



# Taiwan Communiqué

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## The ECFA battle continues

### *Into China's orbit or broadening ties?*

During the past few months the battle in Taiwan about the proposed Economic Cooperation Framework Agreement (ECFA) with China intensified further, leading to daily heated exchanges in the press, an April 25<sup>th</sup> TV debate between DPP Chairwoman Tsai Ing-wen and President Ma Ying-jeou, a May 20<sup>th</sup> Open Letter by international scholars to Legislative Speaker Wang Jin-pyng, and street demonstrations in Taiwan.

Photo: Taipei Times

At issue is whether Taiwan should ink a trade agreement with China. The Ma administration is presenting ECFA as a solution to Taiwan's economic woes, and says it will prevent Taiwan from being marginalized. The democratic opposition on the other hand argues that it moves Taiwan far too close to China, giving the



**Demonstration in Taipei on 20 May 2010 in support of a referendum to decide on ECFA**

PRC leverage to force its way onto the democratic island, at the expense of democracy in Taiwan and its future as a free nation.

## ***FTA's with the US and other countries?***

A hot issue is also whether Taiwan can sign free trade agreements with other countries after the ECFA with China is finalized. The Ma administration had left this fuzzy in the negotiations, but has tried to assure the people in Taiwan that this was the case.

However, on 1 June 2010, the spokesman for the Foreign Ministry in Beijing, Mr. Ma Zhaoxu, stated that Beijing was opposed to Taiwan concluding any FTAs with other countries. He said: *"We have no problems with Taiwan and China's diplomatic allies engaging in unofficial economic activities. But any move to forge official agreements without our consent is absolutely unacceptable."*

The statement caused an uproar in Taipei, where the Ma government – from President Ma himself on down – emphasized that *"It is our right as a WTO member to sign FTAs with other countries and we should not see interference when we exercise our right."*

The Mainland Affairs Council – formally in charge of relations with China – even stated that the position of Beijing on this issue is "putting a foot on the throat" of Taiwan's businesses and threatens to turn the country into an "economic basket case."

At a roundtable with the media in Taipei on 5 June 2010, the chairman of the American Institute in Taiwan, Mr. Ray Burghardt, echoed the concerns about China's position, saying that Taiwan's rights as a WTO member should be protected and should not be vulnerable to influence from China. He stated: *"The US position is that all WTO members have the right and the power to sign trade agreements with other WTO members, period. No need for prior ECFA agreements, no need for permission from China."*

## ***Referendum proposal rejected***

Another hot issue, which came to the forefront in early June, was the rejection by the Referendum Review Commission of the Executive Yuan – at 11:00 pm on June 3<sup>rd</sup> 2010 – of the proposal of the Taiwan Solidarity Union (TSU) to hold a referendum on ECFA.

In February 2010, the TSU – Taiwan's second opposition party, after the DPP – had submitted a proposal to have the question *"Do you agree that the government should*

*sign an ECFA with China?*” on the ballot in the upcoming local elections in November 2010. Under Taiwan’s Referendum Act, such a proposal must go through several stages before the issue can be put on the ballot.

In a first stage, the supporters must collect a number of signatories that is greater than 0.5% of the number of eligible voters in the last presidential elections. With some 200,000 signatures, the TSU easily surpassed the required 80,000+ number. After a review by the 21-member Referendum Review Commission, the proposal would then be the subject of a second round of signatures, in which the required number is 5% of the number of eligible voters, amounting to some 800,000 signatures.

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However, the Review Commission, by a vote of twelve to four, has now blocked the proposal before it could even go to the next round. The move is prompting strong reactions from the democratic opposition in Taiwan as well as from the overseas Taiwanese community.

**Taiwan Communiqué comment:** *that the rejection was a political move by the Ma administration was evident from the arguments used by*

*the Review Commission itself and by the Premier. In its ruling the Commission stated that there was a “... contradiction or obvious error in the content of the proposal, thus making the intendment of the proposal not understandable (sic).”*

*If the Commission cannot understand the simple question “Do you agree that the government should sign an ECFA with China?” there is indeed something fundamentally wrong ... with the Commission. In addition, Premier Wu Den-Yih stated blithely “How can we hold a referendum on a subject with content that has yet to be fixed?” If one uses that logic, one could ask Mr. Wu Den-yih how he can support an ECFA with content that has yet to be fixed?*



**ECFA referendum being thwarted by the KMT government: “Go on, fly. I am not stopping you.”**

*Rejection of the referendum is yet another blow to Taiwan's democracy. A referendum is a very basic mechanism by which the people of Taiwan could express their view on this very controversial proposal. The answer to the question posed by the referendum would give everyone concerned a clear and unambiguous idea on where the people of Taiwan stand on this issue. It is unconscionable for the Ma government to block this proposal.*

## ***International scholars express concern***

On 20 May 2010 – the second anniversary of the inauguration of President Ma Ying-jeou – the Formosan Association for Public Affairs (FAPA) organized a press conference at the National Press Club in Washington DC at which ECFA was criticized by a number of scholars and representatives of Taiwanese-American organizations.

**Dr. Wu Rong-I**, one of Taiwan's most prominent economists, spoke first, giving a brief presentation on the proposed agreement, saying that it sacrificed Taiwan's sovereignty, and made the country economic dependent on China, leading to an eventual forced unification. Dr. Wu is a former Deputy Prime Minister (2005-2007), and presently serves as vice chairman of Taiwan Brain Trust, a Taipei-based thinktank.

Photo: C. Blaauw



**From Right to Left: Dr. Wu Rong-I, Prof. June Dreyer, Mr. Gordon Chang, Prof. Arthur Waldron, Prof. Bob Yang, and Dr. Sebo Ko**

Following Dr. Wu, three American scholars made statements critical of the proposed agreement, and in support of a Joint Letter by 29 international scholars and writers to legislative speaker Wang Jin-pyng (see following article). **Prof. June Dreyer** of the University of Miami in particular criticized the secrecy and ambiguity of the process surrounding ECFA. She said that China will do its best to use its huge leverage to reduce

Taiwan's room for maneuver. She also said that the Ma administration is not telling the truth about the impact of the agreement: "While it is saying that ECFA is going to create 100,000 jobs, what it is not telling you is that it may destroy 200,000 jobs," she said.

**Mr. Gordon Chang**, author of "The Coming Collapse of China" started by saying that the faulty assumption behind ECFA is that Taiwan's economy will grow if it is tied to China's, where the gross domestic product grew at 11.9 percent in the first quarter of 2010. But, he warned, China is full of economic bubbles: the economy is on "sugar high" because of the economic stimulus program last year. These bubbles are about to burst, and the imbalances and dislocations created by this uncontrolled spending will be tremendous.

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He said the third aspect is the velocity of economic change: The economy is veering from boom to bust, going from one extreme to the other. This means that China's technocrats have lost control of their own economy. So, if Taiwan's economy will be tied more closely with China's, it is in for a wild ride: if China's bubbles burst and the economy crashed, Taiwan's economy will crash with it: ECFA is a one-way ticket to economic failure for Taiwan.



### Taiwan's economy doing fine on its own, refuting President Ma's pro-ECFA propaganda

He then presented statistics that Taiwan's economy was actually doing fine on its own, without an ECFA: overall exports grew 47.8% in April, while exports to China grew 61.6%. He concluded that there is no economic advantage in signing ECFA: Ma wants the deal because he is selling out the country.

**Prof. Arthur Waldron**, Professor of History at the University of Pennsylvania, seconded Gordon Chang's statement: he said China's structures are insufficient to sustain economic growth for so long, and likened it to living right on the St. Andreas Fault. He said that most people are generally positively inclined to trade relations with China. But, he said, trade relations with China are not free, since the authorities follow a mercantilistic approach, trying to maximize their own profits at the expense of others.

He said the basic problem is Taiwan's lack of international status, which puts it at a disadvantage right away, certainly in relations with China, tilting the playing field in an unfavorable direction for Taiwan. He said the party-to-party negotiations (instead of government-to-government) and other aspects are undermining Taiwan's sovereignty and autonomy.

He also stated that China is trying to present Taiwan internationally as the protégé of China, gradually diminishing its leeway and room for maneuver. He urged a full and open discussion on these aspects, both in Taiwan and abroad.

FAPA president Bob Yang then presented a Joint Statement to President Obama by 16 Taiwanese-American organizations, reading the statement and introducing the organizations that were represented at the press briefing. The presentations were completed with remarks by Dr. Ko Sebo, on behalf of the Taiwanese-American organizations.

### *Letter to Legislative Yuan Speaker Wang Jin-pyng*

On 14 May 2010, twenty-nine international scholars and writers sent an Open Letter to Legislative Yuan speaker Wang Jin-pyng, expressing concern about ECFA, and particularly about the lack of legislative oversight by the LY. The full text of the letter is as follows:

*Dear Mr. Speaker,*

*As strong supporters of a free and democratic Taiwan, we would like to call your attention to a number of concerns we have regarding the ongoing negotiations between the government of Taiwan and of the People's Republic of China to arrive at an Economic Cooperation Framework Agreement (ECFA).*

*While in principle an economic agreement between the two countries would be laudable, it concerns us that there has been a lack of transparency and legislative checks and balances on the part of the government in Taiwan: Media and civic groups have complained about the secrecy of the negotiations, and the fact that there is no clarity on what the agreement would entail, or what impact it would have on Taiwan's economy, in particular its agriculture, small and medium-size industries and the labor force.*

*Furthermore, the Legislative Yuan appears to be sidelined in the decision-making process, which does not bode well for the island's young democracy. Against this*

background we urge you to emphasize that you attach great importance to checks and balances in a democratic system. It is also imperative that the Taiwan government seek a democratic consensus on this important decision through a public referendum of all people in Taiwan before the agreement is signed.

Many in Taiwan and abroad are also concerned about the impact of closer economic ties on Taiwan's de facto independence and sovereignty: they feel that closer economic ties will give the government in Beijing leverage to push Taiwan into further political isolation. This would make it increasingly difficult for the people of Taiwan to maintain their freedom, basic human

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rights and democracy, and determine their own future. The problem is of course that China unjustifiably claims sovereignty over Taiwan, and doesn't recognize its right to exist as a free, democratic and independent nation.



If Taiwan increasingly moves into the sphere of influence of a still very undemocratic China, this will have a negative impact on

democracy and human rights in Taiwan itself, and on its role as a beacon for democracy in East Asia. We feel that the present approach by the Ma administration is too much predicated on China having a say in how Taiwan relates to the rest of the world. In our view, Taiwan should be accepted in its own right, and be able to sign free trade agreements with other nations without going through China.

**The ECFA Trojan Horse: "Never look a gift horse in the mouth."**

We may also refer to recent statements by two of Taiwan's strongest supporters in the US Congress, who are very critical of the proposed agreement: in a briefing on April 28<sup>th</sup> 2010, Congressman Robert Andrews (D-NJ) referred to it as a "cage" for Taiwan from where it will be difficult to escape, while Congresswoman Ileana Ros-Lehtinen (R-FL) referred to it as a "Trojan Horse," one gift-horse Taiwan should **not** allow in, because the authorities in Beijing are using it as a political tool with the ultimate goal of absorbing Taiwan.

*Mr. Speaker, we hope you will agree with us that maintaining a free and democratic Taiwan is essential, not only for the people in Taiwan themselves, but also for the cause of freedom and democracy in East Asia as a whole. We thus urge you to take a critical look at the proposed Agreement, and ensure that the economic, political, and strategic interests of the Taiwanese people are fully safeguarded.*

*Looking forward to hearing from you,*

*Sincerely yours,*

The letter was signed by 29 international scholars and writers, including four former US government officials, a former Canadian government minister, and several former European government officials. The full list can be accessed at:

[http://www.taiwandc.org/letter\\_wangjinpyng\\_may2010.htm](http://www.taiwandc.org/letter_wangjinpyng_may2010.htm)

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## **“Big Five” elections coming up** *DPP and KMT nominate candidates*

On 25 May 2010, the DPP announced its slate of candidates for the year-end elections for the mayors of five major metropolitan centers in Taiwan, Taipei City, Sinbei City (formerly Taipei County), Greater Taichung (a merger of former Taichung City with Taichung County), Greater Tainan (a merger of the former city and county), and Greater Kaohsiung (also a merger of the former city and county).

A last-minute surprise was the nomination of DPP Chairperson Tsai Ing-wen herself as the candidate for Sinbei City. Strengthened by her almost unanimous re-election as party chairperson on Sunday 23 May 2010, she and the party felt that she would be the strongest candidate against the KMT’s Eric Chu, who until recently was Deputy Prime Minister, but resigned to run in the elections.

In Taipei City, the DPP’s candidate is Mr. Su Tseng-chang, a longtime DPP politician, who previously served as Pingtung County Magistrate (1989-1993), Taipei County Magistrate (1997-2004), Prime Minister (2006-2007), and who was the DPP’s vice-presidential candidate in the 2008 elections. Mr. Su is running against incumbent mayor Hau Lung-bin.

For Greater Taichung, the DPP nominated its secretary-general, Mr. Su Jia-chyuan, a dynamic politician who previously also served as Pingtung County Magistrate (1997-2004), Minister of Interior (2004-2006) and as Minister of Agriculture (2005-2008). He is running against incumbent mayor Jason Hu, a longtime KMT politician who served in various positions, including representative in Washington DC in the 1990s.



**The DPP's candidates for the "Big Five" year-end elections: Mr. Su Tseng-chang, Ms. Tsai Ing-wen, Mr. Su Jia-chyuan, Mr. Lai Ching-te, and Ms. Chen Chü**

For Greater Tainan, the DPP nominee is “William” Lai Ching-te, presently member of the Legislative Yuan. Legislator Lai came out on top in the DPP’s selection process for Tainan, in which the party made extensive use of opinion polls to determine who would be the strongest candidate. As Tainan is a DPP stronghold, there were many candidates, including present Tainan City mayor Hsu Tain-tsair, and current Tainan County Magistrate Su Huan-chih, who all lost out to legislator Lai.

In Greater Kaohsiung, the DPP nominated – as expected – incumbent mayor Ms. Chen Chü, also a long-time DPP politician who earned her stripes, first as activist and later as able administrator as Minister of Labor in the DPP government (2000-2005), and as Kaohsiung City Mayor (2007 – present). Her opponent is KMT legislator Mrs. Huang Chao-shun, a lecturer at Kaohsiung Medical University who also served on the KMT's policy planning committee.

## *Elections could change political landscape*

In all, the DPP is fielding an extremely strong slate of candidates: Taipei is traditionally a pan-blue stronghold, but Mr. Su Tseng-chang is a strong vote-getter and has a good chance of winning over incumbent mayor Hau Lung-bin who has had a very lackluster performance as Taipei City mayor.

All eyes will also be on Sinbei City, where DPP Chair Tsai Ing-wen will battle it out against Eric Chu, who is considered a rising star in the Kuomintang's hierarchy, and was at some point being seen as a future Prime Minister. In opinion polls right after the nomination, the DPP's Tsai had a slight edge over her KMT opponent, 44% to 43%.

In Greater Taichung, the DPP's Su Jia-chyuan will have an uphill battle against KMT veteran Jason Hu, a suave politician. But Mr. Hu's reputation has recently been damaged by the high crime rate in Taichung and the prevalence of gangsters, even necessitating the recent dispatch of elite National Police Agency commandos to counter the violent crime spree.

In Greater Tainan, it is expected that William Lai will coast to an easy victory. It has traditionally been a pan-green stronghold, while the general dissatisfaction with the Ma administration – especially strong in the South – will give the DPP the upper hand.

Finally, in Greater Kaohsiung, the DPP's Chen Chü is expected to win handily over her KMT challenger. Ms. Chen is the incumbent in the City and has strong support in the adjacent County, which now together make up the new electoral district. Four years ago she won narrowly, but has shown herself to be an able and effective mayor. She won praises for completing the construction of a world-class stadium and presiding over the very successful 2009 World Games in Kaohsiung

Overall, the DPP is likely to win at least three out of five positions, a major turnaround in comparison with the dismal election results in 2008. However, some analysts say that it could win four positions, while a clean sweep of five positions is not considered

out of the question either. If the party does win four or five positions, this would be considered a major landslide, and totally change the political landscape in advance of the March 2012 Presidential elections.

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## Change we can believe in?

When President Barack Obama was campaigning for the presidency back in 2008, one of the electrifying mottos his campaign came up with was “Change we can believe in.” Many in the Taiwanese-American community saw it as a sign that Obama would move away from the old and worn-out “One China” mantras of the Bush administration and the ones before him. They voted for him, and when he was elected, we even titled an article “Change *Taiwan* can believe in” (*Taiwan Communiqué* no. 122, January/February 2009).

Now we live 1 ½ years into the Obama administration and it may be time for an interim assessment on what has been achieved, and what not. We do fully realize that the Administration has a lot on its plate, and that many of these issues require a major amount of immediate attention, money, and energy.

Still, Taiwan’s future and peace and stability in the Taiwan Strait are highly important issues, and getting it right is of the utmost importance, certainly during this crucial period in Taiwan’s history. For the Taiwanese-American community it is also the foremost yardstick by which they will measure the achievements of the Obama administration, and which will determine their votes in upcoming US elections.

### *Something new, but also repeating old mantras*

So, how can we assess where the Obama administration is moving? Its words are one indicator, and there we do have three recent speeches made by administration officials, which touched on the subject of Taiwan.

On 18 March 2010, Deputy Assistant Secretary of State for East Asia and Pacific Affairs **David B. Shear** testified before the Congressional US-China Economic and Security Review Commission. He stated that while the United States supports the progress in the cross-Strait relationship over the past two years, Washington remains “opposed to unilateral attempts by either side to change the status quo.”

He also stated: “*Future stability in the Strait will depend on open dialogue between Taiwan and the PRC, free of force and intimidation and consistent with Taiwan’s flourishing democracy. In order to engage productively with the mainland at a pace and scope that is politically supportable by its people, Taiwan needs to be confident in its role in the international community, its ability to defend itself and protect its people, and its place in the global economy. The United States has a constructive role to play in each of these three key areas.*” He then elaborated on what the US would do in each of these three areas.



**David B. Shear**

On 29 March 2010, Assistant Secretary of State **Jim Steinberg** spoke at the State Department’s Foreign Press Center about his then upcoming trip to the Balkans. In the middle of the talk he rather suddenly veered off and briefly talked about his mid-March trip to Beijing, together with the NSC’s Jeff Bader.



**James B. Steinberg**

In his statement, he reiterated: “*The centerpiece, of course, is our one China policy, which has not changed. Indeed, this past year we just marked the 30<sup>th</sup> Anniversary of the normalization of our relationship with the People’s Republic of China under that one China policy. We’ve made clear that we do not support independence for Taiwan and we oppose unilateral attempts by either side to change the status quo.*”

In a third recent administration statement, on May 18<sup>th</sup> 2010 at the Brookings Institution, Principle Deputy Assistant Secretary **Joe Donovan** reiterated some of the earlier language, and added: “*Ultimately, the future stability in the Strait will depend on open dialogue between Taiwan and the PRC, free of coercion and consistent with Taiwan’s democracy. In order to engage productively with the mainland at a pace and scope that is politically supportable by its people, Taiwan needs to be confident in its role in the interna-*



**Joseph R. Donovan Jr.**

*tional community, and that its future will be determined in accordance with the wishes of its people. The United States has a constructive role to play in each of these areas.”*

**Taiwan Communiqué comment:** *So the main theme of the administration is “dialogue.” To this, it has added statements along the lines of “free of coercion and consistent with Taiwan’s democracy” and “that its future will be determined in accordance with the wishes of its people.” This is laudable language, but at the same time the administration officials have reiterated some of the old and worn-out “One China” mantras that prevailed in earlier administrations.*

*We do certainly hope that the reiteration of these mantras was not a tactic designed to patch up with China after several months of rough going due to China petulant behavior at the Copenhagen Climate summit, and its reactions to the arms sale decision and the welcome of the Dalai Lama to the White House.*

*Particularly grating is the “We do not support Taiwan independence” language. If the administration wishes to maintain the traditional stance that it takes no position on Taiwan’s future -- except to say that it should be determined peacefully and with the assent of the people of Taiwan -- then it should either refrain from that “no support” language or use both, and also include “we do not support unification.” That would be a balanced and consistent policy.*

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## **International space for Taiwan?**

After Taiwan’s transition to democracy in the early 1990s, the governments of Presidents Lee Teng-hui and Chen Shui-bian focused their policies on ways to move Taiwan out of its international political isolation, and made the quest for Taiwan’s full membership in international organizations the mainstay of the island’s foreign policy. This was thwarted by China, which blocked Taiwan’s moves at every turn.

Since the government of Ma Ying-jeou came to power in 2008, the policies have changed significantly: Ma has de-emphasized the membership campaign, has instead pushed for “meaningful participation”, and has focused on “functional” international organizations, such as the World Health Organization (WHO), and the International Civil Aviation Organization (ICAO).

Hereby a brief assessment of what has (not) been achieved in those two cases, followed by an insightful and incisive analysis by ambassador Nat Bellocchi, former chairman of the board of the American Institute in Taiwan.

## *World Health Assembly: more form than substance*

Much is being made by the Ma administration and its supporters that the Taiwan Health Minister has now attended the annual World Health Assembly in Geneva for two years in a row. This was made possible after a secret agreement between Taiwan and China in the Spring of 2009. The terms of the agreement were never made public, and the democratic opposition in Taiwan fears that the Ma administration made unacceptable concessions in return for a mere token appearance at the Assembly.

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For the DPP and others who have worked hard for democracy in Taiwan it would be unacceptable if Taiwan would be considered “part of China” in the workings of the WHO. There are a number of indications that this is the case already: the Taiwan delegation was forced to attend under the demeaning name “Chinese Taipei”, while in official WHO documents it is referred to as “Taiwan, province of China.”



**President Ma dreaming of "genuine participation" ... before being swallowed by China**

In addition, Taiwan has only been allowed to be incorporated in the International Health Regulations (IHR) framework of the WHO, and not in five other coordination mechanisms in which member states exchange information on disease-related issues. Sources in the international health community also indicate that in all of 2009, Taiwan was only allowed to participate in seven WHO-organized meetings – while hundreds are being held each year. At these meetings, health officials from Taiwan were only allowed to attend in their personal capacity, and not as “representing Taiwan.”

And finally, in the middle of May 2010, a Taiwan health official inadvertently let it slip that Taiwan was not receiving food safety-related information directly from the WHO, but through China.

**Taiwan Communiqué comment:** *Thus, in contrast with the rosy picture being painted by the Ma Ying-jeou administration, the reality is that Taiwan's participation in the World Health Organization is anything but meaningful. It has the character of an optical show, with more form than substance. A sad state of affairs.*

*In addition, the approach of downplaying / negating Taiwan's statehood carries the real danger that Taiwan's status as a free, sovereign nation is undermined, and thereby the ability of the people on the island to determine their own future. More on that in the OpEd by ambassador Nat Bellocchi, below.*

## ***Meaningful participation in ICAO?***

A second line of action taken by the Ma administration is to pursue participation in the International Civil Aviation Organization (ICAO). Through its representative office in Washington it convinced Congresswoman Shelley Berkley (D-NV) and Senator Tim Johnson (D-SD) to introduce resolutions, in the House and Senate respectively, supporting “meaningful participation by the government of Taiwan as an observer” in ICAO, and urging that the US government “take a leading role in gaining international support for the granting of observer status to Taiwan.”

**Taiwan Communiqué comment:** *We fully agree that ICAO is an organization in which Taiwan belongs: its Tayuan International Airport is a major hub in East Asia, with over 174,000 flights annually, carrying some 35 million people to and from Taiwan. It therefore plays a crucial role in strengthening aviation security in the region.*

*However, the approach taken is not the right one, because it relegates Taiwan more or less permanently to a position of second-class “non-state” status. If the United States and other democratic nations around the world do want to do the right thing, they need to take a much more principled position, emphasizing that as a free and democratic nation Taiwan has a right to be a member in organizations such as ICAO.*

*To push for observership as an interim measure will only be acceptable to the people on the island if it is part of a longer-term strategy with the clearly-stated goal of eventual full membership.*

## ***Ambassador Bellocchi: Taiwan needs a place in the world***

*By Nat Bellocchi. Former chairman of the Board, American Institute in Taiwan. This article was first published in the Taipei Times, 03 May 2010. Reprinted with permission.*

How to enhance the international space for Taiwan is a complex issue that needs to be addressed by the international community. Unfortunately, it is not even on the current agenda as we are preoccupied with other issues deemed more critical to international safety and security and therefore of higher priority to policymakers.

However, it is essential that we elevate this issue to a higher level of attention and that we get it right. The main problem, of course, is that after Chiang Kai-shek was expelled from China in the late 1940s and occupied Taiwan, the US continued to recognize his regime as the legal government of China, and referred to it under the “Republic of China” moniker.



**Ambassador Bellocchi**

In the 1960s, this position became untenable and in 1971 — with UN Resolution 2758 — the “representatives of Chiang Kai-shek” were expelled from the UN and the world body accepted the government of the People’s Republic of China in Beijing as representing China, with the US following suit in 1979.

These moves left Taiwan in limbo. However, the Taiwanese, who languished under harsh Chinese Nationalist Party (KMT) rule during the decades following the end of World War II, started to push for freedom and human rights, culminating in a momentous transition to democracy in the 1990s.

Once Taiwan achieved democracy, its people increasingly started to strive for full membership in international organizations, based on such principles as self-determination, as embodied in the UN Charter.

Former president Lee Teng-hui, in the midst of helping the transition to democracy in Taiwan, also started to push for more international recognition in international forums. Former president Chen Shui-bian’s administration responded to such popular senti-

ment by applying for membership to organizations such as the WHO and the UN. The US Congress supported these moves and a group of some 20 smaller nations that maintain diplomatic ties with Taiwan actively spoke up in UN and WHO annual assemblies.

Now fast-forward to the present: A couple of weeks ago the US State Department sent a report to Congress supporting “meaningful participation” by Taiwan in the WHO, while just last week Representative Shelley Berkley introduced House Concurrent Resolution 266, *“expressing the sense of the Congress that Taiwan should be accorded observer status in the International Civil Aviation Organization.”*

While on the surface these initiatives appear laudable, the fundamental problem with this approach is that it negates — or is at best fuzzy about — Taiwan’s status as a sovereign nation and as such its right to be accepted as a full member in the international community.

The State Department WHO report even reiterates the peculiar line that the US *“does not support membership for Taiwan in the United Nations or its specialized agencies, including the WHO, for which statehood is a requirement for membership,”* while the Berkley resolution refers to the outmoded 1994 Policy Review, which incorporated similar language.

This was not US policy as enunciated from 1979 to 1998. During that period the US took no position on Taiwan’s future status. The confusion on this point started in June 1998, when then-US president Bill Clinton visited China and pronounced his controversial “Three Noes,” including a statement that there was “no support for membership in international organizations that require statehood.”

Why is this new language detrimental to Taiwan’s international position and incompatible with US basic principles? Because it permanently consigns Taiwan to second-class “non-state” status.

It also violates the “neutral” position the US has traditionally taken on Taiwan’s status, which must be based on a peaceful resolution of disputes and a fully democratic decision taken by the people of Taiwan, without coercion by China or any other nation. After all, the Taiwan Relations Act specifically states: *“Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.”*

The present approach thus seems to be based on expediency and not on the principles the US professes to hold dear. Perhaps Benjamin Franklin said it best when he stated in 1775: “*Those who would sacrifice freedom for temporary security deserve neither.*”

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## **Erosion of justice and democracy**

In previous issues of *Taiwan Communiqué* we presented information, background, and analyses regarding the erosion of justice and democracy in Taiwan since the beginning of the Ma administration in May 2008. Below we give a brief summary of the trial and upcoming verdict of former President Chen Shui-bian and his wife in High Court.

### ***Verdict on former President Chen coming up***

During the past months, the trial of former President Chen Shui-bian and his wife has been continuing in Taiwan’s High Court. The couple is appealing the life sentences handed down in Taipei District Court on 11 September 2009.

Photo: Taiwan News

At the time, the sentences were criticized in Taiwan and internationally as being politically motivated. International scholars and writers strongly criticized the severe flaws in the procedures in the District Court, as well as the severity of the sentences themselves. President Ma’s advisor at Harvard, Prof. Jerome Cohen, also criticized the fact that Chen continued to be incarcerated during the trial, preventing him from preparing and staging an adequate defense.



**Former President Chen Shui-bian on his way to a High Court session**

In response, the High Court procedures have been closed-door, and have not been hobbled by frequent leaks to the press by prosecutors and court personnel, as was the case with the District Court trial. However, the High Court has continued to incarcerate the former President, who is being held in a small cell without a bed – only a bedroll on the damp floor or a char and a desk: he has to write sitting down on the floor.

The Court and prosecutors have also been using Chen's incarceration as a bargaining chip in trying to retrieve funds that Chen's wife allegedly transferred to Swiss bank accounts. According to press reports in Taiwan, sums amounting to some US\$ 3.53 million were returned to Taiwan from the family's bank accounts in Switzerland. The prosecutors have charged that Mrs. Chen transferred some US\$ 21 million abroad.

The Court has said that it will deliver a ruling on the case by 11 June 2010.

In the meantime, on 8 June 2010, the Taipei District Court found former President Chen not guilty of embezzling diplomatic funds. In September 2009, the prosecutors' office had brought charges against Chen that during 11 foreign trips he had wired a total of US\$ 330,000 in special diplomatic funds to his son, who was studying in the United States at the time. The court stated that the prosecutors had provided no proof of the alleged transfers. Chen denied the allegations, saying they were part of a politically-motivated campaign of revenge against him by the administration of Ma Ying-jeou.

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## Report from Washington

### *Congressional briefing on FTA and ECFA*

On 28 April 2010 a number of members of Congress spoke at a Congressional briefing in support of free and fair trade relations with Taiwan. The speakers also questioned the wisdom of moving forward with the proposed Economic Cooperation Framework Agreement presently under negotiation between Taiwan and China. A brief summary of the main points:

**Congressman Robert Andrews (D-NJ)** emphasized that America's greatest asset is its value system, its democracy, civil liberties, and human rights. He said that these are also the core values of Taiwan, and that – because of these values – Taiwan and its future are imperiled by the PRC, which is rattling its saber and is not only threatening Taiwan but also testing the US. The question then becomes: do we really mean what we say?

Mr. Andrews then applied these general principles to three specific issues:

- \* ***The need for a Free Trade Agreement with Taiwan.*** He stated that he and other members of Congress would in the next few days introduce a US-Taiwan FTA Resolution. The economic value to the US is obvious: Taiwan is a developed economy, we will not “trade down” but can expect true mutual benefits. There is

also the strategic benefit that this would strengthen Taiwan's position as free, sovereign, and independent people.

- \* He said he considered *the proposed ECFA framework agreement* more as a “cage” for Taiwan from where it will be difficult to escape. He said the PRC is using this to coerce Taiwan into unification. The absence of the US makes it easier for China to do so, so he stated that an active pursuit of a US-Taiwan FTA would be a prerequisite.
- \* *How we treat Taiwan internationally.* He said Taiwan is functioning as a free and sovereign nation. We should end the fiction that it is not. Our policy should be bolder and more truthful. We cannot take for granted that China will move towards democracy. We should not wait until China grows further and bypasses the US in military terms.

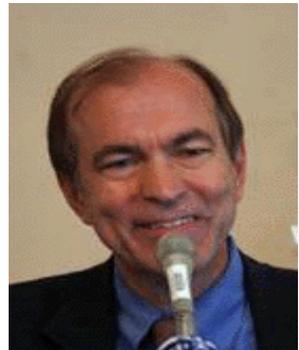
We should assert our principles now. To be sure this will generate a heated discussion, but if we don't, we will be faced with a *fait-accompli* at some future date. The great moments of our history are those when we stood fast on our principles.

In the Q&A Mr. Andrews stated that the economic and strategic values of a FTA with Taiwan are obvious, but that the Administration need to develop the political will to move in that direction.

Congressman Andrews was followed by his New Jersey colleague **Scott Garrett (R-NJ)**, who reiterated a number of points in support of a US-Taiwan FTA: he said Taiwan is a brave, bold, and independent nation, and that the US should do everything it can to help a friend and ally such as Taiwan. He listed a number of economic benefits, and also emphasized that such a bilateral FTA would help break Taiwan's isolation and arrest China's unwelcome leverage over Taiwan.



**Robert Andrews (D-NJ)**



**Scott Garrett (R-NJ)**



**Ileana Ros-Lehtinen  
(R-FL)**

He had met with Treasury Secretary Geitner and told him that such an agreement would strengthen US economy and at the same time provide a better balance in the Taiwan Strait. He said this could move forward if the White House and State Department would heed Congress' call. He said he would work closely with Mr. Andrews in convincing other colleagues to support this effort.

The third speaker was **Congresswoman Ileana Ros-Lehtinen (R-FL)**, the ranking member of the House Foreign Affairs Committee. She stated that the Chinese dragon is extending its claws into the Pacific, and that the ASEAN-China agreement will tie Asia much closer to China, while US trade agreements with e.g. Korea and Taiwan are languishing or haven't even started yet.

She discussed the proposed ECFA agreement, to be signed in June by the Ma government in spite of serious concerns about its impact. She referred to it as a Trojan Horse, one gift-horse Taiwan should *not* allow in, because it is a political tool masquerading as a trade agreement, but it does have the ultimate goal of absorbing Taiwan.

She said a US-Taiwan FTA would expand US influence, enhance bilateral ties, and tie the US economy to a very desirable market for US products. She quoted a study which predicted that US exports to Taiwan would grow 16% if there were to be an FTA.

She emphasized that Taiwan is a full democracy, and decried the fact that other countries are reluctant to side with Taiwan out of fear of China. She said a US-Taiwan FTA would help break Taiwan out of its isolation, and halt China's economic and political leverage over Taiwan.

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## Book Review

### *How Taiwan became Chinese, by Tonio Andrade*

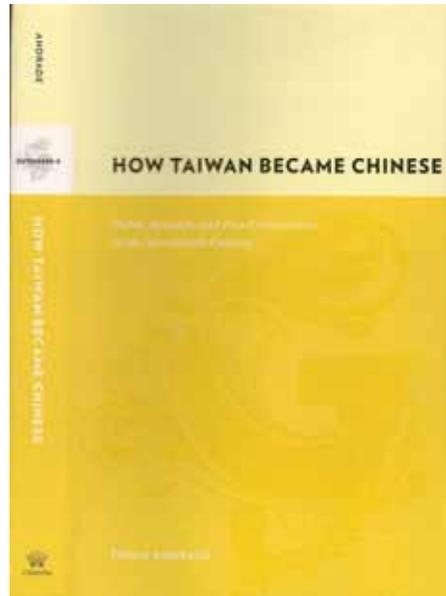
*Reviewed by Gerrit van der Wees*

Tonio Andrade's book is yet another valuable contribution to the trove of scholarly and journalistic works on Taiwan's history during the seventeenth century. He provides valuable insights and information based on his extensive research in Dutch and Chinese historical records.

When the Dutch arrived in Taiwan in 1624, they found primarily villages of the original inhabitants, the Malay-Polynesian aborigines, who had inhabited the island for an estimated 6,500 years. The Dutch encountered very few Chinese – estimates ran from a total of 800 to 1,500 – primarily fisherman, traders and pirates living scattered along the coast. There was no sign of any administrative presence of, or control by, China.

Andrade's main theme is that Taiwan became "Chinese" during the Dutch period, when the Dutch East India Company imported agricultural laborers from Fukien to work on rice farms and sugar plantations, and provided protection for Chinese traders who settled in coastal towns near the Dutch Fort Zeelandia, the present-day Tainan.

During the Dutch period, this flow of immigrants grew steadily, eventually leading to what Andrade calls *co-colonization*: an intertwined, symbiotic system of parallel colonization in which the Dutch relied on the Chinese for food, entrepreneurship, translation, labor and administrative help, and the Chinese settlers relied on the Dutch for protections from headhunting aborigines as well as pirates stalking their ships on the seas.



Andrade does exquisite work in describing the efforts of the Dutch administration in pacifying the aboriginal villages, which primarily fought each other in perpetual battles for control of hunting grounds. After some ten years, in the mid-1630s, this resulted in a *Pax Hollandica* – a period of some 25 years during which the Dutch maintained peace and security in Central Taiwan: aborigine villages prospered, schools and churches were established in some 40 villages around the Dutch fortress.

He also goes into considerable detail when describing the rise and fall of the Spanish settlement in Northern Taiwan (1626-1642) and the perpetual competition between the Dutch and Spanish at the tail-end of the *80-years' War*, when the Dutch were nearing their goal of achieving independence from Spain. For Taiwan this was significant, because it resulted in the Dutch gaining control of Northern Taiwan, the outposts of Quelang (present-day Keelung) and Tamsui, where the fortress built by the Dutch in the 1640s still stands.

Andrade also examines the reasons for the increasing tension between the Dutch and the Chinese settlers, primarily a tax revolt protesting the “hoofdgeld” (head-tax) leading to a major uprising by Chinese agricultural laborers in the early 1650s. This was put down harshly by the Dutch, with the assistance of the aborigines, who in turn resented exploitation by the Chinese settlers.

Andrade also gives considerable insight in the increasing tension and competition between the Dutch and pirate empire of Cheng Ch’eng-kung (known as Koxinga in the West) in the late 1650s. After the fall of the Ming Dynasty in 1644, Koxinga had remained a Ming loyalist (some studies suggest that this was in name only, and that he primarily tried to establish a local fiefdom), and had used his extensive coastal fleet to retain a number of enclaves along the coast, including Xiamen. However, as time went on, the new Ch’ing dynasty became increasingly aggressive in pursuing the remnants of the Ming, and Koxinga had to find a new outpost, eventually expelling the Dutch from Fort Zeelandia on February 1<sup>st</sup> 1662, after a 9-months siege.

While we laud the book as a whole as an important contribution to the understanding of Taiwan’s history, we have two significant problems with the main theme of the book:

First: he portrays the Dutch as actively stimulating “immigration” of Chinese farmers into Taiwan. Certainly in the beginning of the Dutch rule that was **not** the case: they stimulated seasonal farm laborers who came on a *temporary contract*, usually for two or three years. These laborers couldn’t bring their families, so many of them intermarried with aborigine women, resulting in a much more heterogeneous mixture than Andrade makes us believe.

The second point is related to the first one: his portrayal of Taiwan as becoming “Chinese” takes insufficient account of the “other” cultures which influenced Taiwan identity. Present-day Taiwanese see themselves as much more of a mix of cultures and influences: certainly the Min’an and Hakka groups are prevalent, but interwoven with those are the Malay-Polynesian aborigines, the Dutch, Spanish, and even Japanese (1895-1945) influences. So, perhaps the title should have been “**How Taiwan became Taiwanese.**”

The complete title of the book is *How Taiwan became Chinese; Dutch, Spanish, and Han colonization in the Seventeenth Century* by Tonio Andrade. Published by: The Columbia University Press and Gutenberg-e. New York, November 2008.

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