



# TAIWAN COMMUNIQUÉ

Published by:

*International Committee for Human Rights in Taiwan*

**Taiwan** : 4Fl., 5 Ching-tao East Rd., TAIPEI, Taiwan

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**U.S.A.** : P.O. Box 15182, CHEVY CHASE, MD 20825

International edition, September 2001

Published 6 times a year

ISSN number: 1027-3999

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## San Francisco 50 years

September 8<sup>th</sup>, 2001 marked the 50<sup>th</sup> anniversary of the 1951 San Francisco Peace Treaty, whereby the Allied Powers and Japan formally ended World War II. The treaty is important for the discussion on Taiwan's future, because it stipulated that Japan ceded sovereignty over the island, but it did not specify any recipient. The majority of the conferees voiced the opinion that the views of the people of the island, then referred to as *Formosa*, needed to be taken into account.

The British delegate stated that *"In due course a solution must be found in accord with the purposes and principles of the Charter of the United Nations."* The Egyptian delegate stated that specifying the recipient is *"to afford the opportunity to take into consideration the principle of self-determination and the expressed desire of the inhabitants of Taiwan."* The French delegate stated that: *"Taiwan's legal status must be determined one of these days, taking the wishes of the Formosan population into consideration."*

It was thus the specific intention of the attendants of the San Francisco Peace Conference that the people of Taiwan should determine the future status of the island based on the principle of self-determination. Such process was not possible at the time, because the island was occupied by the losing side of China's Civil War, Chiang Kai-shek's Nationalists.



Listening to the voice of the people of Taiwan

A full and fair assessment of the views of the Taiwanese didn't really become possible until very recently, after the democratization process on the island ran its due course. The election of President Chen Shui-bian in March 2000 has started a period in which the Taiwanese can finally openly discuss the future of their island, although threats and intimidation by China continue. In addition, old pro-unification Nationalist Chinese diehards on the island make it difficult for a full and open debate to take place, and for democracy to function fully.

## ***Resolution in the US Congress***

In the US Congress, the 50<sup>th</sup> Anniversary of the conclusion of the San Francisco Peace Treaty was marked by the introduction of a resolution in support of Taiwan's self-determination. The resolution, HCR-221, states that it is the sense of Congress that "*It is United States policy that the future of Taiwan should be resolved peacefully, through a democratic mechanism such as a plebiscite and with the express consent of the people of Taiwan*". The full text can be found at <http://www.taiwandc.org/news-2001-12.htm>

The resolution specifically refers to the fact that under the provisions of the 1951 San Francisco Peace Treaty, Japan renounced all right, title and claim to Taiwan, and the status of the island was left undetermined.

The resolution then states that under the universal principle of self-determination as enshrined in Article 1 of the United Nations Charter, the people of Taiwan have the right to determine their own future. It emphasizes that the United States, as a signatory to the UN Charter, supports that fundamental right. The resolution was introduced by a bi-partisan group of Congressmen led by Rep. Bob Wexler (D-FL).

On the following pages, we present two important contributions to the debate on the importance of the SFPT for Taiwan's future.

## ***SFPT: Missed opportunities for Taiwan***

*This editorial appeared in the Taipei Times on 8 September 2001.  
Reprinted with permission.*

What a great opportunity today for President Chen Shui-bian to tell the truth about Taiwan. Not that he will take it, which is just another example of how contemptibly craven this government has become. But today is the 50th anniversary of the treaty of

San Francisco, the peace treaty that settled the claims arising from World War II in the Far East. As a result of that treaty Taiwan became an independent sovereign state.

None of the parties to the treaty intended this, which is why it is seldom spoken of. The original intention of the Allies was that after Japan's surrender, Taiwan should be returned to China, a sop thrown to Chiang Kai-shek to persuade that poltroon, more interested in selling US aid to the Japanese than in fighting them, to take a more robust approach to the war.

This intention was expressed in the Cairo and Potsdam declarations. But declarations by belligerents do not make international law. They are simply a statement of one side's opening bid in the treaty-making process. The Allies certainly intended to return Taiwan to China. But in fact they never did. Japan, which had been given Taiwan and Penghu "in perpetuity" by the Treaty of Shimonoseki in 1895, renounced its sovereignty over these territories. And that sovereignty was not passed to any other nation.

What should have happened is that Taiwanese should have been given their rights under UN de-colonization provisions to determine whether they wished to in fact stay with Japan, become a part of China, or be independent.

Of course this didn't happen. The reason why was simple. On the basis of the Cairo and Potsdam declarations, Taiwan had been given to Chiang's government to administer pending the determination of its final status. This is a legal point on which the KMT — which has never been too refined about observing legal niceties — has almost succeeded in brainwashing an entire nation.

It has always claimed that sovereignty over Taiwan was restored to China in 1945. This is simply a lie. And it's one that Chen should expose. Given that defeated Japan was in no position to administer anything — including itself — in 1945, China was given the right to administer Taiwan pending a settlement of the claims of the war. The San Francisco treaty was that settlement. And neither China received anything.

Taiwan had what was essentially a regime of occupation until the early 1990s, when the Taiwanese were at last allowed to decide who should govern them. In fact not until the first democratic presidential election in 1996 can one say that the people of Taiwan had become the masters of their political destiny. In this they created a new nation, still only five years old. That so few seem to understand this is a tribute to the malign influence of KMT wishful thinking.

If the Beijing government is really a successor state to the ROC, which in turn was a successor to the Qing government, the PRC has no claim on Taiwan. It is bound by the obligations of its forerunner, they gave Taiwan away. The Allies might have gained it by force of arms, but they never returned it to China. Nor, of course, did they give it to Chiang Kai-shek.

How we crave a speech by Mr. Chen Shui-bian that dispels the decadent fantasies, claims and counterclaims of both the communists and the KMT and simply states what Taiwan's position is under international law and tells China to live up to its treaty obligations. Today would have been an excellent opportunity for such lesson. Too bad it will be missed.

## *The San Francisco Peace Treaty and Taiwan's status*

*By Wang Taitzer. Prof. Wang is a member of the Southern Society of Taiwan as well as the North American Taiwanese Professors' Association.*

The idea that Taiwan is not a part of China finds its roots in international law, in the form of the San Francisco Peace Treaty. The treaty also constitutes legal proof refuting the pro-unification camp's assertion that, since ancient times, Taiwan has always belonged to China. Since its signing on Sept. 8, 1951, there has existed an intimate association between Taiwan and the treaty, which has exerted a huge influence on relations across the Taiwan Strait.

In his article *State, Sovereignty and Taiwan* (published in **Fordham International Law Journal**, volume 23, 2000) Fordham University law professor Y. Frank Chiang writes that the Ching Dynasty (1644-1911), the ROC of 50 years ago and today's PRC were merely three successive governments in modern Chinese history.

These three governments do not, however, represent three distinct, independent nations, Chiang argues. The ROC inherited the international debt left behind by the Ching imperial regime and the PRC took the ROC's UN seat in 1971 while "China" never changed its name. From these two facts one can see that Sun Yat-sen and Mao Zedong merely replaced existing governments, and did not actually establish new nations.

Upon being overthrown by the Nationalists, the Ching dynasty government lost both its territory and people, and was thus relegated to the dustbin of history. When the ROC

government was driven off Chinese territory by the Chinese Communist Party, it likewise lost its territory and people.

The difference between the two is that the ROC had the benefit of luck (the Japanese defeat in World War II), geographical position (Taiwan) and connections (World War II allies). The ROC was eventually entrusted by the World War II allied powers with control of Taiwan, which it has maintained to this day. Thus, during the past 50 years of its occupation of Taiwan, the ROC has never had “legal” claim to Taiwan and its people. What exists today is merely the continuation of a “circumstantial” role proper to the title of ROC, supported only by ethnic sentiment.

In retrospect, during the period 1945 to 1949, if Chiang Kai-shek hadn't lost China, and Japan had still surrendered to allied forces in August 1945, the proclamation “Taiwan is hereby returned to the ROC” would surely have been included in the San Francisco Peace Treaty signed six years later. Clearly, at that time, the people of Taiwan felt that being returned to China was perfectly reasonable, and even rejoiced at the prospect.

Unfortunately, Chiang's KMT lost the Chinese civil war. Then, in 1950, during the Korean War, the PRC entered North Korea, becoming an enemy of the UN allied forces. By this time, China had already become “Communist China.” The San Francisco treaty was signed the following year by the US and 49 other World War II allies.

The treaty contradicted the consensus expressed in the Cairo and Potsdam declarations, which were issued before Japan's surrender, and accepted only Japan's formal renouncement of Formosa and the Pescadores (ie Taiwan and the Penghu Islands). No mention was made in the treaty of allowing Japan to cede Taiwan to any other nations, the purpose of the omission being to prevent Taiwan from falling into the evil hands of “Communist China.”

The USSR, China and India never signed the treaty, so actually, following Japan's renouncement of Taiwan, the question of which nation Taiwan belongs to had nothing whatsoever to do with them.

In 1895 the Japanese had come to take over Taiwan and lord over its people. Indignant with the Ching dynasty prime minister who simply gave Taiwan away to the Japanese without consulting the Taiwanese officials, local volunteers courageously fought back with “bamboo poles mounted with kitchen knives.” By contrast, in 1945, when the demoralized ROC army began coming ashore from China, an outpouring of praise from the people of Taiwan echoed throughout the island.

Unfortunately, the unexpected 228 Incident and 38 years of Kuomintang “white terror” martial law rule have caused those days of unbridled euphoria to gradually devolve into the chaos that persists today, even one year after Taiwan’s first peaceful political transition. Important figures in Taiwan, those among both the old and new immigrants, only know how to bicker and hurl insults, and nothing of working together toward the goal of establishing a *de jure* statehood.

The San Francisco treaty easily proves that Taiwan’s international status remains undefined. Amid all the heated debate that has occurred regarding the “Taiwan question,” 50 years of history have already vanished. While the past is gone, however, the future is still within our grasp. Now is the time to take a fresh look at the situation!

Ever since Taiwan was ceded to Japan in 1895 under the terms of the Treaty of Shimonoseki, it has never belonged to China. It is most important that the Taiwan government inform society about this historical fact and strive to encourage vigorous debate.

*This article first appeared in the Taipei Times on 7 September 2001 under the title “Statehood status still unresolved.” Reprinted with permission.*

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## Taiwan into the UN

### “A full and equal member”

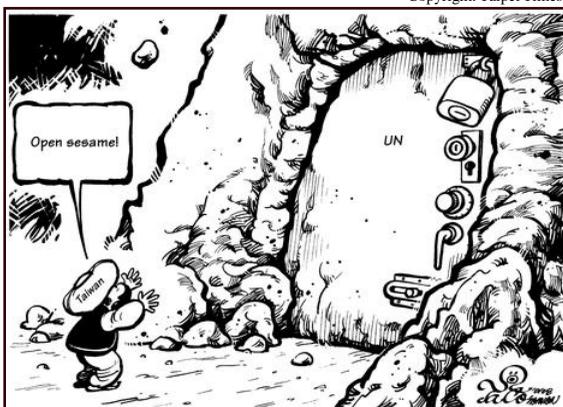
On 8 August 2001, ten of Taiwan’s diplomatic allies submitted a joint proposal to the UN Secretariat in New York, urging its General Assembly to set up a working group to study the Taiwan’s membership in the world body. Noting that Taiwan is the only country in the world that remains excluded from the UN, the ten nations requested the inclusion on the agenda of the UN’s 56th General Assembly session of an item titled “Need to examine the exceptional international situation pertaining to Taiwan and ensure that the fundamental right of Taiwan’s 23 million people to participate in the work and activities of the UN is fully respected.”

A few days earlier, on 2 August 2001, a resolution was introduced in the U.S. House of Representatives urging Taiwan’s membership in the UN and other international organizations. The resolution was introduced by Congressman Bob Schaffer (R-CO),

and co-sponsored by a bi-partisan group of 13 House Members in calling on the Bush Administration to “take a leading role in gaining international support for Taiwan’s participation” in the United Nations and other international organizations, stating that Taiwan deserves “full and equal membership” in these bodies.

The US Congressional resolution marks the first time that Congress is emphasizing “full and equal membership” in the UN. This is a major step forward. Resolutions in earlier years merely emphasized the much more vague term “participation” in international organizations.

The Taiwan government proposal — as submitted by the ten nations to the UN — still talks of “Republic of China”, the anachronistic title used by the former Kuomintang authorities, who came over from China in 1949. Below we give our commentary, followed by two essays on the issue. The first one is an editorial from the Taipei Times, while the second is an OpEd piece by professor Wang Taitzer regarding the importance of the 1951 San Francisco Peace Treaty in the discussion of Taiwan’s international status.



**Taiwan at the UN's door: "Open sesame!"**

**Taiwan Communiqué comment:** *If the quest for UN membership is to succeed, the Taiwan authorities will have to make a clean break with the past, and discard the outdated ROC title. That title still harks back to the dark days of the Chinese Civil War, and perpetuates the claim of sovereignty over all of China.*

*It is essential for Taiwan to present itself as “Taiwan”, and explain to the international community that the new Taiwan of 2001 is totally different from the old ROC of 1971, when representation of “China” in the UN shifted from the Kuomintang authorities in Taipei to the Communist authorities in Beijing.*

*Due to the fuzzy policies in Taiwan, many members of parliaments in Europe and Congress in the US do not realize the distinction between the two. Four decades of*

*control of the island by the Chinese Nationalists have made “Taiwan” synonymous with the Kuomintang regime and its anachronistic quest to “recover” China.*

*For many political decision-makers in Europe and the US, the fact that the KMT’s rule constituted a foreign power which occupied the island following World War II, and for many decades prevented the islanders from having any say in the political system or in the decisions on the island’s future, sheds a new light on the whole issue of recognition of Taiwan.*

*Following its remarkable transition towards a full democracy, “Taiwan” now stands for a new and democratic nation, where some 85% of the population – the native Taiwanese – had no involvement whatsoever with the Chinese Civil war, but sees their future being held hostage by that Civil war.*

*“Taiwan” or “ROC” therefore does make a great deal of difference in the support the island will get: trying to “reenter as ROC” will only get a shrug from most nations. However, if one can make clear that for more than four decades the views of the native Taiwanese were suppressed, and that the island has now evolved into a full democracy with its own identity, that will make a great deal of difference.*

## ***No time for quitters***

*This article first appeared in the Taipei Times on 6 August 2001.  
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It is that time of the year again — time for Taiwan to begin another push to join the UN — as the General Assembly gets ready to convene in September 2001. Unfortunately, many in Taiwan are showing miniscule enthusiasm toward a ninth attempt to pound on the door of the UN. In fact, besides Minister of Foreign Affairs Tien Hung-mao, no political figures have openly spoken on the subject so far.

However, Tien has indicated that Taiwan will neither seek an observer status first, nor seek to enter under any name besides the Republic of China. This statement suggests a lack of flexibility and pragmatism in the government’s strategy. As UN observer status is extended to non-state entities, obtaining it poses fewer challenges to Taiwan. Therefore, it should be Taiwan’s main objective at this time. Trying to enter the name ROC is equally unrealistic. In the past, this country has joined other international organizations such as the APEC under names including “Chinese Taipei.” So why can’t Taiwan demonstrate the same flexibility and pragmatism here?

The lack of enthusiasm for this year's UN bid is also troublesome. In view of the continuing support of Taiwan's friends and supporters overseas for such membership, people here should be ashamed. Thirteen members of the US House of Representatives, including long-time Taiwan supporter Bob Schaffer of Colorado, have proposed a resolution supporting Taiwan's participation in the UN and other international organizations, as well as demanding the US government help it win international support. Schaffer and some 40 members of the House also proposed a similar resolution last year.

Each year, overseas Taiwanese and Taiwanese groups such as the Formosan Association for Public Affairs (FAPA), also put in enormous efforts to campaign for Taiwan's participation in the UN and other international organizations such as the World Health Organization (WHO). In fact, FAPA has played a prominent role in the US's enactment of Public Law 106-137 in support of Taiwan's participation in the WHO.

The people of Taiwan cannot afford to appear as if they have lost their desire to be represented in the UN and other organizations. After all, much of the overseas support for Taiwan's international participation is premised on a belief that the people of Taiwan desire such participation. In fact, Public Law 106-137 specifically states, as a reason for supporting Taiwan's WHO membership, Taiwan's "expressed willingness" to take part in WHO activities. If this lack of enthusiasm in Taiwan continues, the world community will cease its support for Taiwan's bids.

This unconcerned attitude is understandable, given the failures of previous bids, as well as China's apparent ability to shut the UN door on Taiwan's face. Nevertheless, one can hardly say progress, as painstakingly slow as it may seem, hasn't resulted from all the hard work.

For example, while Taiwan may not be a WHO member yet, prolonged campaigning has produced not only Public Law 106-137, but also US Secretary of Health and Human Services Tommy G. Thompson's announcement of Washington's support for Taiwan's WHO membership during that organization's annual conference in May. President George W. Bush also recently indicated in a letter to Senator Frank Murkowski that the US should assist Taiwan in getting its voice heard in international organizations.

As long as the people of Taiwan continue to voice their desire for representation in the UN and the government continues to campaign for UN membership, progress will be forthcoming.

# Taiwan party politics

## *Taiwan Solidarity Union established*

After many months of suspense, August 2001 finally saw the formal establishment of a new political party in Taiwan, the Taiwan Solidarity Union. It is mainly made up of Kuomintang members who wanted to remain loyal to former President Lee Teng-hui and disliked the policies and dirty tactics of Lee's successor as chairman of the KMT, Mr. Lien Chan (see following story).

The prime mover behind the new party is former interior minister of the interior Huang Chu-wen, who was elected as the TSU's chairman in a festive ceremony in Taipei on Sunday, 12 August 2001. Former president Lee attended the ceremony, and praised the new party for its step, saying "*I believe that the TSU will become a major power in reforming both party politics and the legislature.*" In the weeks following the establishment of the TSU, the 78-years old Mr. Lee went around the island, drumming up support for the TSU and its candidates for the upcoming elections.

The TSU has nominated 39 candidates, and hopes to get some 35 members elected in the 225-member Legislative Yuan. If the ruling DPP and the TSU together are able to gain a majority, they will be able to break the existing stranglehold of the Kuomintang on decision-making in the legislature. The DPP at present has 69 seats, and hopes to increase this to a level of approximately 85 seats.

In the following editorial, the **Taipei Times** applauds the TSU for its step.

## *Standing tall for Taiwan*

*This editorial appeared in the Taipei Times on 25 July 2001.*

*Reprinted with permission.*

The Taiwan Solidarity Union, the pro-localization group that has been gradually coalescing, announced its name and party symbol yesterday. The group is in favor of the "special state-to-state relations" model of cross-strait relations and wants to find a solution to the bruising political brawls between the ruling and opposition parties over the past year. It hopes to expand the integration of grass-roots power to create a politically stable Taiwan.

This robust optimism contrasts sharply with the deteriorating economic situation and panicking politicians, industrialists and others who mistakenly believe that if only Taiwan could establish direct links with China, the domestic political and economic chaos would miraculously be resolved. They believe Taiwan must agree to any version of the “one China” model put forth by Beijing’s leaders, open direct links and submit to Beijing’s terms for cross-strait dialogue.

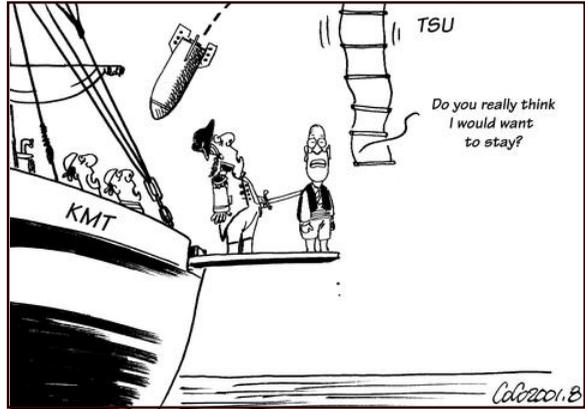
Comparing this kind of “China fever” that relies on external forces to the Taiwan Solidarity Union’s reliance on local forces for changing the situation; the difference in attitude between the two sides is immense. The shortsightedness and opportunism of those who believe in Beijing’s promises became the focus of the media once again a few days ago, when national policy advisor Hsu Wun-pin and 14 other people sent a joint letter to President Chen Shui-bian,

requesting the government quickly open up direct links and accept the “one China” model.

Taiwan simply cannot accept Beijing’s “one China” principle. Under “one China,” Taiwan will become a part of the PRC. At the Economic Development Advisory Conference, pro-unification activists and the media attempted to force the DPP to accept the “one China” principle by promoting the idea of “one China, with each side having its own interpretation”. These proponents appear to have a blind eye to China’s continuous denial of the so-called “1992 consensus,” an agreement supposedly reached by the two sides during the Koo-Wang talks and have never questioned or reprimanded Beijing. Their one-sided efforts at currying favor with Beijing are malicious. The people of Taiwan should recognize what it means to the nation’s destiny.

Hsu and others thoughtlessly advocate the idea of “one China under the ROC Constitution’s frame-work” — a ridiculous concept which makes one question the cognitive abilities of those who favor it. These people claim that one China means an

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**Former President Lee on the KMT's gangplank:**  
*"Do you really think I would want to stay?"*

ROC whose territory includes the mainland and Outer Mongolia as well as Taiwan. Such an argument might win votes from among the feeble-minded. But internationally, the KMT government's insistence on this stance led to Taiwan's ouster from the UN and other international organizations as well as the loss of diplomatic ties with many nations. Most of Taiwan's diplomatic woes can be traced back to the KMT's determination to hang onto its dated concept of "one China." Nevertheless, The People First Party is eager to revive the idea — dressing up this sow's ear — in its role as Taiwan's own Don Quixote tilting at Beijing's windmills.

China has thrown itself into an economic "united front" war against Taiwan. It uses people like Hsu Wun-pin to distract and confuse the Taiwan public while it sucks the country dry of capital and undercuts the finances of local businesses. It also tries to cover its tracks by encouraging its puppets and cohorts in Taiwan to sing the praises of "one China according to the Constitution" and shackle the DPP to the one-China pole.

Taiwan needs a clear head and determination to stand fast against the Chinese onslaught. Thankfully, it still has a few political figures willing to stand up for their principles.

## *The Kuomintang tries to revamp itself*

In the second half of July 2001, the 16<sup>th</sup> Party Congress of the Kuomintang took place in Taipei. It was the first Party Congress after the KMT's resounding defeat in the March 2000 Presidential elections, when its candidate, Mr. Lien Chan, ran a distant third.

While the KMT tried to shift the blame for the defeat to then-President Lee Teng-hui, and forced him to resign as Party Chairman, it was Mr. Lien Chan's lackluster performance which led to the party's downfall. In the intervening period — from the Spring of 2000 to the Spring of 2001 — Mr. Lien led the Kuomintang in a damaging rear-guard battle against the new government of President Chen Shui-bian. He was able to do this, because in the Legislative Yuan — which had been elected in 1998 — the KMT still had a majority, which blocked each and every move of the new administration.

In the run-up to the next Legislative elections in December 2001, the KMT is now trying to revamp itself — without much success. One of the moves of trying to present a "new" image was to propose former President Chiang Ching-kuo as the symbol for the KMT's "honesty and decency." While this may have appealed to some old Nationalist diehards, it prompted the Taipei Times to point out that CCK had been the chief of the KMT's dreaded secret police, and thus stood for repression.

The next shot in its own foot was the re-election at the KMT's Congress of Mr. Lien Chan as party Chairman. Apparently, it still didn't sink in with the party delegates that this gentleman was the prime reason for the party's slide into oblivion.

A third and final nail in the KMT's coffin was the proposal that "confederation" with China would be the new policy line of the Kuomintang, thereby formally ditching Lee Teng-hui's "state-to-state" dictum as the party's policy towards China. This proposal drew laughter and shrugging shoulders in Taiwan, as perhaps best expressed by the following editorial in the **Taipei Times**. Furthermore, the idea was immediately shot down by Beijing as being unacceptable.

## *The emperor's new clothes*

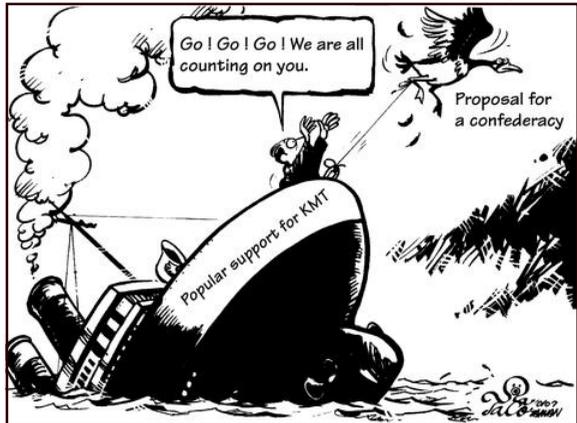
*This editorial appeared in the Taipei Times on 9 July 2001. Reprinted with permission.*

**Confederation? Don't waste your time.** The KMT's new confederation policy can be all things to all people. For unificationists, it provides the most solid framework yet for how unification can be achieved. The majority of the population, who are in no hurry

to unify, should like it because it promises the status quo (almost) forever with the removal of China's military threat. Even some realists of a pro-independence stamp might find it attractive. After all, they might reason, China is not going to renounce its claim to Taiwan, so better, perhaps, to put dreams of *de jure* independence aside and do a deal with China which will guarantee the *de facto* independence that Taiwan now enjoys. The appeal of confederation is, therefore, right across the political spectrum.

It is, however, precisely this broad appeal that should arouse suspicion. Policies that manage to appeal to the extremes usually turn out to be hollow in the center. And so it seems with the confederation idea, which is riddled with problems, that no amount of the KMT's aspirational twaddle will cut through.

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### **Will the "confederacy" proposal save the KMT's sinking ship?**

A confederation is the voluntary coming together of two independent sovereignties, the better to pursue shared goals. Each of the two sovereignties retains the right to opt out of the arrangement. Each keeps whatever rights it wishes to keep and only surrenders to the central government those powers about which an agreement has been reached that a united front is better than a divided one — most usually defense and foreign affairs — while the central government usually has no power to enforce its diktats upon either of the members without their consent — the major difference between a confederation and a federal system.

How would Taiwan and China fit into such a framework? Since apparently each side will retain their own defense institutions and conduct their own foreign affairs, it seems incumbent upon the KMT to explain just what the “confederation” will be. What aspects of Taiwan’s affairs will Beijing have a say in?

Nothing that the people of Taiwan don’t want it to have, seems to be the KMT’s answer. That seems to be just about everything you can think of. So would there be a central government structure at all? What for? What would it do? Or is “confederation” just another word for two independent sovereignties talking to each other to coordinate, where possible, policy objectives and implementation. But this is no more than has been on offer since 1991 were Beijing willing to renounce the use of force and treat Taiwan as an equal.

So the KMT’s “great breakthrough” in policy seems to be substantially meaningless. If it isn’t to be so then we need to know how things would work with China which means we need to know what Beijing will accept. Nothing, appears to be the answer. Establishing a confederation would involve China’s recognition of Taiwan’s independent sovereignty, that Taiwan was an equal and that Taiwan could voluntarily dissolve the relationship, all of which are anathema to Beijing.

The KMT might argue that Beijing’s current intransigent position is not the way to assess the viability of a new concept. This was Beijing’s view before the confederation proposal. But once it realizes the obvious advantages of the idea it will change its recalcitrant ways.

In response, we can only say with some skepticism that this has to be shown, and had better be before the people of Taiwan pay any attention to the confederation idea. The KMT has devised confederation as a cross-strait panacea for the election. People will not doubt debate it at length in the months to come. But until the KMT can prove that Beijing is prepared to listen to the idea — that is, that it might actually work — there seems no reason why anybody in Taiwan should care.

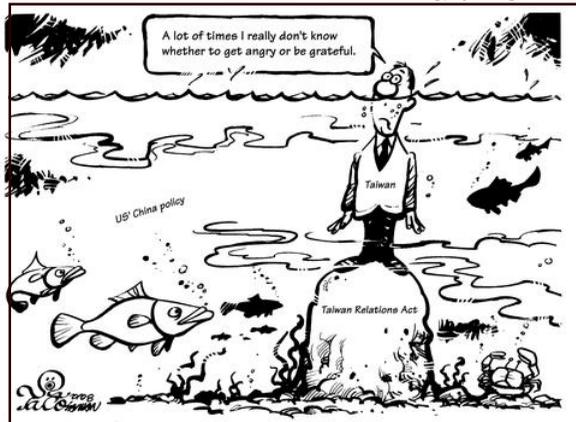
# US politics and Taiwan

## *Playing party politics*

Within US politics, the issue of “Taiwan” has always received broad-based political support. Resolutions in Congress received endorsements from both Democratic and Republican backers, and were voted on with near-unanimous support.

Administrations have swung back and forth between support for Taiwan in tight situations – such as Mr. Clinton’s dispatch of two aircraft carrier battle groups during China’s missile crisis in February-March 1996 – and kowtowing to China because of its size and perceived market.

During these pendulum motions by the successive administrations, the Congress acted as the American conscience, reminding the administration of the basic principles the US should stand for. The 1979 Taiwan Relations Act was such a corrective measure: it was drafted by Congress after President Jimmy Carter dropped recognition of the Kuomintang regime in Taipei in favor of the regime in Beijing. Mr. Carter had totally overlooked the people of Taiwan themselves, and Congress acted to rectify that.



**Taiwan about the US 'One China' policy: "I don't know whether to get angry or be grateful!"**

During the first few months of the Bush Administration, the pendulum swung towards Taiwan. Mr. Bush stated firmly that he would do “whatever it took” to help defend Taiwan if it was attacked by China, and approved a significant arms sales package. (See “*The demise of strategic ambiguity*” and “*A balanced package*” on pp. 5-10 in *Taiwan Communiqué* no. 97).

A disheartening development during these few months has been the fact that several prominent Democrats have been playing US party politics with Taiwan, its defense and

its future. Leading Senators, such as Mr. Joseph Biden (D-DE) and John Kerry (D-MA) as well as House leaders, such as Richard Gephardt (D-MO) have made statements criticizing Mr. Bush's statements and policies.

***Taiwan Communiqué comment:*** *While a healthy “give-and-take” discussion is an essential part of the democratic process, we feel that these Democrats are damaging Taiwan’s vital interests by their partisan politics. If they want to emphasize the importance of the Congressional role vis-à-vis the White House in US foreign policy, so be it, but these Congressional leaders need to keep in mind that Taiwan’s future as a free and democratic nation is at stake.*

*The Democratic Party played an important role in Taiwan’s democratization, when in the early 1980s, Senators Edward Kennedy (D-MA) and Claiborne Pell (D-RI), together with Congressman Stephen Solarz (D-NY), helped push for human rights and the end of the Kuomintang’s martial law on the island. In recent years, courageous and visionary Democratic Congressmen such as Robert Andrews (D-NJ), Peter Deutsch (D-FL) and Sherrod Brown (D-OH) played key roles in the adoption of resolutions in support of Taiwan’s membership in international organizations, such as the WHO and the United Nations.*

*It is thus essential that the Democratic leadership starts to follow a more constructive approach, stops playing partisan politics, and help initiate policies in support of Taiwan’s acceptance as a free, democratic, and independent nation, and its defense against a belligerent China. The following editorial from the **Taipei Times** contains useful advise in this regard, especially to Senator Joseph Biden.*

## ***Mr. Biden’s “constructive engagement” myth***

*This editorial appeared in the **Taipei Times** on 8 August 2001.*

*Reprinted with permission.*

If Joseph Biden, chairman of the US Senate’s Foreign Relations Committee, really wants to understand what is blocking dialogue across the Taiwan Strait, he need look no further than the bully-boy attitude of the Beijing regime.

Ever since President Chen Shui-bian took office, Taiwan has made one goodwill gesture after another toward Beijing, including opening the “small three links” and making plans to allow Chinese tourists into Taiwan. But Beijing has ignored all these gestures and used various excuses to refuse official exchanges with Taiwan. It has

shown no sincerity to Taiwan at all. This is something US Democrats, who have championed a “constructive engagement” approach toward China, should understand.

The slowness of Beijing’s democratization process – especially after the Tiananmen Square massacre — has stood in stark contrast to Taiwan’s rapid democratization following the lifting of martial law in 1987. This contrast mirrors the vast, essential difference between the two government systems.

China has long relied on opposing “US imperialism” as a conduit to feed its people a steady diet of anti-democratic, anti-human rights ideas — describing democracy as the root of political chaos and human rights as a capitalist conspiracy aimed at subverting communism. Beijing has also used the so-called “democratic dictatorship of the people” to persecute anyone opposed to communist rule. The Cultural Revolution, which left tens of millions of people dead, and the massacre of students and others in Tiananmen Square attest to the cruel persecution of dissidents by the Chinese Communist Party.

It is hoped that the brief tour of Northeast Asia Biden and his team are making — with stops in Taipei, Beijing and Seoul — will give them a first-hand look at the vast political, economic and cultural differences between the two sides of the Strait. They should also be able to learn that China’s refusal to carry out democratization and its trampling of human rights are major reasons why the people of Taiwan resist the Beijing regime. Despite Beijing’s lies about “socialism with a Chinese face,” even so-called “moderates” such as Deng Xiaoping and Jiang Zemin have insisted on one-party authoritarian rule, the persecution of dissidents and the suppression of religious freedom.

Won’t the US be shooting itself in the foot if its “constructive engagement” policy solidifies the foundations of Communist rule and helps nurture the hegemonic mindset of Communist leaders who have a fondness for military solutions? “Constructive engagement” has yet to lead to any sign of the construction of a more democratic China.

Sources who attended Biden’s meeting with Chen said the senator called Chen’s views of cross-strait relations too optimistic and not vigilante enough. In light of the recent media reports about Chen’s remarks — saying he hoped “the people on the two sides of the Strait can join hands, make peace and embrace each other” — the stories about Biden’s comments could very well be true. How can Chen justify holding an overly optimistic view of cross-strait relations when Beijing will stop at nothing to corner Taiwan in the international arena?

The Bill Clinton administration's overly optimistic view of China led to a high US trade deficit with China and solidified communist rule in China. Taiwan's misguided economic policies have led to the exodus of businesses to China. It cannot afford to make mistakes in the political arena — errors that could render it complicit in the strengthening of communist rule. Taiwan's democracy is proof of its political, economic and social advances — but such an achievement is no cause to either complacently or arrogantly underestimate the destructive power of the Beijing regime.

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## The Beijing Olympics and Taiwan

*By Li Thian-hok. Mr. Li is a prominent member of the Taiwanese-American community living in Pennsylvania. This article first appeared in the Taipei Times on 24 July 2001. Reprinted with permission.*

The critics of the International Olympic Committee's decision to award the 2008 summer games to Beijing are worried that the decision may enhance the legitimacy of the repressive Communist Party government, leading it to accelerate its policy of military modernization and territorial expansion. The 1936 Berlin games and the subsequent launching of World War II by Germany is often cited in this connection. Optimists, on the other hand, cite the 1988 Seoul games and the positive effect it had in moving South Korea towards greater pluralism. China will be put under a microscope and, the optimists say, will have no choice but to improve its human rights record. These two views appear to conflict, but actually they may not.

China could improve its human rights record sufficiently to ward off any possible boycott of the 2008 Olympics, and yet at the same time exploit the prestige and commercial gains brought by the Games to further its goal of becoming a wealthy nation with a powerful military.

The international community has adopted a rather lenient standard in judging China's human-rights practices. The US government expresses its appreciation when Beijing convicts and expels a US academic on trumped-up charges of espionage, forgetting that China should not have seized the scholar in the first place. The world tends to close its eyes to the plight of the several million prisoners languishing in labor camps. The incarcerated include many dissidents and religious practitioners. While Slobodan Milosevic faces trial at the International Criminal Court at the Hague for ethnic cleansing committed by the Serbs in Kosovo, few people have paid attention to the 1.25

million Tibetans who have perished over the years under China's relentless campaign of genocide.

The reasons for the double standard are obvious. China is a rising regional power. There are no easy means of pressuring China to respect the civil rights of its citizens or minorities. Also, business interests from all corners of the globe have been seduced by the prospects of profits in the Chinese market. It is not hard to understand why trade has been delinked from human rights.

Many observers both in the US and Taiwan believe that awarding the Olympics to China will result in seven years of peace in the Taiwan Strait. This is a very foolhardy assumption. China has sufficient manpower and resources to conduct the Games and launch a successful blitz-

krieg against Taiwan. A complacent and feckless Taiwan government which fails to prepare the armed forces and its citizens for a PLA invasion could well invite such a disaster. The Olympics certainly give China an ideal weapon with which to undermine the confidence and self-identity of the people of Taiwan.

For Beijing, politics and sports are inseparable. Since the 1970s, it has spared no effort to undercut Taiwan's international status in connection with its participation in the Olympics. Now that China has been awarded the Games, Beijing will no doubt use various tactics to make Taiwan a province of China in the eyes of the world. The pro-unification media, the opposition parties and even thoughtless DPP members and government officials are already dancing to Beijing's seductive tune of "Chinese" national pride.

Taipei should refrain from using any words or committing any deeds which could be perceived by the international community as further eroding Taiwan's de facto sovereignty. Certain elements of Taiwan's media are eager to break into China's market. Businessmen want a chance to profit from the infrastructure projects for the



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### Ready for the Olympics?

Beijing games. Taipei should ask these businesses to show restraint and respect for Taiwan's territorial integrity.

The sports committee of the Executive Yuan and Premier Chang Chun-hsiung should declare a "four no's" policy as soon as possible. This policy should declare that Taiwan will not: Allow the Olympic torch to transit through any part of its territory; allow any Olympic event to be held on its territory; assist in, jointly manage or sponsor any of the Olympic activities with China; and participate in any joint delegation with China.

Taiwan must insist on its own flag and national anthem. Taiwan's athletes must understand that they represent democratic Taiwan, a separate country which is not ruled by the PRC. The athletes must uphold the dignity of the 23 million people of Taiwan. The government needs to act quickly to stem the tide of the destructive "China fever." It is high time Taiwan stood up.

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## Taiwan's economy at a crossroads

*By Li Thian-hok. Mr. Li is a prominent member of the Taiwanese-American community living in Pennsylvania. This article first appeared in the **Taipei Times** on 8 September 2001. Reprinted with permission.*

Taiwan's economy is in a state of acute distress. In the seven months to July Taiwan's exports were down 13.6% year-on-year in U.S. dollars. Almost all electronic exports have suffered sharp falls. Taiwan's second quarter GDP contracted by 2.35%. This contraction is Taiwan's first in 26 years.

The unemployment rate has risen for ten consecutive months, reaching 4.92% at the end of July. The non-performing loan ratio of Taiwan's financial institutions reached 7.44% at the end of June, or US \$30 billion. Both figures represent historic highs. Stock prices have tumbled 52% since May 2000.

The economic hardship is in part caused by the downturn in the global economy and especially the decline in U.S. demand for Taiwan's information technology hardware.

Taiwan's economic troubles have also been exacerbated by the exodus of Taiwan's manufacturing base to China and the accompanying massive outflow of capital and management talents. Since 1987, Taiwanese investment in China has grown to 70 billion U.S. dollars. In 2000, government-approved investment in China soared by

108% over the preceding year. In the first half of this year, investment in China has grown by 24% over the same period last year, with half of the fund going into high-tech industries. Less than 1% of this capital outflow has reportedly ever been repatriated to Taiwan in the form of profit.

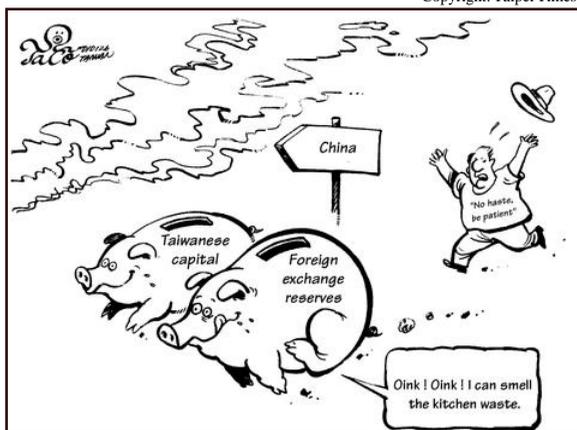
After a quarter century of economic growth and prosperity, Taiwan's economy has reached a crossroads where basic structural changes are needed to sustain continued economic development. Taiwan needs to shift from manufacturing to service industries. Taiwan needs to raise the level of its manufacturing base to higher value-added products. Taiwan needs to invest in research and development for new industries. To prevent a further exodus of businesses to China, the government needs to improve the investment environment to retain domestic industries and entice foreign (other than Chinese) investments. The measures are well known to economists: including offering of public land at a reasonable price, lowering business income tax, improving the skills of the labor force through education and training, providing the necessary infrastructure such as cheap water and power, more efficient government assistance to business in environmental assessment, automation to replace labor, and so forth. The proper solutions will take time and hard work.

The Economic Development Advisory Council's (EDAC's) five panels have reached consensus on 322 proposals, some of which are no doubt excellent ideas in correcting the myriad ills of the island's economy. The most important proposals which have preoccupied the attention of both the media and the DPP administration appear to be the following: First, to discard the "patience over haste" policy on investment in China in favor of a new "proactive openness and effective management" stance. Second, to implement direct trade, transportation and communications links with China as soon as feasible. Third, to facilitate Chinese investment in Taiwan's business and real estate.

Taiwanese businessmen have been clamoring for removal of the patience over haste policy on the ground that they need China's cheap land and labor to remain globally competitive. So the U.S. \$50,000,000 ceiling on single investment projects will be lifted. Removing the ban on investment in Chinese infrastructure, however, will have a negative impact on Taiwan's national security. After all, why should Taiwan help China build roads and airbases which may be used to attack Taiwan? Encouraging Taiwan's high tech industry to move to China will simply create a business competitor and increase the number of jobless in Taiwan. Some Taiwanese businesses may benefit from the policy change, but Taiwan's economy as a whole will be weakened and become increasingly dependent on the Chinese economy. Drinking poison to quench thirst is suicidal.

Establishing direct links with China will lower the cost for Taiwan's businessmen. However, direct links cannot be implemented without negotiation with Beijing, which has consistently refused dialog with Taipei, unless the DPP government first accedes to Beijing's One China Principle, i.e., surrender Taiwan's independent sovereignty. How far will the Chen administration bend in order to achieve direct links? Direct links will definitely imperil Taiwan's security.

A U.S. Sinologist has estimated that China has already smuggled 6,000 special forces into Taiwan. Once direct trade and transportation are in place and Taiwan's door is opened to 500,000 Chinese tourists a year, the number of such Chinese troops can be expected to grow manifold. Taiwan can be brought to its knees with a combination of missile attack and internal subversion then.



**Taiwan business, investing in China:**  
*"Oink, oink, I can smell the kitchen waste."*

As for encouraging Chinese investment in Taiwan, this is also a foolhardy idea. All Chinese capital is public capi-

tal. When the People's Republic is allowed to buy Taiwanese business and real estate at will, China could soon control Taiwan's economy and thence the Taiwanese people's livelihood.

The three proposals together represent a giant step towards Taiwan's economic and political integration with China. That is why the pro-unification media and opposition parties are so jubilant. These proposals also signify a drastic departure from the National Unification Guidelines. The Guidelines stipulate three stages in relations with China. In the first stage, China must become a democracy and achieve a standard of living comparable to that of Taiwan. Direct links with China will be considered only after these preconditions of the first stage are met.

The DPP administration, with the support of the EDAC, has apparently abandoned these preconditions. Does this mean that the DPP government has now embarked on the path of giving up Taiwan's democracy and free way of life in exchange for doubtful

prospects of economic recovery and peace with the People's Republic? This is a question which deserves serious scrutiny.

The Taiwanese people and their leaders need to have more confidence in their own resiliency and their ability to cope with difficult times. Taiwan's economy is basically sound. The global economy will fluctuate between boom and bust. This economic cycle is normal in a free, capitalist economy. There is no reason to panic and rush into short-sighted, counterproductive policies which would irreparably damage Taiwan's international standing and its economy.

Opinion surveys have repeatedly shown that a great majority of the Taiwanese people prefer either outright independence or maintenance of the status quo, i.e., preservation of Taiwan's democracy and its independent sovereignty free from the CCP's repressive rule. Now is the time for the silent majority to rise above partisan politics, oppose the misguided harmful China policy proposals of the EDAC and voice their support for freedom and sane economic remedies.

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## Notes

### *New White Paper 2001 on Taiwan and its Future*

At the beginning of September 2001, a group of major overseas Taiwanese organization issued the third edition of the *White Paper on Taiwan and its Future*. The paper sets out the views of the overseas Taiwanese community on the important issues surrounding Taiwan's status. The organizations wish to promote a better understanding of Taiwan in North America and Europe.

The paper gives a brief historical background, as well as arguments for acceptance of Taiwan as a full and equal member in the international community from a legal and political perspective. This revised and updated edition takes into account recent developments, such as the March 2000 election of Chen Shui-bian as president of Taiwan, and the affirmation of support of the island by the Bush administration.

Hardcopies are available from the **Formosan Association for Public Affairs (FAPA)** in Washington DC, 552 — 7<sup>th</sup> St., S.E. Washington, DC 20003 Tel. (202) 547-3686 Fax (202) 543-7891, while electronic versions in both HTML and PDF format can be accessed on the *Taiwan Communiqué* website at <http://www.taiwandc.org/>

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ISSN Number: 1027-3999

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