



Taiwan Communiqué

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National Unification Council RIP

President Chen Shui-bian axes dysfunctional relic

On Sunday, January 29th 2006, President Chen Shui-bian announced during a Lunar New Year meeting in Tainan that his government was considering abolishing the “National Unification Council” and “Unification Guidelines”, two obscure relics from the time Taiwan was ruled by the Chinese Nationalist KMT Party, which until the present day still advocates unification with China. The Council had not met since 1999 and its annual budget is equivalent to US\$ 31.—, “*not even enough for a single member to have lunch in a good Taiwanese restaurant*” (quote from the New York Times).

The statement generated a significant amount of hot air and dust: in particular the US State Department issued a number of statements, indicating its displeasure, stating that Taiwan should not disturb the “status quo.”

After several weeks of back-and-forth negotiations, it was agreed between the US and Taiwan that Taiwan would not speak of “abolishing” the Council, but that it would “cease to function.” On Monday, February 27th, 2006, President Chen Shui-bian made the formal an-



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"Mr. Washington, sir, why don't we maintain the status quo and not cross the Delaware River?"

nouncement, and on the following day he signed a Presidential decree making the decision effective.

Taiwan Communiqué comment: *It is unfortunate that the episode generated so much commotion in the US. This could have been prevented if the State Department had not over-reacted, while the Chen Administration could also have done a better job in communicating its intentions and reasons for the move.*

The basic two reasons are as follows: 1) During the past year, the balance had been drastically shifting in China's favor: its United Front tactics with the pan-blue opposition in Taiwan, its economic rise and increasing ability to isolate Taiwan, as well as its military expansion were driving Taipei into a corner. Thus, something had to be done by the DPP government to redress the tilting balance;

2) in the discussion on the future of the island, there should be a level playing field for all options. The existence of the Unification Council, together with China's rise and influence, increasingly seemed to make unification a foregone conclusion, precluding a free choice for the 23 million people on the island.

Below, we present two essays on the issue: 1) a letter by FAPA President C.T. Lee to President Bush regarding the apparent drift of US policy, seemingly away from support for Taiwan, and 2) an editorial in the Taipei Times.

A letter to President Bush

Washington, February 3rd 2006

Dear Mr. President,

As a grassroots organization of Taiwanese-Americans, we are deeply concerned about the direction of US policy toward the country of our birth, Taiwan. We refer in particular to statements coming out of the State Department which are critical of Taiwan President Chen's call for abolishment of the "National Unification Council" and the "Unification Guidelines."

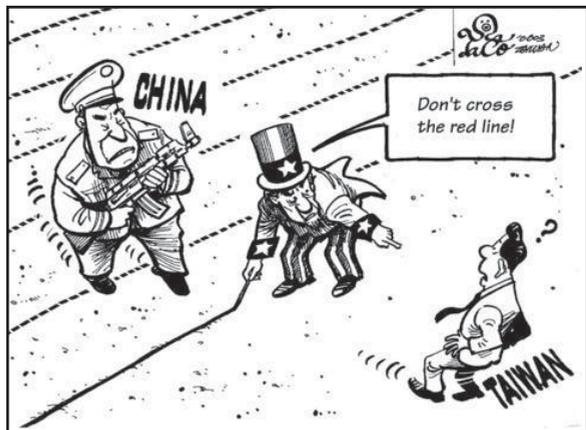
In your November 2005 speech in Kyoto you praised Taiwan for its transition to democracy. We believe it is time that the international community in general and the United States in particular reward the people of Taiwan for the political miracle they have brought about on the island. As the leader of the free world, you have rightfully emphasized that we need to strengthen democracy in the world. Taiwan is a key

democratic ally in East Asia. Statements like those of the State Department inhibit a constructive dialogue and a further positive enhancement of relations between the United States and Taiwan.

Our concern with those statements is also that — while they are presented as a standard reiteration of existing US policy — they in fact show a persistent tilt towards the position of Communist China. Let me elaborate: From the 1970s through the 1990s the American position has been that the US does not take a stance on the eventual status of Taiwan — unification or independence — but that it insists that a resolution has to be achieved peacefully.

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However, in 1998, President Clinton made a sudden and unilateral about-face when he stated his “Three Noes”, one of which was “no support for Taiwan independence.” We regret to see that your Administration has perpetuated this line. In saying so, the US is taking a stance on Taiwan’s future in a direction that is at odds with the basic principles of democracy and self-determination. We thus urge you to refrain from that kind of



US to Taiwan: "Don't cross this red line!"

phraseology: it represents a fundamental bias in the US position.

We also would like to point out that the constant reiteration of the “One China” policy is not helpful. That policy was devised more than 30 years ago in response to a situation in which two repressive regimes — the Chinese Nationalists and Communists — both claimed sovereignty as government of China.

A case in point is that in the Shanghai Communiqué, the US acknowledged that “... *all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China.*” That may have been the position of the repressive Kuomintang regime at that time, but the voice of the Taiwanese people themselves was not heard.

Taiwan’s transition to democracy in the late 1980s and early 1990s has changed the situation drastically: there is now a free and democratic Taiwan, which is represented by

a democratically-elected government, striving for normalization of its relations with the international community.

We urge you to show stronger support and encouragement for Taiwan's fragile democracy, and side with the democratic forces on the island instead of inhibiting creative thinking about Taiwan's future. By telling Taiwan not to change the "status quo", the US is preventing the island from ridding itself of the anachronistic remnants of its repressive past, while it gives China a say in decision-making on a democratic Taiwan's future that should be made solely by the Taiwanese people themselves. Imagine if someone had suggested in 1776 that the future of the American colonies should be "*...acceptable to people on both sides of the Atlantic.*"

As Taiwanese-Americans, we wholeheartedly support President Chen's proposals: it is a long-overdue step which would move Taiwan forward on the road towards being a normal country, and towards acceptance in the international community as a full and equal member.

In conclusion, we Taiwanese-Americans thus urge the United States government to help safeguard the safety and security of Taiwan, and to gradually work towards normalization of relations with the democratically-elected government on the island.

Sincerely yours,

C.T. Lee MD
President, Formosan Association for Public Affairs

Is the US asleep at the wheel?

This editorial appeared first in the Taipei Times on Thursday, March 9, 2006. Reprinted with permission.

US politicians and military officers think that Taiwan exists solely for the benefit of — or as a detriment to — US-China relations. This blissfully egocentric attitude has been the source of much confusion in cross-strait relations, and could lead Washington to make a major miscalculation jeopardizing its strategic position in the Western Pacific.

The problem is that the US has demonstrated it has little understanding of the forces that drive domestic politics in Taiwan. Taiwan's relationship with China is merely one part of the equation for local politicians, and they do not score points by keeping their mouths shut about it.

Few legislators, if any, get elected based on pledging to “maintain the status quo.” China just isn’t an obsession for Taiwanese voters. But it is a polarizing issue that can at times be used to get people out in the streets.

So long as Washington’s officials and think tanks try to analyze Taiwan through the lens of what best serves US interests, they are going to get it wrong. At a Senate Armed Services Committee hearing on Tuesday March 7th, this mentality was on full display.

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“I think that if that conflict were precipitated by just inappropriate and wrongful politics generated by the Taiwanese elected officials, I’m not entirely sure that this nation [the US] would come full force to their rescue if they created the problem,” were the words of Senator John Warner, a Republican, on Tuesday. The senator was directing his comments specifically toward President Chen Shui-bian and the decision to shut down the National Unification Council.



United States to Taiwan: "Get back in there! We don't want to alter the status quo."

From the senator’s perspective, Chen acted “inappropriately” because his decision complicated things for the US. Taiwan may owe a lot to the US, but this certainly doesn’t mean that Washington can expect to dictate the decisions made by Taiwan’s democratically elected officials.

Imagine if Taiwan had complained about the US’ post-Sept. 11 “war on terror” on the grounds that it undermined the US’ ability to react to a crisis in East Asia. Imagine if a Democratic Progressive Party (DPP) legislator had told President George W. Bush that he had precipitated a conflict “by just inappropriate and wrongful politics” and that the US did not deserve the world’s support because “they created the problem.” Needless to say, this would not have made Taiwan a popular place in Washington.

Does Warner believe that politicians in Taiwan are somehow fundamentally different to their counterparts in the US?

Clearly Chen believes that he and his party stand to gain from getting tough with China, and the decision to scrap the Unification Council was a part of this strategy. Surely this is not beyond the understanding of those in the US Senate.

Judging from the public statements of US officials, the entire council ordeal came as a complete surprise. Was there any excuse for this? Analysts, politicians and newspapers have been talking for weeks — ever since Chen’s New Year’s address — about the fact that the DPP was adopting a harder line toward China. It was only a matter of time before something like this happened.

Unfortunately for the large number of officials in the US who would rather Taiwan just keep its mouth shut and sit dutifully in the corner, every indication is that local politicians will continue to shake things up.

So since some in Washington appear to need to have the situation spelled out kindergarten-style, here it is: Until (at least) the presidential election in 2008, expect cross-strait relations to be a headache. There are going to be some bitter political battles fought here between the DPP and the Chinese Nationalist Party (KMT), and much of the fighting will be over issues that strike at the heart of Taiwan’s relationship with China.

That will mean the US will have to be very proactive in dealing with Taiwan. Is it prepared to be so?

Where does Ma Ying-jeou’s loyalty lie ?

By Gerrit van der Wees, Editor of Taiwan Communiqué

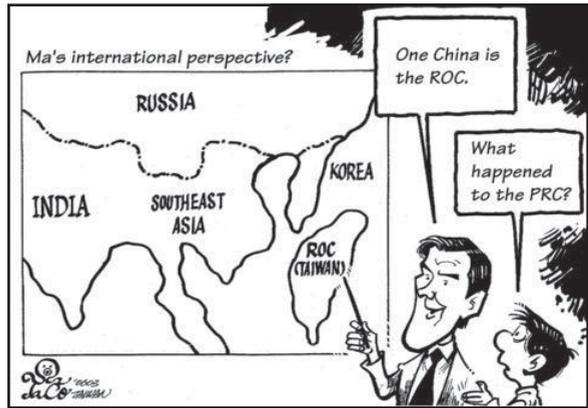
The visit of KMT Chairman and Taipei Mayor Ma Ying-jeou to Washington DC on March 22nd and 23rd 2006 raised more questions than that it brought answers.

The main theme of his presentation at the various think-tanks was that he could forge a peace agreement with China for 30/40/50 years, and that he could pull this off because “both sides” would work forward based on the so-called “1992 consensus”. The key problem with this rosy scenario is that China never accepted the KMT’s version of “each side its own interpretation” (of what “One China” means). In fact, it recently became clear that the “1992 consensus” never existed: KMT legislator Su Chi admitted that it was a fabrication on his part.

Mr. Ma's "five do's" proposal is thus unreal at several levels, but mainly because it presupposes that the PRC will accept the ROC as a sovereign entity — an ROC to which Mr. Ma said he proudly "pledged allegiance." China has consistently rejected the ROC as a continuing political entity — in fact, it fought a lengthy Civil War against it. The proposal also looks suspiciously like the old "interim agreement" proposed by Prof. Kenneth Lieberthal, which has been dismissed as unacceptable by both China and Taiwan.

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Mr. Ma said that he wanted to work towards "common vision" of peace and prosperity between Taiwan and China. He said that if the KMT comes to power, it will keep the anachronistic five noes, and affirm the status quo — but forgot to define it. Throughout his stay in DC, he never acknowledged the fact that Taiwan's democratic transition was driven by the DPP, and that the KMT — as Taiwan's former authoritarian regime — had been responsible for the island's unhappy, undemocratic past.



Mr. Ma Ying-jeou's skewed world map:
"One China is the ROC"

Mr. Ma's plans were also criticized by think-tank scholars at the **American Enterprise Institute** and the **Heritage Foundation**, who said that Ma's plans seem to draw Taiwan into a Chinese sphere of influence, and that this would be detrimental to US strategic interests in East Asia.

When asked during the **Brookings Institution** session and at the **National Press Club** why it seemed that the Kuomintang was seeking reconciliation with the undemocratic rulers in China when it was unable to move towards reconciliation with the democratically-elected DPP government in Taiwan, Mr. Ma was again evasive, and started to talk about totally unrelated topics.

Throughout his visit to the United States he seemed pre-occupied with showing that he could improve ties with China, but his continuing hostility to the democratically-

elected government of DPP president Chen Shui-bian, and his refusal to answer the question on reconciliation in Taiwan itself, raises the fundamental question where Mr. Ma's loyalty lies.

During the visit Mr. Ma said that he owes his allegiance to the "Republic of China", the entity which was established in Nanking in China in 1912, and brought over to Taiwan by the repressive and dictatorial Chiang Kai-shek in the period following World War II. While this "Republic of China" formally still constitutes the (empty) shell for the present governmental system in Taipei, it is generally considered outdated and "China-centered" instead of "Taiwan-centered." In fact, the 1947 ROC Constitution – also promulgated in Nanking – defines the territory of the country to include China proper as well as Mongolia – not something that is very much in line with present-day reality.

When Mr. Ma was asked about his view on the "One China" principle, he responded that in his definition the "One China" was the "Republic of China" – an anachronistic view, which is totally at odds with the PRC's view that "One China" is the **People's** Republic of China. In the PRC definition, Taiwan is even considered part of that China; the totalitarian Beijing rulers neglect to mention that the PRC never, ever – even for one minute – had any sovereignty over Taiwan.

So, the question remains, to which country does Mr. Ma consider himself loyal: a new and vibrant Taiwan, or a nebulous pipe-dream of a "Republic of China" which plays into the cards of the Chinese Communists in Beijing. If it is the former, he can help Taiwan become a full and equal member of the international community. If it is the latter, Taiwan will be inextricably tangled up in China's deadly spider web.

What "status quo" is the US preserving?

One year after the anti-secession Law

By Iris Ho, co-editor of Taiwan Communiqué

March 13, 1996 - China shoots missiles into the waters around Taiwan, less than 8 miles off Taiwan's largest port, Kaohsiung harbor. With these missiles Beijing seeks to intimidate the Taiwanese voters and deter them from participating in the 1996 historic presidential elections. I myself went to the voting booth anyway a week later and voted for my presidential candidate; the first time in my life. I was proud and glad.

Fastforward to 2005.

March 13, 2005 - The United States Congress overwhelmingly supports resolutions condemning the Chinese “Anti-Secession Law (ASL)” which have just been rubber-stamped by the Chinese National People’s Congress. The law legitimizes and legalizes a Chinese military attack against Taiwan. From now on, the Chinese authorities will be able to unilaterally forge and go ahead with acts of war against Taiwan.

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March 13, 2006 - The one-year anniversary of the infamous ASL. A lot has taken place during the past decade in both Taiwan and China. The aforementioned dates are just the markers that embrace that tense decade for cross-Strait relations. Yet, the United States policy as laid out in 99% of the State Department’s statements and briefings remain the same old, same old: *we want China and Taiwan not to alter the status quo.*



China dragon to US, Australia and Japan:
"You puny lot had better not be thinking about changing the status quo."

Assistant Secretary of Defense Peter Rodman’s comment at a U.S.-China Economic and Security Review Commission hearing on 16 March 2006 therefore came as a breeze of fresh air in that debate gone stale. Rodman admitted that “When there are zero ballistic missiles opposite the Taiwan Strait, and a few years later there are 700, that’s a change in the status quo.”

Hang on for a minute. If the status quo has already been altered as mentioned by Mr. Rodman, which status quo are we seeking to maintain? Which status quo are we seeking not to change?

Are we trying to cling onto the status quo from the 1970s, when, at the height of the Cold War, we needed China to counter Soviet expansion and in the meantime we needed the authoritarian regime of General Chiang Kai-shek in Taiwan to keep the Chinese

Communists at bay? Or are we trying to adhere to the status quo from the early 1990s when Taiwan was transforming towards a democracy and when there were no Chinese missiles pointing at Taiwan? Or are we defending the status quo from the late 90s when China rose to global superpower status and started deploying missiles to intimidate Taiwan? By the way, the number of the missiles is increasing by some 100 a year. Which number reflects the status quo?)

It is simply impossible to protect something that is perpetually changing. By openly proclaiming that it is trying to adhere to a status quo policy, the United States is painting itself into an impossible corner, from which it will be very difficult to extricate itself.

Moreover, how can we promote and protect the best U.S. interests in the region when China, Taiwan and the U.S. itself seem to have different definitions of the status quo?

It is evident that to China, the mere existence of Taiwan's flourishing democracy is a threat and a thorn in its side. As long as Taiwan exists as an independent country outside China's jurisdiction, China will seek to -- if necessary, by sheer force -- enforce its irrational claims on Taiwan. This has nothing to do with who holds the highest office in Taiwan.

The United States government should rein in China's military ambition against Taiwan and urge China to renounce the use of force. Democracy is not a threat - missiles are.

Unfortunately, some China-Taiwan scholars in the US see this otherwise. They argue that being a democracy does not give Taiwan a pass to be "provocative"; that Taiwan can exercise all democratic principles except for the right of self-determination.

But how do we explain to John Doe in Taiwan (or the United States, for that matter!) that we support the universal principle of self-determination but that it does not apply to Taiwan? Are we telling the people of Taiwan that the international community is bending the rules and neglect universal democratic values because we deal with China?

Those 800 missiles on China's Fukien coast pointed at Taiwan are the equivalent to a gun pointing at someone's head and asking them to make a decision. The policy of "*maintaining the status quo*" comes from the Chinese success in terrorizing its neighbors and Taiwan's international allies, including the United States. In other words, the international community let itself being bullied by China and China seems to get away with it.

Not according to Chinese Prime Minister Wen Jiabao though. On the first anniversary of the aforementioned anti-secession law, he warned that China is fully prepared “for all eventualities” in its efforts to rein in Taiwan’s independence forces. He added by insisting that China’s own military build-up was purely for self defense.

In Taiwan, my mother, who lives in downtown Taipei, does buy Mr. Hu's self-defense excuse. She is not particularly fond of me promoting Taiwan’s interests on Capitol Hill and keeps telling me: “Don’t make any trouble. China is too big. We are going to be absorbed by China one day anyway - sooner rather than later.”

That is the sad mentality of the state of mind of some Taiwanese; a sense of hopelessness and a sense of ultimately being abandoned by the international community.

On 13 March 2006, the advisory body to China’s legislature closed its annual meeting with the adoption of another resolution heaped upon the one year old ASL to “oppose and check Taiwan secessionist forces and activities” - effectively drawing another red line for Taiwan not to cross in its quest to be accepted as a full and equal member in the international community.

As the champion of the free world, the United States should not draw its red lines based red lines drawn by a totalitarian regime in Beijing.

The arms budget stalemate drags on *The KMT fails to move*

In our previous issue (no. 107, February 2006), we reported extensively on the arms procurement budget stalemate in Taiwan, in which the opposition of Kuomintang and Peoples' First Party had been blocking the passage of the budget for the sale of three-part arms package, approved by the Bush Administration in 2001, but languishing in the Legislative Yuan since May 2004.

According to reports in the middle of March 2006, the Legislative Yuan in Taiwan was finally moving towards a compromise, whereby two parts of the arms package, the twelve P-3 anti-submarine aircraft and six batteries of the upgraded Patriot PAC-3 anti-missile system would be approved. Still stalled was the sale of eight diesel-electric submarines (see story below).

However, on Tuesday, 14 March 2006, the Kuomintang caucus in the Legislative Yuan refused to agree to the compromise and decided to postpone the proposal "indefinitely".

Taiwan Communiqué comment: *The move by the KMT caucus shows how callous and irresponsible the Kuomintang is on the issue of national security for the island. The DPP government and large majority of the people on the island are willing to defend themselves. But the arms package is held hostage by pro-unificationist ideologues in the Legislative Yuan.*

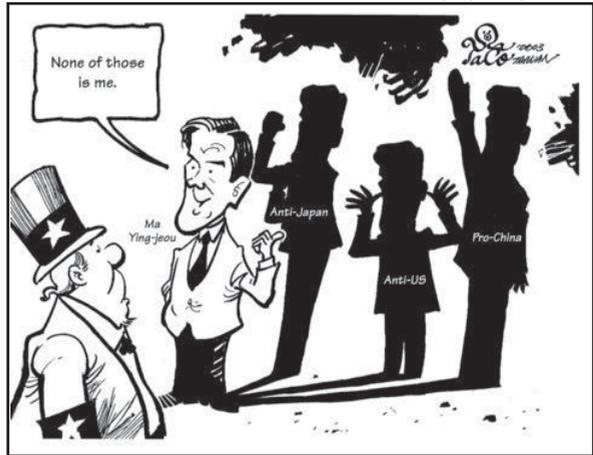
The aircraft and missile defenses are the most urgently needed in view of the rapid buildup of China's military capabilities which are specifically aimed at attacking Taiwan. According to recent reports, China has received deliveries of additional Kilo-class submarines and Sovremenny destroyers from Russia, and has increased the number of short- and medium range missiles aimed at Taiwan to more than 800.

Ma Ying-jeou characteristically vague

During his visit to Washington on 22-23 March 2006, Mr. Ma tried to play a partisan game by blaming the DPP government, while neglecting to mention that it was the KMT caucus in the Legislative Yuan that blocked the budget proposal for 48 times during the past two years, preventing it from even being placed on the agenda for any discussion. He also did not mention that the arms package was defined in the late 1990s, when the KMT was still in power.

Mr. Ma blithely stated in Washington that due to the KMT's stance in the Legislative Yuan, the cost of the package had been "reduced" from US\$ 18 billion to somewhere near US\$ 10 billion -- trying to imply that the KMT move had saved Taiwan's tax payers dollars. The fact of the matter is that the "reduction" in the special budget was achieved by shifting one part of the package – the Patriot PAC-3 missiles – to the regular budget. To term this a "reduction" is duplicitous.

In response to a direct question on the issue by former DOD and National Security Council official Kurt Campbell at a meeting at the **Brookings Institution**, Mr. Ma remained characteristically vague, only saying that the KMT supported a "reasonable arms package", but adding that this depended on a) Taiwan's defense needs, b) the Cross Strait situation, c) the financial picture, and d) public opinion. In other words: just some generalities and no commitment.



Mayor Ma Ying-jeou to the US: "None of those (anti-US, anti-Japan, pro-China) shadows is me."

Mr. Ma also said he opposed the purchase of PAC-3 missile defense system on the basis of the logic that it "failed" in the March 2004 referendum (it actually received an overwhelming support — some 90% — of those who voted, but didn't receive the required 50% of **eligible** voters - as is required for a referendum), but at the same time he does support Cross-Strait Dialogue, which was the topic of the second clause of exactly the same Referendum.

The submarine issue surfaces again

One of the hottest potatoes in the US arms package for Taiwan is the construction, outfitting and delivery of eight diesel-electric submarines. When the US package was approved by the US Administration in 2001, it was not quite clear where the submarines would be coming from: US shipyards have not built any diesel-electrics since 1959, when

the US shifted to an all nuclear-powered submarine fleet. European countries which do have the capability to build diesel-electrics — such as Germany, The Netherlands, Spain or Sweden – don't want to face China's wrath, and appear to be unwilling to grant permission for the order.

So from 2001 through 2004, the US and Taiwan military explored a number of options and reportedly converged on an option whereby a US shipyard would design and build the submarines. However, in Taiwan's legislature there was still significant pressure to have a portion of the subs made in Taiwan.

As we reported in our previous *Taiwan Communiqué*, the Kuomintang-controlled legislature was not really balking at the price-tag for the submarines, but primarily tried to scuttle the deal in an effort to politically obstruct the DPP government.

In mid-February 2006, there were two reports in the international press that there was opposition to the diesel-electrics from an unexpected direction: the US Navy. According to **Jane's Defense Weekly** ("*Taiwan claims US Navy has sabotaged SSK plans*", February 13th 2006) and a **Defense News** editorial ("*Come clean on Subs*", February 13th 2006) there was strong opposition within the US Navy against the deal, because the start-up of a new production line for diesel-electrics in the US might give the US Congress the idea that the diesel-electrics might be a good substitute for the much larger (and more expensive) nuclear-powered subs, especially for operations in coastal waters.

The reports indicated that the US Navy had forced the Taiwanese "... *to run an obstacle course without a finish line*" by putting one bureaucratic obstacle after another in front of the project.

One important issue was the price tag: according to an Independence Cost Estimate by the US Navy, the total project cost would amount to a "massive" US\$ 9.4 to 11.7 billion. The **Defense News** editorial mentioned that eight top-of-the-line European subs go for about US\$ 5.- billion, and said that it was not right for the US to demand that Taiwan commit to the complete program with upfront funding without details on design and definition.

The **Defense News** also rejected the charge that Taiwan is unwilling to adequately defend itself. It stated that Taiwan is spending at least US\$ 8.0 billion annually, and that the American manipulations surrounding the submarines were "*a shameful way to treat an old ally.*"

Taiwan Communiqué comment: *It is regrettable that some elements in the US Navy have played their own politics with the submarines. Still, it is not too late, and we urge the US and Taiwan Administrations to quickly develop a scenario for the submarines that is reasonable and affordable.*

With the purchase of Russian Kilo-class submarines and the advanced development of its own submarine-building capabilities, China is quickly gaining momentum in the area of submarine warfare. For the US it is important to realize that this expansion is not only for deployment in the Taiwan Strait, but could quickly develop towards blue-water capabilities.

China in the Quadrennial Defense Review

Another indication of the increasing military threat from China was that it was specifically mentioned in the US Defense Department's Quadrennial Defense Review, the extensive overview of defense-related developments in the world which was published on February 9th 2006. The QDR stated:

“Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies.”

It added: “China continues to invest heavily in its military, particularly in its strategic arsenal and capabilities designed to improve its ability to project power beyond its borders”, and continues to explain how most of Beijing's military modernization plans are carried out in secret, adding, “China is likely to continue making large investments in high-end asymmetric military capabilities, emphasizing electronic and cyber-warfare; counter-space operations; ballistic and cruise missiles; advanced integrated air defense systems; next-generation torpedoes; advanced submarines; strategic nuclear strike from modern, sophisticated land- and sea-based systems; and theater unmanned aerial vehicles for employment by the Chinese military and for global export.”

The US publication **Defense News** concluded (“*China bristles at US Military's scrutiny*”, February 20th 2006) that as a result, the review places a premium on U.S. forces “capable of sustained operations at great distances into denied areas.” It also advocates new investment in long-range strike capabilities, additional submarine production, and fitting some submarines with intercontinental ballistic missiles equipped with conventional warheads.

In addition to the QDR's emphasis on China, the U.S. Navy announced a redeployment of its submarine forces from the Atlantic to the Pacific, which will leave nearly 60 percent of its 53 submarines in the Pacific.

Defense News stated that taken together, "...these actions suggest that the Pentagon does not believe China's promise of a peaceful rise." It quoted Pentagon consultant Michael Pillsbury as saying: "The QDR appears to lay out a program in case China's self proclaimed 'peaceful rise' turns out not to be so peaceful, particularly with the review's emphasis on the need for future deep and sustained long-range strikes." He added: "Beijing's reaction has been anger at the QDR's detailed list of China's buildup, but Beijing shows no signs of any increasing transparency to disprove the secret buildup the QDR details."

Mr. Hu Jintao comes to Washington

Let history not repeat itself

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

Members of the "Taiwan Haters Club," disappointed at the State Department not lambasting Taiwan for scrapping the National Unification Council and its Guidelines, no doubt would try to push for the "nuclear option" – to have the U.S. President once again scolding Taiwan in front of a visiting Chinese communist leader.

These supreme panda huggers would like President Bush to say some harsh words on Chan Shui-bian in front of his White House guest Hu Jintao, the Chinese Communist Party secretary general in late April, repeating what Mr. Bush did with Wen Jiabao, China's Premier, on December 9, 2003.

When asked by an Associated Press reporter about the referendum to be held on March 20, 2004, Mr. Bush recounted what he told Mr. Wen on this issue: "We oppose any unilateral decision by either China or Taiwan to change the status quo. And the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose." If that's not damaging enough, listen to what Mr. Wen had to say subsequently: "We appreciate the position of the U.S. government."

A senior administration official tried to play down the incident afterwards by claiming that Mr. Bush had also told the visitor “in no uncertain terms” that the U.S. “would have to get involved if China tried to use coercion or force to unilaterally change the status quo.” Nevertheless, Beijing emerged as the winner succeeding to have Washington rein Taipei in.

China used to insist Taiwan was an internal affair and the outside world, especially the U.S., should mind their own business. Now, China relies on the American stick to deal with Taiwan. The U.S. should take substantial efforts to oppose Taiwan independence and not send any wrong signal to “Taiwan secessionists,” Chinese foreign ministry spokesman Liu Jianchao said in response to the decision on the NUC. “I hope the United States can make joint efforts with us in safeguarding China-U.S. relations and the peace and stability across the Taiwan Straits,” he added.



Copyright: Taipei Times

Doctor Uncle Sam: "He is not dead, he just stopped breathing."

According to *The New York Times*, China views the NUC episode as a test of how well the U.S. could constrain President Chen. And China sees Mr. Chen has prevailed over Washington's objections. Yan Xuetong, from Tsinghua University in Beijing, said Mr. Chen had shown he could manage American pressure and ended up winning tacit American support for his effort to terminate the NUC. Huang Jiashu, from People's University in Beijing, said Beijing would probably look for Mr. Bush to make a fresh commitment to oppose Taiwanese independence, perhaps during the visit of Mr. Hu to Washington in April. The *Financial Times* also reported that Taiwan would be high on the agenda when Mr. Hu visits the U.S.

The clearest signal showing China may be seeking stronger actions from the U.S. came from Li Zhaoxing, China's foreign minister. Speaking at a news conference at the annual session of the National People's Congress, Mr. Li warned the U.S. against sending "false signals" to Taiwan by playing down the scrapping of the NUC which he called a

“dangerous step toward independence” and an “open provocation” that required a tough response not only from China but also from other governments. He also expressed hope that the U.S. would have a “correct understanding” of the gravity of Taiwan’s move. Undoubtedly, China is not satisfied with the State Department’s restrained reaction so far and is calling for harsher ones from Washington.

Foggy Bottom, after showing a rare understanding attitude initially, subsequently issued a statement requesting Taipei to affirm that the NUC was “ceased to function” and not “abolished” and the status quo hasn’t been changed. The fact that the statement came out of the blue suggested that the tug of war is still going on, between Beijing and Washington, between Taipei and Washington, and between different groups within the U.S. government.

I agree with Michael Green, former national security council senior director for East Asia, who thinks the issue needs to be cleared up before Mr. Hu’s visit. “We need Beijing to see solidarity between Taipei and Washington,” he told *Taipei Times*. But this can be done easily.

When Mr. Bush receives the Chinese dictator at the White House, the President should indeed repeat something he said before. Mr. Bush should remember his Kyoto speech last November and spotlight Taiwan’s democracy as a shining example and not repeat the mistake he made two years ago.

Report from Washington

Towards a US-Taiwan Free Trade Agreement

By Coen Blaauw, FAPA Headquarters

Good news and bad news. The good news first: momentum in Washington in general and on Capitol Hill in particular in support of a U.S.-Taiwan Free Trade Agreement has grown significantly over the past three months. The bad news: there is still a long way to, and several obstacles still need to be overcome.

Recently, the United States has concluded FTA’s with a number of countries, including Australia, Jordan, Morocco, Panama, Singapore and Central American countries. FTA’s with Malaysia, Thailand and South Korea are presently in the works.

Clearly, Taiwan should be included in that list of countries that are lined up to qualify for “Fast Track” treatment for the gains from greater access for U.S. businesses to the Taiwanese market will be substantial.

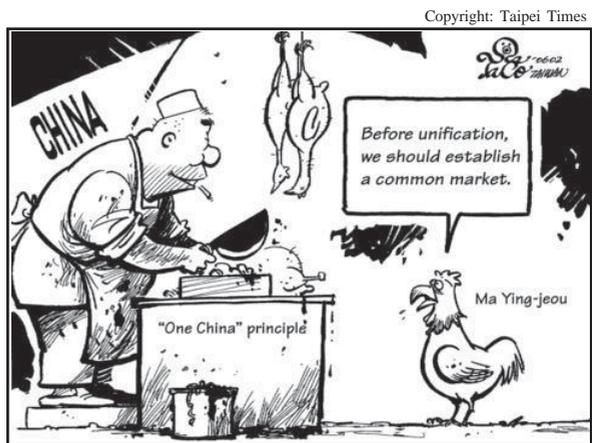
The introduction of two Congressional resolutions — HCR342 by Rep. Robert Andrews (D-NJ) and HCR346 by Reps. Jim Ramstad (R-MN) and William Jefferson (D-LA) – in mid-February 2006 signify the broad political support in Congress. The resolutions both urged the Bush Administration to make the conclusion of a Free Trade Agreement with Taiwan a high priority on the Administration’s agenda, and to launch negotiations with Taiwan at the earliest opportunity.

So why is it high time to move forward with the FTA?

First and foremost, Taiwan is the 8th largest trading partner of the United States, creating some US\$60 billion in two-way trade per year. Studies by the U.S. International Trade Commission show that U.S. exports to Taiwan would grow at a rate of approximately 16% per year once the FTA is in place. Not only that: a comprehensive FTA with Taiwan would create new opportunities in a cross section of American economic sectors from agriculture, biotechnology to financial services and energy.

Additionally, Taiwan is a major gateway to Asia. It is strategically located in the Eastern Pacific, and straddles the sea lanes between Japan, Korea and Southeast Asia. It has the world’s 3rd largest foreign exchange reserves, and is the world 3rd largest exporter of information technology-related products.

It is no secret that China is endeavoring to isolate Taiwan politically in the international arena. Regionally, China seeks to isolate Taiwan economically. A U.S.-Taiwan FTA will strengthen Taiwan’s regional trade integration, reduce Taiwan’s isolation imposed by



Rooster Ma Ying-jeou in China's common chicken market: "Before unification, we should establish a common market."

China's so-called "ASEAN Plus Three" proposal, and make Taiwan more confident in dealing with its neighbors - including China.

The economic implications of "ASEAN Plus Three" (which is being propagated as "the largest Free Trade Agreement" and which will bring together all ASEAN nations plus China, Japan and Korea) will economically harm Taiwan. The arrangement will not only jeopardize Taiwan's current status as a gateway to East Asia, it will economically isolate Taiwan, and even challenge Taiwan's economic survival.

During the past two decades, Taiwan has made a remarkable transition towards democracy. An FTA would also strengthen U.S. ties with a major democratic ally, and enhance stability and peace in the region. Moreover, a strong and economically and politically independent Taiwan is in U.S. strategic interest.

In November 2006, when in Kyoto, President Bush held Taiwan up as an example for China to emulate. He lauded Taiwan's democratic achievements. Indeed, the people of Taiwan have fought hard to establish a full-fledged democracy on their island - a shining city on the hill.

Taiwan Communiqué comment: *It is time that the Administration puts these words into action, and expeditiously concludes this crucial bilateral FTA. We call upon the Congressional leadership to facilitate passage of an appropriate FTA resolution, providing the necessary political support for the Administration to initiate the negotiations with Taiwan.*

Given the strong political as well as economic ties between the United States and Taiwan, it is in the interest of both the United States and Taiwan to deepen U.S. trade and economic relations with Taiwan. A comprehensive Free Trade Agreement with Taiwan is a win-win proposition.

Congress pushes for high-level visits

A second Taiwan-related matter which is gaining support in Washington is the issue of high-level visits: in October 2005, during the visit of former Taiwan President Lee Teng-hui, a number of Congressmen and Senators expressed themselves in favor of enhancing the contacts and dialogue with Taiwan. The members of Congress indicated it was rather peculiar for the United States to praise Taiwan for its democracy, but then turn around and impose restrictions on direct meetings between the elected leadership in Taiwan and US officials.

Another signal in support of high-level contacts came on Tuesday, 28 March 2006, when US Congressman David Wu (D-OR) – in a comment on KMT Chairman Ma Ying-jeou’s visit – stated that the US should moved towards a direct dialogue with democratically-elected Taiwanese officials, saying that “... *such opportunities are not only simple diplomatic courtesies but would also demonstrate America’s commitment to spreading democracy around the world*”, adding that direct dialogue between high-level Taiwan and U.S. officials in meetings in Washington itself are essential in helping members of Congress understand Taiwan’s perspective on the situation in East Asia.

In July 2005, the U.S. House of Representatives passed a resolution requesting that the State Department accord high-level Taiwanese officials visitation privileges to the United States. The resolution states that “*it is in the national interest of the U.S. to communicate directly with democratically-elected and appointed officials of Taiwan.*” The resolution was included in the Foreign Relations Authorization Act for Fiscal Year 2006 which was passed by the House by a vote of 351 to 78.

Book Review

Forbidden Nation by Jonathan Manthorpe

Reviewed by Timothy E. Bradberry, Pflugerville, Texas

Forbidden Nation by Canadian journalist *Jonathan Manthorpe* is a splendid combination of history and current political affairs of Taiwan. Manthorpe masterfully weaves an insightful story that links the island’s turbulent past and its geographic location on one of the world’s most strategic and lucrative trade routes to its present as a vibrant democracy, which – through a fluke of history – has been left an outcast in the international family of nations.

Manthorpe starts with the dramatic March 2004 assassination attempt against President Chen Shui-bian and Vice-president Annette Lu Hsiu-lien, and *en passant* debunks the attempt by the pan-blue opposition to twist the facts.

He then jumps back to its early history in the seventeenth century, when the island – only inhabited by aborigines of Malay-Polynesian descent, and not part of the Ming Empire – was discovered by Portuguese explorers and given the name **Ilha Formosa** (“*Beautiful Island*”). He continues with a comprehensive description of the develop-

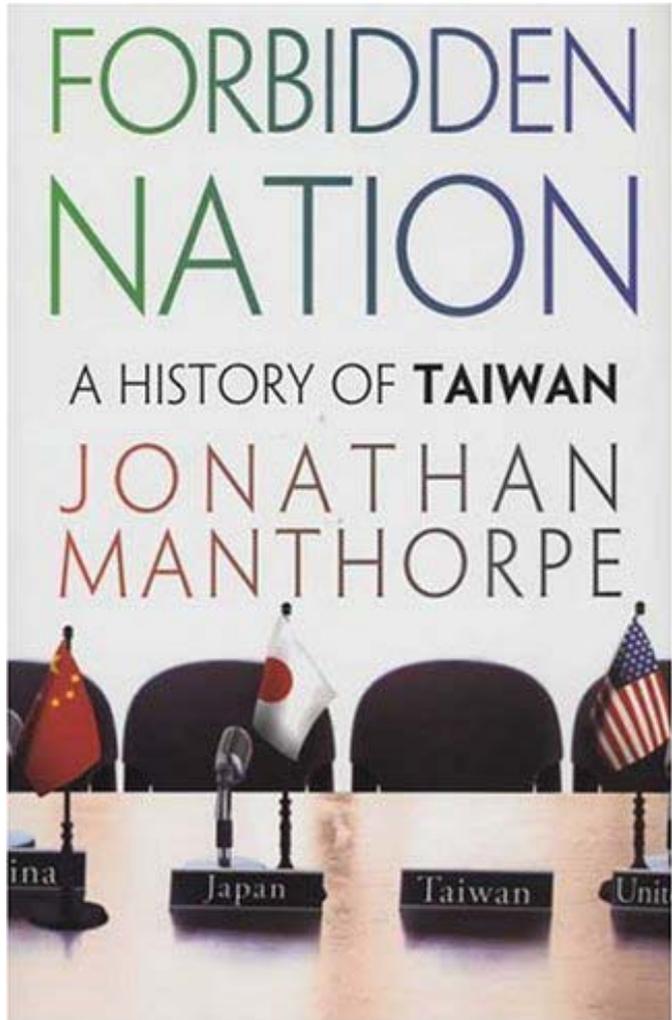
ment of the island during 38 years of Dutch rule, and the subsequent conquest and machinations of Ming pirate Chen Cheng-kung (“Koxinga” in the West).

Manthorpe then takes the reader through some three centuries, the brief period (1887-1895) as a province of China, the short-lived Taiwan Republic of 1895, and via the 50 years of harsh but fair Japanese rule to the chaotic post-World War II transition to occupation by Chiang Kai-shek’s Chinese Nationalists.

Manthorpe is at his best when describing the unfairness and illegality of the usurpation of control over Taiwan by Chiang’s repressive KMT regime, and the weak-kneed Western acquiescence.

He argues that the San Francisco Peace Treaty of

1951-52 kept the issue of Taiwan’s status undetermined until a democratic decision can be made.



He states that the international community should allow the Taiwanese to determine their own future on the basis of that Treaty, and not allow China to force its will on the democratic nation through the same type of coercion use by the Chinese Nationalists 50+ years ago.

He argues that there has never been a Chinese administration which exercised full government control over Taiwan and China at the same time.

Manthorpe notes that the people of Taiwan long for what people in societies everywhere desire, the freedom to choose their own path to the future. “Only the threat of invasion by China have kept Taiwanese from speaking out clearly about their desire for recognized independence.”

He concludes with an insightful analysis of the American policy of “strategic ambiguity” and a vivid description of the 2004 Presidential elections, arguing that the Taiwanese have fought long and hard for their democracy, and should be rewarded for their spirit and determination by the international community.

This book is a must read for anyone who wants to understand the complex identity and security issues which face the people in the “Forbidden Nation”, Taiwan.

Forbidden Nation, *A History of Taiwan* by Jonathan Manthorpe was published by Palgrave Macmillan, New York, October 2005.

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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

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