



Taiwan Communiqué

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The ECFA debate heats up

The KMT aims at concluding agreement in May

During the past year, there has been an increasingly heated debate in Taiwan about the so-called “Economic Cooperation Framework Agreement” (ECFA) between Taiwan and China. The trade agreement had been proposed by the Ma Ying-jeou administration as a panacea to pull Taiwan out of its economic woes. Closer economic ties would allow Taiwan to ride the coat-tails of China’s economic growth, or so the KMT government’s argument went.

As time went on, the Ma administration ratcheted up the pressure, charging ahead with the plans without doing any thorough analysis of the possible impact on the island’s economy. Requests from the democratic opposition of the DPP and even from the KMT-dominated Legislative Yuan for information on what ECFA would entail and an assessment of the pros and cons were brushed off with dismissive slights that “it will be good for Taiwan.”



Photo: Taiwan News

Rally on 20 December 2009 in Taichung in support of "Rice Bowl" and against the "Black Box" decisionmaking re. the proposed ECFA with China

In the latest cross-Strait talks, which took place from December 21st through the 25th 2009 in Taichung between the Chen Yunlin, chief of China's Association for Relations Across the Taiwan Strait (ARATS) and Chiang Pin-kung of Taiwan's Strait Exchange Foundation (SEF), it was decided that negotiations would be held in the first few months of 2010, aiming at concluding an agreement by May 2010. A first formal round of negotiations was held in Beijing on 26-27th January 2010.

The DPP and others see economic and political dangers

The opposition Democratic Progressive Party and many Taiwan-based and international observers consider the proposed agreement fraught with dangers, both in the economic realm and politically. They also see fundamental procedural flaws in the process leading up to the agreement, which are weakening Taiwan's democratic system and the checks and balances.

On the economic side, there was deep concern in Taiwan that the agreement would lead to a flooding of the Taiwan market with cheap Chinese products. This prompted the Ma administration to assure farmers that no agricultural products would be part of the ECFA agreement. Others were concerned that the agreement would lead to a loss of jobs in Taiwan or even to an influx of Chinese workers, leading to flurries of defensive statements by the KMT government.

A more general issue on the economic front is that while it might be advantageous to tie Taiwan's economy closely to an expanding Chinese economy while the going is good, what happens if the Chinese economy goes into a tailspin due to bubbles bursting, environmental concerns, labor unrest, a lack of growth in the rest of the world (and therefore reduced demand for products made in China) or other factors? In its responses and statements, the Ma administration did not even touch on this point.

On the political side, the agreement is fraught with danger since it is an agreement between two very unequal parties, one of which (China) does not recognize the sovereignty of the other (Taiwan), and has clearly stated it intends to absorb the other. The Ma administration has attempted to downplay these concerns by referring to a "Mainland area" and a "Taiwan area", thereby undermining Taiwan's sovereignty.

Many in the democratic camp fear that the ECFA agreement is simply a prelude to first economic and then political incorporation of Taiwan by China. They feel that the closer economic ties will give China an economic stranglehold over Taiwan from which it will be sheer impossible to escape.

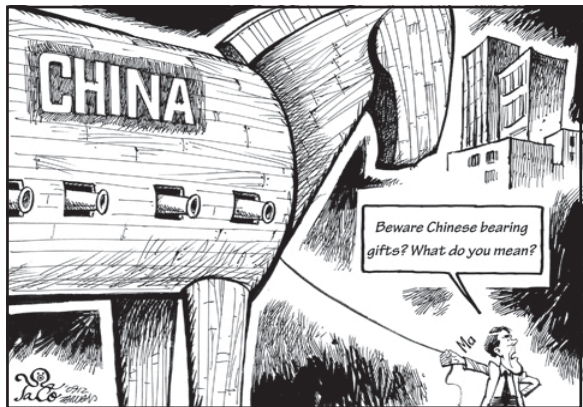
On the procedural side, many observers have pointed to fundamental flaws in the way the KMT government has gone about the proposed agreement. They say that instead of seeking a broad consensus on the road ahead, the Ma administration is simply barging ahead, without listening to, or seeking inputs from, sectors of society – such as farmers or workers – whose lives will be directly impacted by the agreement.

Critics also point to the virtually total lack of transparency: very little is made known as to what the agreement will entail. Negotiations are held in secret and there is little communication with either the democratic opposition or even the legislature: Legislative Yuan President Wang Chin-pyng – himself a KMT member — even publicly urged the government that the legislature needed to be involved in the process and be consulted.

Demonstration for “rice bowl” and against the ”black box”

The abovementioned concerns came to a head during a large-scale demonstration in Taichung on 20 December 2009, when some 100,000 people took to the streets of the Central Taiwan city in support of “Rice Bowl” – the rice bowl symbolizing livelihood, having enough food on the table – and against the “Black Box” style of decisionmaking by the Ma administration.

Copyright: Taipei Times



Ma Ying-jeou bringing in the "ECFA Trojan Horse"

The massive rally took place one day ahead of the scheduled December 21st to 25th 2009 meeting between Mr. Chen Yunlin, Chairman of China’s Association for Relations Across the Taiwan Strait (ARATS), and Mr. Chiang Pin-kung, the Chair of Taiwan’s Strait Exchange Foundation (SEF). In the

absence of diplomatic relations, these two semi-governmental organizations are formally charged with negotiating agreements between the two countries.

According to Western observers who attended the Taichung rally, the gathering was attended by a total of some 100,000 participants, more than 50,000 in the “Rice Bowl” line, and well over 40,000 in the “Black Box” demonstration. The two lines converged in the evening at the Taichung Open Air Auditorium for the joint rally, which lasted well into the night.

The purpose of the Chen-Chiang meeting was to prepare for negotiations on the Economic Cooperation Framework Agreement (ECFA) in the first half of 2010, and to sign four agreements, on industrial standards and certification, on inspection and quarantine of agricultural products, on avoidance of double taxation, and on labor affairs related to the fishing industry. Three agreements were signed, but one, on taxation, ran into a roadblock and was moved to a future meeting.

The December 20th Taichung demonstration started from two different directions: one – under the heading “Protect our Rice Bowls” — was led by DPP Chairwoman Tsai Ing-wen accompanied by other DPP leaders and was focused on the dangers posed by the closer economic ties with China to job opportunities in Taiwan. The DPP chairperson stated that the proposed ECFA would “... *open Taiwan’s markets up to low-cost PRC imports made with Taiwan technology and knowhow*” and warned that “*many people in Taiwan will lose their jobs.*”

The second demonstration – under the heading “Break the Black Box” – was headed by former Examination Yuan President Yao Chia-wen accompanied by leaders of civic organizations. That demonstration focused on the “Black Box” decisionmaking process of the Ma Administration, which has shown little transparency or accountability. Negotiations are generally started in secret meetings between the Kuomintang and the CCP and then formalized in the ARATS-SEF meetings.

The process has been very opaque, with little or no involvement by the Legislative Yuan or accountability in the normal system of checks and balances. To many in Taiwan, the haughty attitude of the Kuomintang harks back to the dark days or the authoritarian Kuomintang under Chiang Kai-shek and his son Chiang Ching-kuo. In her speech to the rally, DPP Chairwoman Tsai stated that “... *cross-Strait agreements cannot be decided in a black box and must be transparent, be subject to legislative supervision and must receive the agreement of the people through a referendum.*”

Until now the Ma government has maintained that the agreements will only be sent to the Legislative Yuan “for information” (after their signing), and do not need to be approved by the legislature. However, the Speaker of the Legislative Yuan, Mr. Wang Chin-pyng (himself a KMT member), stated in mid-January that the legislature could “override ECFA.”

FTA's with other countries?

An important issue in the upcoming discussions on ECFA is also whether China will “allow” Taiwan to conclude Free Trade Agreements with other nations. The Ma administration has been vague on this point, only saying that it hopes that this will be the case.

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However, the DPP and other groups have argued that this point should be an important prerequisite for signing an ECFA with China. They believe that it is unwise to depend on such “goodwill” from the Chinese side, and emphasize that it would leave the door open for China to block any meaningful trade agreement with countries such as Singapore, Japan and the United States.



**The Ma government playing "ECFA poker":
showing China its cards.**

International observers also argue that Taiwan should have such agreements with countries which are in a similar stage in economic development. E.g. Mr. Michael Danielsen of Denmark pointed this out in an article in the Taipei Times:

The consequences of a China-leaning FTA policy will not only hurt Taiwan's sovereignty, but also its economic development. International experience shows that the most effective economic integration is done between countries at an equal development stage. An FTA between Taiwan and the EU, for example, would benefit both parties.

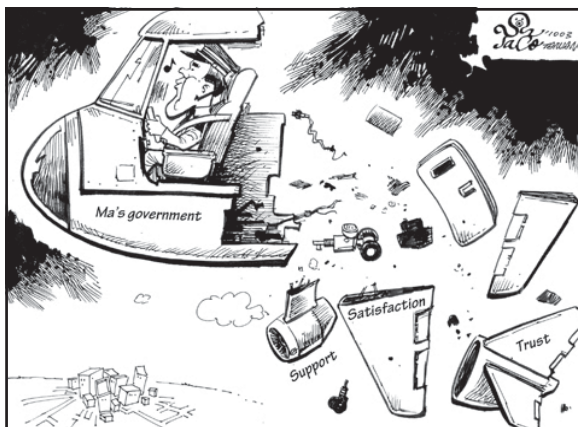
Taiwan would be able to improve its already competitive services in the finance, business and engineering sectors, while the EU would benefit from technological cooperation. This would advance Taiwan's knowledge economy. ("Aiming for FTA's that would help Taiwan", Taipei Times, 22 January 2010).

Local elections change political landscape

On Saturday, 27 February 2010, by-elections were held in four districts in Taiwan. Out of the four positions, three were won by the DPP (Hsinchu, Taoyuan and Chiayi counties), while the KMT barely held on to the fourth position, in Hualien County. It is significant that only Chiayi had traditionally been “DPP territory”, while the other three are generally considered KMT strongholds. The elections thus show a significant shift away from the KMT and towards the DPP.

Copyright: Taipei Times

The results show a broad disenchantment with the pro-China policies of the Ma Administration: many traditional KMT supporters stayed home in spite of heavy campaigning by President Ma himself. The results also bode well for the “Big Five” elections in December 2010 in the five major municipalities in Taiwan (Taipei City, Taipei County, Taichung, Tainan, and Kaohsiung), making it an even race. If the DPP does well in those elections, the



Support, Satisfaction, and Trust of Ma Ying-jeou government falling apart

2012 Presidential race will be up for grabs, making a DPP comeback possible.

The election results come on top of two earlier elections where the DPP made significant gains. A brief summary:

December 5th elections reverse downturn

In *Taiwan Communiqué* no. 126, we gave a preview of the 5 December 2009 local elections for mayors and county magistrates, city and county councils, and city and township heads. The outcome of those elections indicated a reversal of fortunes for the DPP: in total it garnered some 45.4 percent of the vote – against some 47.9% for the KMT – and won four important county magistrate positions.

The increase in the vote share represents a significant upturn for the DPP, which had been hampered by the dismal showing in the January 2008 legislative elections and a stinging defeat in the March 2008 presidential race. The DPP did win important victories in the races for county magistrate of Yunlin, Chiayi, and Pingtung counties, and even regained the magistrate in Ilan County, which had traditionally been a DPP stronghold, but went over to the KMT four years ago.

The reversal reflects general unhappiness about the Ma administration, in particular about its inability to get Taiwan out of the economic doldrums: in his 2008 election campaign, Mr. Ma had promised a “6-3-3” policy: 6 percent economic growth, US\$ 30,000 per capita GNP, and less than 3% unemployment. Instead, the unemployment rate is approaching 6%, the economic growth was negative (minus 2% according to most reports) for a good part of the past year, while the per capita GNP has stagnated at around US\$ 18,000.

The results also reflect deep concern in the agricultural areas in Southern and Eastern Taiwan about the proposed Economic Cooperation and Framework Agreement (ECFA) with China, proposed by the Ma Administration, which may lead to an influx of cheap Chinese agricultural products and a further deterioration of Taiwan’s already shaken industrial base. See article pp. 1-5.

January 9th by-elections landslide for DPP

In a by-election for three seats of the Legislative Yuan on January 9th 2010, the DPP consolidated the gains made in December 2009: it won a decisive victory with a clean sweep of the three seats up for grabs, in Taoyuan, Taichung and Taitung counties.

Photo: DPP

The most significant victory was won by the DPP’s Lai Kun-cheng in Taitung County, who won over his KMT opponent with 49.5% against 45.2% of the vote, with the remainder going to a third-party candidate. It was the first time ever that the county sent a DPP legislator to the Legislative Yuan. Taitung is located on the South-Eastern seaboard of Taiwan in a lightly-populated area where the KMT had been well-established and where it had been difficult for the DPP to make inroads.



Lai Kun-cheng (L), campaigning with DPP Chair Tsai Ing-wen in Taitung

In Taoyuan County, DPP former legislator Kuo Jung-tzung easily won over his KMT opponent with 58 against 40 percent, while in Taichung County, former DPP legislator Chien Chao-tung rode to victory with 55.1% against 44.9% for his KMT opponent.

All three seats had previously been held by the Kuomintang, but the Taoyuan and Taichung positions had become vacant when the January 2008 election of the respective KMT members had been annulled due to vote buying. The Taitung position opened up when the previous KMT legislator ran and won in the December 2009 “Three-in-One” election for county magistrate.



DPP winners Kuo Jung-chung (Taoyuan, L) and Chien Chao-tung (Taichung)

February 27th elections hard-fought

By Michael J. Fonte, liaison for the Democratic Progressive Party in Washington

Momentum is a key variable, in both sports and politics. The results of the February 27 by-elections, with the DPP winning three of the four seats up for grabs, show that momentum is on the DPP's side.

These victories continue the DPP's strong performance in the December 5th city and county elections, a victory in the Yunlin by-election early in the year and clean sweep of three by-elections in early January 2010. No doubt about it, the DPP is now very much alive and kicking, providing Taiwan with a serious two party system.

Many had given the DPP up for dead after the disastrous January 2008 legislative elections and Ma Ying-jeou's victory in the presidential election that followed.

However, with the Feb. 27th results, the DPP has now won seven of eleven legislative by-elections, received over 45 % of the vote in the 17 city and county mayoral elections of Dec. 5th, over 55% in the January 9th elections, and over 53% in the February 27th elections.



Hsiao Bikhim: strong performance in Hualien

In these most recent elections, the DPP candidates won in Taoyuan, Hsinchu and Chiayi counties, with only DPP candidate Hsiao Bi-khim losing in Hualien, but drawing 41% of the vote in an area where the DPP has previously garnered only 29%.

Three of the four districts have been traditional KMT strongholds, with Chiayi being the only outlier. In Chiayi, former DPP county commissioner Chen Ming-wen won handily by 67.9% to 32.1% for the KMT candidate with a 38.36% turnout.



From left to right: DPP winners Huang Jen-chu (Taoyuan), Peng Shao-chin (Hsinchu), and Chen Ming-wen (Chiayi)

In Hsinchu, DPP candidate Peng Shao-chin won with a comfortable margin: 56% of the vote compared to 44% for the KMT's Chiu. In Taoyuan, the DPP's Huang Jen-shu narrowly defeated the KMT's Chen, 45,363 to 42,600. Two rival KMT candidates did garner 8,041 votes. Overall the DPP won 53.2 % of the 390,051 votes cast compared to 42.42% for the KMT and 4.3% for independent candidates.

It is true that overall turnout was relatively low (around 40%). Many analysts believe that traditional KMT voters did not turn out in significant numbers. It is also true that the KMT's internal fights cost them the Taoyuan election. But momentum is clearly on the DPP's side.

DPP Chair Tsai Ing-wen, while happy with the results, was in no mood to gloat. Instead she noted that the up-coming year-end mayoral polls in five special municipalities (Kaohsiung, Tainan, Taichung, New North Taipei, and Taipei City) “*will be the real test of whether we are a mature party with vision.*” She also warned that the crucial factor would be “*whether we can unite and prevent differences from turning into division.*”

“Unity is power” has been Tsai's consistent message and she continues to hammer away at this theme. Chair Tsai is also serious about bringing the party together to spell out specific policies that show the DPP is, indeed, a “mature party with vision.”

Reassessing relations with China?

Events during the past two months have caused Western governments and companies to start to reassess the way they deal with China's increasing assertiveness: this was evident from the responses to the global climate summit in Copenhagen in December where China blocked any meaningful accord; China's blocking of UN sanctions against Iran on its nuclear ambitions; and the collision between China's restrictions and Google's quest for internet freedom.

In response to this, the Obama administration has taken a much tougher stance across a broad range of issues. During his first year in office, Obama had tried dialogue and close cooperation with the PRC government, in an attempt to get the Chinese to help resolve key global concerns, such as global warming, nuclear proliferation in North Korea and Iran, etc. In these attempts, the US was rather accommodating to China, e.g. by not meeting with the Dalai Lama in the Fall of 2009 and by downplaying human rights as a factor in bilateral relations.

However, this "positive" engagement was not reciprocated and even rudely scorned by the Chinese, who blocked a meaningful accord on global warming in Geneva, refused to agree to sanctions against Iran, continued the harsh crackdown in Tibet and East Turkestan, intensified cyber terrorism against Western companies, government institutions, and various groups in the Chinese democratic, Tibetan and other movements, and sentenced Charter 2008 initiator Liu Xiaobo to eleven years imprisonment.

Obama Administration approves arms sales

Evidence of the new toughness was the 29 January 2010 notification to Congress by the Obama Administration of a long-awaited package of arms to Taiwan, totaling US\$ 6.4 billion. The package included 114 Patriot PAC-3 missiles, 60 Black Hawk helicopters, 12 Harpoon missiles for training purposes, two Osprey-class refurbished mine hunters and military communication equipment.

These items had been part of a broader package, which had been discussed by the Bush administration as early as 2001. The announcement of the sale thus shows that the Obama administration intends to stand by the commitments – under the 1979 Taiwan Relations Act – to help defend Taiwan by making available arms necessary for its defense against its aggressive neighbor.

Not included in the package were 66 F-16 C/D fighter aircraft, which Taiwan requested in 2006, and a study on how to move forward with the provision of submarines. According to senior US officials, these items are still under discussion, and a decision will reportedly depend of further analysis on how to meet the deteriorating balance in the Taiwan Strait due to China's military buildup (see **Report from Washington** on p.18).



F-16 C/D: still to come?

Google and China: cyber war?

Another event which prompted the rethinking of the way to engage China was the announcement on 12 January 2010 by Google that it might pull out of China due to cyber attacks originating from China and restrictions imposed by the Chinese government on its operations there.

Until recently the prevailing attitude of international companies working in China had been to put up with restrictions, or try to work around them in an attempt to get a share of the burgeoning Chinese market. This line of thinking was a reflection of the general policy line of Western governments that economic opening would in due time lead to political liberalization.

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Erosion of justice and democracy continues Former President Chen's incarceration extended

During the past few months, the appeal by former President Chen Shui-bian and his wife against the September 2009 life sentence handed down in the Taipei District Court has dragged on in the Taiwan High Court, where the appeal is being heard. The High Court is taking its time taking testimony from dozens of "witnesses" who are pressured in various ways to confirm evidence implicating the former president and first lady in their "serious crimes."

In the meantime, the High Court decided on 8 February 2010 that the former president should continue to be incarcerated in his small cell in Tucheng Prison, to the Southwest of Taipei. This was the third extension of the incarceration by the High Court. The High Court argued that Chen could “flee” or could “collude with witnesses”.

Both the DPP and international observers have countered that the continued imprisonment, now more than 400 days since he was locked up in December 2008, amounts to cruel and unjust punishment. New York University law professor Jerome

Cohen has several times appealed for Mr. Chen’s release during the lengthy appeal procedure, since mounting a defense in this way is “*like fighting with one arm tied behind the back.*”

After the latest extension, the DPP issued a statement in which it strongly criticized the continued incarceration, saying that after the September guilty verdict, “*...all investigations have finished and that Chen should be released so that he can better prepare his defense*” before the High Court. No response whatsoever from the High Court.



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Political bias in the judiciary: “Ma supporters don't have to worry.”

Another interesting aspect of the trial is that – *while the High Court appeal procedure is in progress* – new charges were filed by the prosecutors in the Taipei District Court. On 2 February 2010, the Special Investigation Panel filed additional charges against the former President, alleging that he “*...instructed his former aides to lie about the reimbursement processes for the presidential state affairs fund*” (on which he has already been sentenced to life imprisonment).

Also, officials of several financial organizations – Cathay Financial Holdings and Yuanta Securities — were indicted on 24 December 2009 on charges of bribing president Chen and his wife, and helping them to launder funds abroad. The officials stated that the funds were political donations to the former president.

Taiwan Communiqué comment: *It is regrettable that the High Court in Taiwan is perpetuating the political vendetta against the former president. The way it has gone about it does amount to political persecution through legal means. While few people would question the appropriateness of a legal case against Chen and his wife, the manner in which this has been carried out do point to strong political overtones and retribution.*

A fair and neutral trial would have set Taiwan on course towards a better future with adequate checks and balances, but the Ma administration has allowed the situation to deteriorate to a new low in which flaws and partisanship are the rule. In addition, the case against officials of several financial organizations certainly has an air of “killing the chicken to warn the monkey”: preventing such organizations and other companies from donating to the DPP in the future. Regrettably a sorry state of affairs.

Freedom House downgrades Taiwan on civil liberties

The New York-based human rights organization **Freedom House** gave Taiwan a mixed review in its annual report “Freedom in the World 2010” which was presented in Washington DC on 12 January 2010.

On **Civil Liberties**, the organization downgraded Taiwan from a rating of 1 to 2 “*due to flaws in the protection of criminal defendants’ rights that were exposed during anticorruption prosecutions and a high-profile murder case, as well as a law that infringes on academic freedom by barring staff and scholars at public education facilities from participating in certain political activities.*”

On **Political Rights** the organization increased the country’s rating from 2 to 1 “*due to enforcement of anticorruption laws that led to the prosecution of former high-ranking officials, the annulment of several legislators’ elections owing to vote buying, and the investigation of over 200 candidates for alleged vote-buying in local elections.*”

In answer to a question during the presentation in Washington DC, Freedom House’s Director of Research Arch Puddington specifically mentioned that Freedom House has “*a problem with the way the authorities have dealt with former officials*” but also lauded the fact that the people in Taiwan and other countries like Australia and Germany have resisted China’s efforts to bully and intimidate them, specifically referring to the showing of Tibetan and Uyghur films at film festivals.

Prosecutor-general impeached

A very intriguing display of political meddling in the judiciary system was the impeachment, in early January 2010, of prosecutor general Chen Tsung-ming. As prosecutor general Mr. Chen was formally responsible for the Special Investigation Panel, which was prosecuting former President Chen Shui-bian and a host of other former DPP officials. While the opposition camp and international legal scholars had complained about the many irregularities and flaws in the prosecution, the deep-blue supporters of President Ma blamed prosecutor general Chen for not pursuing the prosecution aggressive enough.

This led to an “investigation” by the Control Yuan of prosecutor general Chen’s background and lo and behold, they found that in 2007 he had socialized with Dr. Huang Fang-yen, who served as the former first lady’s physician. This kind of “inappropriate behaviour” could of course not pass the muster, and impeachment proceedings were started.

An interesting detail is that on 5 January 2010, the first vote in the Control Yuan on whether prosecutor general Chen should be impeached failed. According to news reports in Taiwan this infuriated the deep-blue supporters of President Ma, a signal went out to the Control Yuan, and the less-than-august body decided on 19 January 2010 to impeach the hapless prosecutor general, who subsequently decided to resign.

Copyright: Taipei Times

KMT forces amendments of Local Governments Act

The fourth piece of evidence that the Kuomintang government is backsliding on democracy is the fact that in mid-January 2010 the KMT-controlled Legislative Yuan forced through a amendment to the Local Government Act stipulating that some 56 township chiefs will continue



Local Governments Act: Demolishing Democracy

as appointed officials for four more years. This means a perpetuation of the political patronage system for which the KMT has become so infamous.

Under the original version of the bill, the township and village chiefs – until now elected positions but closely tied to the KMT’s vast network of local beneficiaries – would step down as soon as the new magistrates for the newly-formed Kaohsiung, Tainan, Taichung and Taipei counties had been elected (the so-called “Big Five” elections slated for December 2010, which also include Taipei City) and were to be replaced by civil service appointees.

The new law pushed through by the KMT will make it much more difficult for the newly-elected magistrates to push through their own new policies, because they will have to fight the established interests of the KMT-controlled network of local officials. In the December 2009 elections, the DPP won four of the new magistrate positions (see article pp. 6-9).

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Commemorating “228” and Lin family murder *Sixty-three years after “February 28th”*

On 28 February 2010, Taiwan commemorated the “2-28” massacre, which took place in 1947 after protest demonstrations against corruption and repression of the ruling Kuomintang erupted when a woman selling contraband cigarettes was beaten by agents of the Monopoly Bureau. In the months following the event, some 28,000 people — many of them local native Taiwanese leaders, professionals and intellectuals — were killed by Chiang Kai-shek’s Chinese Nationalist troops sent from China.

The events left an indelible scar on Taiwan’s psyche, in particular since for decades after the 1947 events, the ruling KMT prohibited any discussion of the events, and those responsible for the massacre were never brought to justice. Commemorations of the tragic events of 1947 began only in the late 1980s and early 1990s, when then President Lee Teng-hui started to push for democratization. Then the story of 1947 could finally be talked about in the open, and several monuments dedicated to “2-28” were built.

However, a true “Truth and Reconciliation” process has never taken place, since many in the ruling Kuomintang have continued to downplay the 1947 events, and have shown

little remorse or willingness to bear responsibility, let alone come forward with a full accounting of the events. To this day, archives of the military and secret police remain closed or even have been destroyed in an effort to whitewash the matter.

President Ma Ying-jeou and Prime Minister Wu Den-yih did attend this year's national memorial service in Tainan. Ma apologized to the victims of the massacre and their families, and said he hoped the tragedy would become a driving force for progress in Taiwan, and should never happen again. Premier Wu said that work should continue to uncover the truth, that legal and moral compensation should be provided to victims and their families, and that their reputation should be restored.

Inquiry on 1980s political murders a whitewash

February 28th also saw a commemoration of another tragic event: the death of the mother and six-years old twin daughters of then Provincial Assembly member Lin Yi-hsiung on 28 February 1980, precisely 30 years ago. The murders took place in the Lin family home in Taipei in broad daylight. The home was under 24-hour police surveillance at the time, as Mr. Lin – a prominent opposition leader who served as chairman of the DPP in the 1990s – was imprisoned following the **Kaohsiung Incident** of December 1979.

To this day the murders have not been resolved, as those who were responsible (almost certainly members of the secret police or their accomplices) have not been brought to justice. Investigations during the DPP Administration of President Chen Shui-bian were stonewalled by a judicial system and police apparatus still permeated by KMT supporters not interested in bringing the matter to the surface.



Lin Yi-hsiung (R) and his family in 1979, before his mother and twin-daughters were murdered

During his presidential election campaign in early 2008

President Ma Ying-jeou promised he would get “to the bottom” of the matter. Interestingly, in March 2009 he did order an investigation, but the attempt by the Taiwan High

Prosecutors' Office was half-hearted at best: the prosecutors did go through some documents, and they did question several officers of the Taiwan Garrison Command (one of the main secret police organizations) who were involved in a separate case of political murder (that of Carnegie-Mellon University Prof. Chen Wen-cheng), but the resulting report – issued in July 2009 – failed to shed any new light, and concluded that “no evidence has been found.”

In mid-January 2010, several researchers who had gained access to the July 2009 report publicly stated that they felt the investigation had just rehashed old information and that the effort had not been a sincere attempt at really finding out what happened. Mr. Wu Nai-teh, a research fellow at the Academia Sinica stated that “... *the report did not pursue any new evidence*”, while Mr. Michael Lin of the Dr. Chen Wen-cheng Memorial Foundation concluded that “*they reopened the investigations only to close the cases; they obviously just wanted to prove that the security agencies were not behind (them).*”

Taiwan Communiqué comment: *It is regrettable that President Ma has not moved forward on this issue, and seems content to let this injustice linger, adding to the deep divide which exists in society in Taiwan today. If he continues to fail to move, it will be difficult to heal the wounds caused both by the events of 1947 and the political murders of the early 1980s.*

The international community – and in particular the United States and West European nations – should play a constructive role by showing awareness of the issue, and by nudging President Ma and his KMT government in the right direction. Taiwan will only move in the direction of a fair and fully open society if justice is served, and these cases are resolved.

The United States did play such a constructive role in 1984-1985, following the case of Chinese-American writer Henry Liu, whose murder in October 1984 was traced back to the Military Intelligence Bureau in Taipei, whose chief, Admiral Wang Hsi-ling, had instructed Bamboo Union operatives to carry out the murder. Both Congress and the US government played a crucial role in uncovering what happened.

Report from Washington

US DIA assesses Taiwan's air defense

In a report dated 21 January 2010, the US Defense Intelligence Agency made an assessment of the status of Taiwan's air defense. It concluded that Taiwan's air defense is showing increasing vulnerability due to the aging of the air force fighter aircraft, some of which, the F-5s, date back to the 1960s. Others, in particular the Indigenous Defense Fighters have limited range and combat capability, while the Mirage 2000s sold by France in the early 1990s are extremely expensive to maintain, and the 146 F-16 A/B fighters sold by the US in the early 1990s are in need of upgrades.

The report implies that there is a significant imbalance across the Strait: Taiwan has only some 350 operational fighter aircraft, while – according to the 2009 DOD report on Chinese Military Power – China has a total of 2300 fighters and bomber/attack aircraft, some 500 of which are stationed directly opposite Taiwan. In addition, China has more than 1400 missiles aimed at Taiwan.

Taiwan Communiqué comment: *A first step to redress the imbalance would be for the United States to agree to Taiwan's request, first made in 2006 by the Chen Shui-bian administration, to sell Taiwan 66 F-16 C/Ds. This would be a sound military move as well as a clear political signal to China that the US does not look kindly on the Chinese military buildup across the Taiwan Strait, which continued unabatedly in spite of the "rapprochement" by the Ma administration.*

The Obama administration showed that it is paying close attention to the situation when it approved the arms package announced on 29 January 2010, which included PAC-III missiles and Black Hawk helicopters. It now needs to move ahead forthwith on the sale of the F-16s.

An additional reason for moving ahead with the sale at this time is that the production of the F-16 is nearing its end, as more countries are switching to the advanced F-35 Joint Strike Fighter. A restart of the assembly line at a later date would be prohibitively expensive.

Where is the beef?

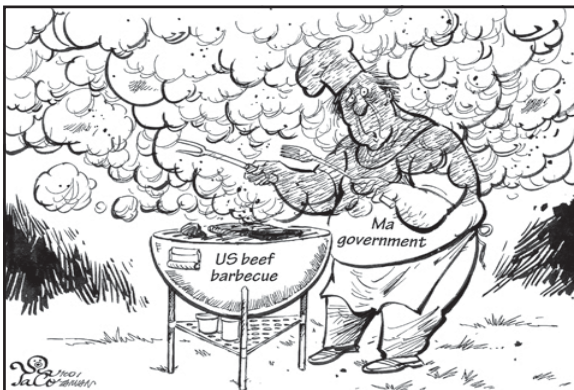
On 22 October 2009, after many months of negotiations, the US' American Institute in Taiwan signed a protocol with Mr. Su Chi, the secretary general of Taiwan's National

Security Council, lifting the ban on the import of ground beef, offal and bone-in-beef products, imposed in 2003 after BSE concerns were raised due to documented cases in the US. Imports of regular beef products were not affected.

The lifting of the ban prompted a veritable political storm in Taiwan, which eventually led to the resignation of Mr. Su Chi on 11 February 2010. In early January 2010, it also prompted the Legislative Yuan to approve — without dissent — a revision to Article 11 of the Food Sanitation Act, banning the abovementioned products from any country in which any cases of bovine spongiform encephalopathy (“mad cow disease”) have been documented during the previous 10 years.

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The storm had more to do with the *go-it-alone* approach taken by the Ma government, and in particular Mr. Su Chi. The Foreign Ministry and even the Ministry of Agriculture were not involved in the negotiations, let alone the Legislative Yuan.



The beef issue causing a bit of a problem for the Ma government

That the LY subsequently took steps to rein in the NSC and pass the amendment was thus much more a protest against the haughty ways of working of the Presidential office and the NSC. In the legislature, the KMT has a majority of more than 70%. That these people decided “enough-is-enough” is sign of a rebellion in the KMT ranks against the arrogance of the Ma administration.

The LY had been sidelined by the Ma government on many issues, in particular the agreements with China. This recently even boiled over in a totally unprecedented statement by the LY Speaker Wang Jin-pyng (himself a member of the KMT) that the LY could vote down the ECFA agreement with China, on which the Ma administration has put all its hopes for getting out of the economic recession.

Taiwan Communiqué comment: The “beef” is therefore not so much with the US, but is an issue of proper checks and balances between the Executive and Legislature

in Taiwan. How would the US Congress feel if a US Administration just went off signing accords and agreements left and right without ever consulting Congress?

All of this is in line with the concerns we expressed over the past year that the Ma Administration is slowly but surely dismantling the democratic gains made over the past two decades, and is rolling back the checks and balances in the democratic system, as well as in the judiciary and press freedoms.

Regrettably, on the US side there has been an overreaction, with some members of Congress calling for a suspension of the trade talks under the existing Trade and Investment Framework Agreement (TIFA) – which are already moving at a glacial pace. Both the US and Taiwan would benefit if the TIFA talks would be reinvigorated. The beef issue should then be discussed in that broader context, and not be used to hold the talks hostage.

In memoriam Jim Lilley

China Hand helped democratic transition in Taiwan

On Thursday 22 January 2010, a memorial gathering was held at Johns Hopkins University in Washington DC for Jim Lilley, who played a key role in US relations with both Taiwan and China during the past five decades. Lilley was born in Tsingtao, China in 1928, and passed away in November 2009 in Bethesda, Maryland.

Photo: Jeff Lilley



Jim Lilley on a scuba diving trip in Pingtung during his posting in Taiwan

Having grown up in China prior to World War II, he spoke Chinese fluently, which he made good use of during a decades-long career, first as a CIA operative in Asia and later as US diplomat. In the mid-1970s he helped George W.H. Bush set up the first US representative office in Beijing. When Ronald Reagan became president in 1981, he subsequently served at the NSC, as AIT director in Taipei, US ambassador to Seoul, and a few weeks before Tiananmen was appointed US ambassador to China.

When he served in Taipei from 1983 through 1986 he played a crucial role in US effort to convince then-president Chiang Ching-kuo to end martial law and move towards democratization. When serving in Seoul he experienced the upheavals there, and during Tiananmen he played a key role in getting the word out what was happening in China.

At the memorial gathering, several former associates and friends spoke, including former Washington Post reporter Don Oberdorfer, United Nations Under Secretary Lynn Pascoe (who served under Lilley in Beijing, both in the mid-1970s and the late 1980s and early 1990s), ambassador Stephen Young, and Robert Daly (Director of the Institute of Chinese Global Affairs at the University of Maryland, who also served under Lilley in Beijing). Both Pascoe and Young served as Director of AIT Taipei, Pascoe in the 1990s and Young from 2006 to 2009).

Jim Lilley is survived by his wife Sally, and by three sons Jeffrey, Douglas and Michael who all read pieces of poetry selected by Lilley himself. The memorial gather was attended by some 400 friends and former colleagues, including many who served with him over the years in Asia. An account of his life and work can be found in his autobiography, written together with his son Jeff, titled **China Hands**, *Nine decades of adventure, espionage, and diplomacy in Asia*. Published by Public Affairs, 2004.

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Book Review

The Spanish Experience in Taiwan, 1626-1642

by José Eugenio Borao Mateo, reviewed by Gerrit van der Wees

This book by Professor Borao is really a labor of love. The book presents a wealth of new information from Spanish and Dutch historical records on the early period of Taiwan's recorded history. He describes the developments in Taiwan before, during and after the Spanish period in great detail, but at the same time presents great insights into the high philosophical debates at the time, and how they affected events in Taiwan, or *Spanish Ilha Hermosa*, as it was referred to in Spanish records.

The main theme of the book is that the Spanish settlements of Northern Taiwan – what is now Keelung and Tamsui – was part of the exciting, global expansion of Spanish power which occurred from the mid 1500s until around 1635. He details how it was part of the “Renaissance endeavor” that drove Spanish explorers to go to faraway lands in search of spices, silk, silver and gold.

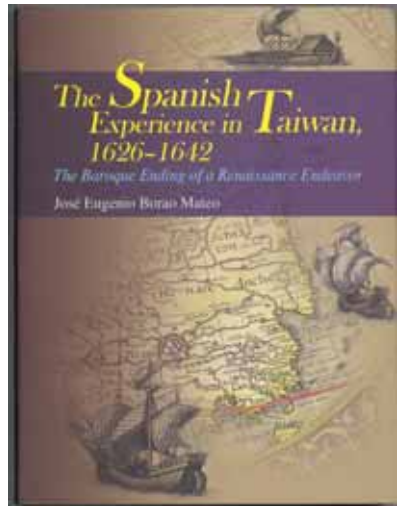
Portuguese seafarers like Magelhaens and Vasco da Gama had preceded the Spanish, and it was a Portuguese ship which in the 1540s first sighted *Ilha Formosa*, as it became known in the West. But Spanish influence soon overtook that of the Portuguese, and in the Far East present-day Manila became the regional headquarters for Spain. Manila soon was the most important trading hub, and Spanish “Manila Galleons” even made annual crossings of the Pacific, delivering silk and spices to Acapulco and returning with silver for payment to the many civil servants in the region.

However, Spain was soon challenged by a new upcoming power: the Dutch. The Low Countries had been part of the Spanish European Empire until 1568, when – under the influence of the Reformation — they declared their independence from Catholic Spain, starting the *80 Years War of Independence*. At the end of the 1500s, the Dutch made breakthroughs in mapmaking and shipbuilding, laying the foundation of the *Dutch Golden Age*.

The main vehicle for Dutch expansion in the Far East was the *Vereenigde Oostindische Compagnie*, a semi-governmental trade conglomerate with headquarters in Amsterdam, and its main base in Batavia, present-day Jakarta. The VOC, as it was referred to, wanted to set up and protect its trading routes between Batavia and both China and Japan. It came to an agreement with the Japanese shoguns to have an enclave in Decima, an island off Nagasaki, but attempts in the early 1600s to set up a foothold on the Chinese coast – competing with Portuguese Macao – failed.

Forces of the Ming emperor rebuffed the Dutch, who then moved to the Pescadores – between China and Taiwan – building a fortress on the windswept islands. However, this was still not to the liking of the Chinese emperor, who ordered the Dutch to move “*beyond Chinese territory*.” The Dutch obliged, and in 1624 moved to a peninsula on the central coast, referred to as *Tayouan*, which later became the name for the whole island, the present-day Taiwan. They built a town, and a fortress named Zeelandia.

From there the Dutch aggressively tried to inhibit Spanish trade between Manila and the Chinese coast, sent fleets to blockade Manila harbor, and even tried to capture the



annual silver fleet galleons coming from Acapulco. This latter effort was part of a global effort in the Dutch war of independence against Spain, and even made it into a Dutch folk song about the capture of a Spanish silver fleet in the Caribbean by the legendary Dutch admiral *Piet Heyn*.

The decision by Spain to establish a foothold in Northern Taiwan was thus a clear reaction against the Dutch settlement of Zeelandia, and an effort to protect both the trading route to the Chinese coast as well as the silver fleet galleons from Spanish Acapulco. The main fortress was in *El Salvador* (present-day Keelung), with a secondary fortress in *Santo Domingo* (present-day Tamsui).

Borao describes many aspects of Spanish rule of Northern Taiwan, but we will suffice by mentioning just two of them: that they made several expeditions to the Eastern coast, what is now Ilan and Hualien, in search for gold. Borao describes with a broad sweep how the search for *El Dorado* permeated the Spanish conquest of many lands, and even was a driver in faraway *Formosa* ... with no results.

A second aspect was the symbiotic relationship between Church and State in the Spanish colonies: the Church needed the State for protection and the State needed the Church to reinforce its legitimacy. This generally worked well, but in some instances also led to tension. An example is the fact that Dominican priests, eager to gain converts among the aborigines, built a convent next to the *El Salvador* fortress. The military governor protested, fearing that in case of conflict, the Dutch would use the convent's tall tower to fire upon the Spanish soldiers. The Dominicans refused, but this was precisely what happened when the Dutch conquered the place in 1642 and drove the Spanish out.

Borao's main thesis is that the demise of the Spanish endeavor in Taiwan was symptomatic for the general *Baroque Ending* of Spanish power around the world, which was accompanied by a retreat from the optimism and expansion which had characterized the *Renaissance Beginning*.

Excellent book. Highly recommended. Professor **José Eugenio Borao Mateo** teaches Spanish language and culture at the Department of Foreign Languages at National Taiwan University. The complete title of the book is *The Spanish Experience in Taiwan, 1626-1642* by José Eugenio Borao Mateo. Published by: The Hong Kong University Press. Hong Kong, October 2009.

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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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