazi Germany. Are they going to wait until it is too late for Taiwan, as well?

Taiwan’s Constitutional reform

By Don Rodgers. Prof. Rodgers teaches at Austin College, Texas

A recent comment by Ma Ying-jeou serves as a disturbing indication of the short-sightedness and irresponsibility of the current KMT platform and policies. In a discussion of cross-Strait air links, Ma stated, “*But the government just can’t figure out its policy priorities, and it pushes for constitutional re-engineering when what people want is a better economy*” (**Taipei Times**, January 7, 2006). Without even addressing the glaring inconsistencies in Ma’s position on the referendum issue, it is important to note the danger embodied in his statement.

Ma only states the obvious here; of course the people of Taiwan want a better economy. Yet a better economy is not all the people of Taiwan want. The people of Taiwan also want further democratic development, a more efficient and effective government, and political stability; all things that can best be achieved through the development of a new constitution. Of course the original Nationalist constitution was promulgated in 1946-7 in China, and was not written for Taiwan: its legal and institutional structures it created present numerous problems in governing in Taiwan.

Then the constitution was ignored for decades as the KMT attempted to consolidate its power through military force and martial law. And in the post-martial law era the constitutional reform or amendment process has been conducted inefficiently, with an eye on preserving the existing power structure, leading to the creation of a confusing

document that precludes efficient governing. These constitutional problems must be addressed to ensure lasting political stability on Taiwan. And without political stability Taiwan cannot have the better economy that Mr. Ma mentions.

Unfortunately Ma's statement falls in line with decades of KMT policy that sacrifices the long-term well being of the people for the party's short-term political interests. Since the party's founding and rule in China during the early 20th century, through its takeover of Taiwan, and up through the 2004 presidential election, many members of the KMT have sacrificed political reform that would lead to long-term stability for protection of their power.

Copyright: Taipei Times

For example, in Taiwan the KMT implemented economic policies that promoted rapid economic growth but that also had a devastating impact on Taiwan's environment. And due to its fear of any opposition, the KMT government implemented harsh laws during the martial law era that prevented some of the best and brightest Taiwanese minds from contributing to national development. While the KMT has reformed in recent years, its strong conservatism and desire to hold onto power still prevent the party from taking more courageous steps toward political reform.



China patting KMT Chairman Ma Ying-jeou on the head, complimenting him on his "eventual reunification" statement.

And to now imply that constitutional reengineering must be ignored to focus on a better economy once again highlights the party's short-sightedness. It is not clear why having a better economy and political reform or constitutional reengineering are mutually exclusive. Clearly Mr. Ma is not saying that we should return to the martial law era during which the KMT outlawed political reform because it claimed reform would threaten economic growth.

And of course Mr. Ma must understand that the current constitutional structure leads to a government that harms the economy due to its inefficiency. Mr. Ma is an intelligent and educated man who is well aware that the line between politics and economics is very

fine indeed, so it is very surprising that he chooses to ignore the connection between constitutional reform and governmental efficiency, and their impact on economic growth and progress for the people of Taiwan.

Constitutional reform is always a complex issue, and in the case of Taiwan it is made particularly complex by the island's unique international situation. Yet, it is clear that political reform is essential for long-term political stability and economic growth on Taiwan. Thus, Taiwan needs constitutional reform, and constitutional reform on Taiwan will require courageous and farsighted leadership.

At the present time Ma Ying-jeou is not the right person to lead the way because he seems to lack the will to push for needed reforms and appears more concerned with short-term economic gain than the long-term political stability of Taiwan. Of course the KMT is a powerful force and its participation in substantive political reform will be beneficial for everyone on Taiwan. Therefore, we hope that in his role as Chairman of the KMT Mr. Ma will give greater attention to the dramatic need for political reform in Taiwan.

Report from Washington

Towards a US-Taiwan Free Trade Agreement

By Coen Blaauw, FAPA Headquarters

During the past decade, Taiwan has emerged as a consistent top-ten trading partner with the US. In 2004, Taiwan was the 8th largest trading partner for the US, while for Taiwan, the US was its largest trading partner, its top export market.

Taiwan and the US have a lively economic exchange, especially when juxtaposed with other countries that have an FTA in place with the U.S. or are being considered for a US FTA. As one writer stated two years ago "*Compared to other U.S. FTA partners and potential FTA partners, Taiwan ranks very high. The United States and Taiwan traded more than 50 times as much as the U.S. and Jordan or the U.S. and Morocco. Trade between the United States and Taiwan was more than eight times greater than trade between the United States and Chile.*"

In 2002, the US International Trade Commission, on the request of the Senate Committee on Finance, published a report researching the economic impact of a potential US-Taiwan

FTA. The Commission estimates that US exports to Taiwan would likely rise from about \$21.9 billion to \$25.3 billion, a 16 percent increase, while U.S. imports from Taiwan would increase from \$39 billion to \$46 billion, an 18 percent increase. Taiwan's GDP would also experience an estimated increase of 0.3%.

Due to the relatively small size of Taiwan's economy (compared to the US economy), Taiwan would experience a greater impact in both potential gains and losses. For Taiwan, the greatest sectoral gain would be in the high-tech sector; although textiles should also experience a gain. Agriculture and banking would probably suffer losses; as well as the Taiwanese rice farmers, who represent a very important political force in Taiwanese domestic politics. Rice farmers have long been heavily protected by government policies.

Potential non-economic gains

Without a doubt, the non-economic benefits of the FTA would outweigh the economic benefits. For one, Taiwan and the US would strengthen their economic and political ties. As Taiwan scholar John Tkacik put it, "Once an FTA with the United States is completed, Beijing would be less likely to assume that it could take military action against the island without involving America and more likely to seek a resolution of frictions by using enticements and general goodwill than by threatening military force. If a U.S.-Taiwan free trade agreement can have this effect alone, it is worth the Administration's priority attention." Greater trade with the US under the FTA may also reduce Taiwan's reliance on trade with China.

Finally, a FTA would strengthen expressed US commitment to the U.S. 1979 law - the Taiwan Relations Act. The TRA specifically authorizes such type of trade agreements. No existing US negotiated FTA has been negotiated strictly on economic values, and an FTA with Taiwan would be no different.

Taiwan Communiqué comment: *Passage of FTA legislation in both Houses of Congress to put this important issue on the radar of the Administration is a welcome first step. In its turn, the conclusion of a Free Trade Agreement with Taiwan is essential for its continued existence as a free, democratic and sovereign nation.*

Encouraging the negotiation and eventual passage of a US-Taiwan FTA should be a priority for Congress and the Administration. Past FTA's with other nations have been negotiated on more than mere economics, and so too, a US-Taiwan FTA will have far-reaching ramifications. A revived economic alliance with the US, and more importantly, the strengthening of US-Taiwan ties, are the core of democracy and self-determination for the people of Taiwan.

Congress writes Secretary Rice to include Taiwan in Avian Flu network

In a letter dated December 15th 2005, some 53 Members of the U.S. House of Representatives asked Secretary Rice for an explanation why Taiwan is left out of US-initiated International Partnership on Avian and Pandemic Influenza (IPAPI) network, and that Taiwan “be included in the next full meeting of IPAPI, scheduled for January 2006 in Beijing.”

The letter, initiated by Rep. Robert Andrews (D-NJ) and co-signed by -- among others -- House International Relations Committee chair Henry Hyde, reads: “We encourage you to work with Taiwan as a part of the international effort to combat the avian flu, despite Taiwan’s exclusion from the WHO. Please provide an update on how the Administration has been working with Taiwan in combating the avian flu in the face of its official isolation. We also ask what steps will be taken to ensure Taiwan’s involvement in international health cooperation in the future.”

The Members concluded: “*Diseases know no borders. Taiwan cannot afford to be the missing link in this international battle against the avian flu. Even more importantly, the global community cannot afford to leave Taiwan out.*”

Beijing blocks Taiwan's participation

In mid-January 2006, the State Department announced that it had made it clear to China that Washington supported the inclusion of Taiwan in the avian flu network, including the international donors meeting sponsored by the European Union and the WHO, which was held in Beijing in the third week of January. The European Union also supported Taiwan’s participation.

However, Beijing rudely blocked Taiwan’s participation. In a reaction, Taiwan’s Ministry of Foreign Affairs (MOFA) expressed deep regret, saying that Taiwan has both the right and obligation to participate in conferences related to bird flu and international cooperation mechanisms on disease control and prevention. The Ministry added that China’s rejection of Taiwan reflects Beijing’s common practice of “putting politics before professionalism.”

Book Review

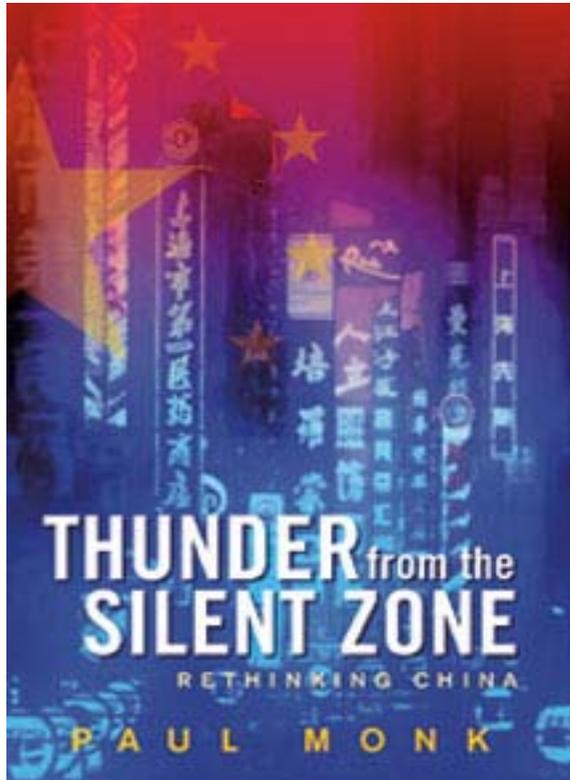
Paul Monk, *Thunder from the Silent Zone: Rethinking China*

Reviewed by Professor J. Bruce Jacobs, Monash University, Melbourne, Australia

In this wide-ranging book, Paul Monk, a former intelligence officer in Australia, makes a number of important policy suggestions. For readers of *Taiwan Communiqué*, most interest will focus on the Taiwan question. Thus, this review will concentrate on his “Part II: China and Taiwan” though the Taiwan question comes up in the other three parts as well.

Monk clearly argues, “A paradigm shift is required in order to deal with the Taiwan issue” (p. 80). He emphasizes, “Most analysis of the Taiwan issue proceeds from a small number of largely unexamined assumptions... There seems to be a very widespread assumption that rethinking them is either impossible or pointless, because they are simply the unalterable realities of the case. *That* assumption is false” (p. 80, original emphasis).

Monk believes “three fixed ideas govern strategic thinking on the Taiwan question” (p. 83). These are: (1) acceptance that Taiwan is an inalienable part of China for historical and international legal reasons, (2) “China will not under any circumstances accept the independence of Taiwan,” and (3) “China is a rising strategic competitor of the United States in Eurasia” (p. 83). Monk notes these claims are “endlessly repeated” but, he argues, *they are “tenuous at best.”*



The main shibboleth inhibiting clear thinking, according to Monk, is that China will under no circumstances accept the independence of Taiwan. This is based on a largely unexamined assumption: “China’s national interest and dignity as a nation state would be harmed if it was to accept the independence of Taiwan”. Monk suggests, “the most rational answer to the question of Taiwan’s future is a Chinese offer of *de jure* independence to Taiwan” (p. 89).

According to Monk, such an offer of independence would have four major advantages. First, Taiwan would be converted from an enemy into a friend. Second, such an offer would remove a serious cause of tension and misunderstanding between China and the United States. Third, other Asian countries would feel less apprehensive about the rise and territorial ambitions of China. Finally, a “constructive dialogue could begin with Taiwan about how to carefully bring about political reform in China” (pp. 90-91).

In addition, Monk argues there are four disadvantages to compelling Taiwan to kowtow. First, China could suffer a humiliating military rebuff with political consequences. Second, China could find itself at war with the United States at a time when its largest foreign investor is Taiwan. Third, this would cause serious alarm in Japan, Vietnam and the Philippines leading to closer relations between those states and the United States and possible Japanese rearmament. Finally, “Even if Taiwan was defeated and the U.S. retreated, the resentment and anger in Taiwan and the economic damage done would be grave and long-lasting” (pp. 91-92).

As part of the analysis, Monk also notes how Singapore separated from Malaysia and how Australia, Canada and New Zealand peacefully separated from Britain. He emphasizes the relevance of such examples to the China-Taiwan issue.

Sometimes Monk draws very interesting analogies—often with Western cases, but in his analogy between Chiang Ching-kuo and Deng Xiaoping he fails to suggest why Chiang began to reform politically while Deng failed to do so.

And, perhaps most disappointingly, in his asides Monk makes clear that he still considers Taiwan “Chinese.” Somehow, through his travels and interviews, Monk does not realize that Taiwan now has a new culture that is different from that of China. Thirty or forty years ago, Australians used to talk about “going home” to Britain even if they had never been there. Now, no one in Australia says such things. This parallel between Australia and Taiwan shows Taiwan’s current direction very clearly.

Taiwan Communiqué becomes FAPA publication

As our readers will note, we are starting to publish **Taiwan Communiqué** again. After remaining dormant for two years, the publication has found a new home in the Formosan Association for Public Affairs (FAPA), a Washington DC-based Taiwanese-American grassroots organization.

When we suspended the publication in 2003, we said that we would start up again if new developments warranted it. In January 2004, during the run-up to the March 2004 Presidential elections we did one special issue.

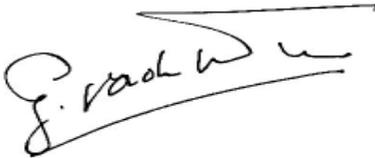
Since then, the situation for Taiwan has not improved. To the contrary: China has become more threatening, the internal opposition of KMT and PFP has led to a stifling political stalemate on the island, while international support for Taiwan remains tenuous at best. For us this is a good reason to restart our publication in order to help give a voice from the perspective of the Taiwanese people and the Taiwanese-American community.

We are pleased that we can merge this desire to restart the publication with FAPA's plans to play a stronger role in voicing Taiwan's point of view in the North America and Europe.

We wish you many happy reading hours, and we will do our best to make it an exciting and informative contribution to the discussion on Taiwan and its future.

The editors:

Gerrit van der Wees



Iris Ho



FROM:
Formosan Association for
Public Affairs
552 7th St. S.E.
WASHINGTON, DC 20003

Non profit org.
U.S. Postage
PAID
Washington DC
Permit no. 1486

ISSN Number: 1027-3999

CONTENTS	Taiwan Communiqué no. 107 February 2006
<i>The Taiwan arms budget stalemate</i>	
<i>Pan-blue opposition obstructionism</i>	1
President Lee Teng-hui does Washington	
<i>"The US inspired my democratic dream"</i>	3
<i>Congress welcoming a "troublemaker"</i>	4
<i>Normalizing international relations</i>	5
December 2005 election results	
<i>Local elections about local issues</i>	6
<i>President Chen responds, New Year new beginning</i>	8
<i>Panda diplomacy by Kin-ming Liu</i>	10
Mr. Bush's Far East visit	
<i>Kyoto speech: Taiwan example of democracy</i>	12
<i>China, emulate Taiwan by Iris Ho</i>	13
<i>Delink Taiwan and China by the Taipei Times</i>	14
<i>Taiwan's Constitutional reforms by Don Rodgers</i>	16
Report from Washington	
<i>Towards a Taiwan Free Trade Agreement</i>	18
<i>Congress writes Secretary Rice on Avian Flu</i>	20
Book Review	
<i>Thunder from the Silent Zone by Paul Monk</i>	21
Notes	
<i>Taiwan Communiqué becomes FAPA publication</i>	23

The goals of FAPA are: 1) to promote international support for the right of the people of Taiwan (Formosa) to establish an independent and democratic country, and to join the international community; 2) to advance the rights and interests of Taiwanese communities throughout the world; and 3) to promote peace and security for Taiwan

Internet homepages: www.fapa.org and www.taiwandc.org

SUBSCRIPTIONS:	USA (first class mail)	US\$ 30.-
	Other Countries (airmail)	US\$ 35.-