

TAIWAN COMMUNIQUE

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Towards "One Taiwan, One China" Discard outdated "One China" policy

The beginning of 1996 was marked by Taiwan's Presidential elections in March 1996, and China's threatening military exercises, missile launches, and saber rattling which preceded it. These events are prompting an increasing number of voices to say that the "One China" policy, devised in the early 1970's by Mr. Nixon and Kissinger to forge the opening towards China, is becoming obsolete.

The major reason why this policy is now outdated, is the fact that the Taiwanese have achieved democracy, gained a voice in their political system, and want to be accepted as a full and equal member of the international community. Back in the early 1970s,

Taiwan was still ruled by the repressive one-party authoritarian regime of Chiang Kai-shek, who allowed the Taiwanese no say in their political future. The Taiwanese were therefore also not consulted in the decisions, statements communiqués about the legal status of their island.



The Taiwanese march for their future

There is thus a new and democratic Taiwan, in which the overwhelming majority of the population does not want to be a part of a repressive, dictatorial, and corrupt China, but cherishes its own Taiwanese identity, language, culture, and newfound political freedom. This new nation wants to find its own place under the sun, contribute not only economically, but also politically to the international community, and be accepted as a full member of the international family of nations, in particular the United Nations.

It is necessary for the rest of the world, and particularly the United States and Europe, to live up to the principles of universality and democracy on which the United Nations were founded, to accept Taiwan as a full and equal partner, and recognize it under the heading of a new and realistic "One Taiwan, One China" policy.

China would do well to accept Taiwan as a friendly neighbor, instead of perpetuating an old and anachronistic Civil War. The Taiwanese themselves didn't have anything to do with that Civil War and their future should not be held hostage to it.

On the following pages, we present further background and arguments why it is essential to recognize the new reality and move towards a new "One Taiwan, One China" policy.

Why Taiwan is not part of China

A close look at the island's history shows that Taiwan was only very briefly a part of Imperial China (from 1887 until 1895). Before that time, it was a loose-lying area, not ruled by anyone. In fact, when the Dutch East India Company established a settlement in the southern part of the island in the 1620s, they found no signs of any Chinese administrative structure.

The people who emigrated from the coastal areas of China in the 17th and 18th century moved to the island to escape wars and famines in China, not to conquer the island on behalf of the Imperial dynasty. In fact, in the 1870s, when the governments of the United States, Japan and France protested to the Manchu emperor in Peking that pirates around Taiwan were attacking ships passing the island, they were told by the Chinese authorities: "Taiwan is beyond our territory."

In 1895, the island became Japanese territory, having been ceded "in perpetuity" to Japan by the Chinese Manchu rulers under the Treaty of Shimonoseki in 1895. For the following 50 years, it was an integral part of the Japanese Empire.

In 1945, it was "temporarily occupied" by the Chiang Kai-shek's troops on behalf of the Allied Forces. When Chiang lost his Civil War in 1949, he moved the remainder of his troops and government to Taiwan, and ruled with an iron fist. In the "February 28" incident of 1947, his troops massacred between 18,000 and 20,000 Taiwanese elite. The Taiwanese people, who comprise 85% of the island's population, were thus oppressed, and became unwilling pawns in a bigger chess-game between the two Chinese adversaries.

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"One China" policy: ambiguous and confusing

The "One China" policy is a confusing concept. From 1949 through the late 1960s the United States recognized the Kuomintang regime in Taipei as the government of "China." It held the seat in the United Nations, and kept up the pretense of representing China.

When in the 1970s the United States and other Western nations recognized the Communist regime in Beijing as the government of China, the KMT's fiction was discarded, but was replaced by another fiction: the "creative ambiguity" of the Shanghai Communiqué, in which the Beijing authorities were recognized as the government representing China, but in which the United States stated that it "acknowledged" the Chinese position, that there is but one China, and that Taiwan is part of China.

Did the wording of the Shanghai Communiqué mean that the US, and other nations which used similar wording, recognized or accepted that Taiwan is part of China? The answer is an equivocal no. These nations simply took note of the Chinese position, but did not state their own position on the matter. However, over time, this distinction started to blur, and some began to interpret the wordings of the 1970s as to mean precisely what they were *not* meant to be: "accept or recognize."

In the meantime, however, the Taiwanese achieved their transition towards a democratic system, and for the people of Taiwan any communiqué's between other countries such as the United States and China are not binding and of little relevance, because they were made without any consultation with, or representation of, the people of Taiwan.

Thus, the need to move towards a new "One Taiwan, One China" policy. This would not alter international recognition of the authorities in Beijing as the government of mainland China, but would specifically state that according to the basic principles agreed upon in the context of the United Nations, it is up to the Taiwanese people themselves to determine their own future. It is up to the international community to guarantee that this is done freely, without any coercion by China.

Democracy in Taiwan

A Taiwanese achievement

Taiwan's first-ever presidential elections, held on 23 March 1996, are the culmination of Taiwan's transition from the authoritarian one-party Kuomintang rule to a full fledged democracy.

The KMT's repressive rule started after World War II, when Chiang Kai-shek was losing his Civil War with the Communists in China, and moved his troops and government to Taiwan. The widespread violations of human rights, restrictions on political rights, and the tight control over all aspects of the society lasted through the late 1980s: it wasn't until 1987 that Martial Law was lifted, while several laws restricting freedom of speech, and freedom of political expression were not repealed until 1991-92.

The democratic opposition on the island gradually organized itself in the early 1980s, and consolidated with the formation of the Democratic Progressive Party (DPP) in September 1986. At each step along the route, the democratic opposition had to push hard to gain increasing freedoms for the Taiwanese society, and at each step the repressive forces within the Kuomintang fought hard to maintain the authoritarian status quo.

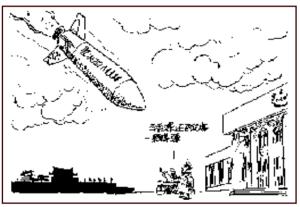
The main driving force in the whole democratization process was the fact that the native Taiwanese (85 percent of the island's population) wanted to end the repressive rule of Chiang's heirs and the mainlander dominance over the political system. Taiwan's transition towards democracy is thus first and foremost the achievement of the **Taiwanese** democratic movement on the island, which cherishes its **Taiwanese** identity, and strives to strengthen its own distinct culture, language, social system, and newfound democratic system.

Taiwan Communiqué comment: It is thus peculiar to read press reports which call Mr. Lee Teng-hui the first democratically-elected leader in China's nearly 5,000 years' history. The democratization process didn't have anything to do with China or with the Chinese people, and actually took place in reaction against the lack of democracy and human rights displayed by the Chinese — both Nationalists and Communists.

Rejection of China's threats and intimidations

The results of the Presidential elections show that the Taiwanese voters support a strong "Taiwan first" policy, and were not intimidated by China's bullying. Both President Lee and Professor Peng took a firm stand against China, and stated during the election campaign that they intended to further enhance Taiwan's international position by continuing to press for UN-membership and further diplomatic relations. Together these two won 75 percent of the vote.

China's threats also sharply reduced support for pro-unification candidates Lin Yangkang and Chen Li-an, who advocated an accommodation with China. As Taiwan is being transformed into a full-fledged democracy, it will become more difficult for such pro-unification advocates to succeed in electoral politics on the island. As the differences between a democratic Taiwan and a repressive China grow, the



Chinese on Tienanmen Square: "Here comes Lee Teng-hui's counter-attack."

mainlanders who came to Taiwan with Chiang Kai-shek will increasingly have to identify with Taiwan, and the KMT will have to distance itself further and further away from traditional party orthodoxy of unification with China.

How did Lee Teng-hui win?

President Lee Teng-hui won with a commanding 54 percent of the vote. Professor Peng Ming-min of the opposition DPP-party came in with 21.13 percent. The two other candidates in the four-way race, Messrs. Lin Yang-kang and Chen Li-an, trailed far behind with 14.9 and 9.98 percent respectively.

Dr. Peng received a much lower percentage of the vote than the roughly one-third share the party normally gets in elections, because many independence-supporters crossed over to vote for President Lee. Here are some explanations:

- 1. **China's personal attacks against President Lee.** The virulent attacks by China against Mr. Lee backfired, and actually encouraged the Taiwanese people to rally behind the President, who is a Taiwanese. During the campaign Mr. Lee generally spoke Taiwanese (instead of the Mandarin dialect brought over from China), and increasingly presented himself as a defender of Taiwan's interests, who has transformed the old mainlander-dominated Kuomintang into a "Taiwan First" party.
- 2. Less distinction between the Kuomintang and the DPP. On many issues, President Lee has drawn closer to positions traditionally taken by the DPP. He adopted many of the DPP's main political issues, such as striving for UN membership, and a higher international role for Taiwan. This further fueled public perception that Lee is finding his Taiwanese roots, and is strengthening Taiwan's international position while paying lipservice to eventual unification with China.
- 3. The **DPP's "Grand Reconciliation" campaign alienated many grass-root supporters of the DPP**. This campaign was initiated by the DPP leadership following the December 1995 Legislative Yuan elections, and entailed a tactical cooperation with the pro-unification New Party in an attempt to wrestle the majority in the Legislative Yuan away from the Kuomintang. It turns out to have been a strategic mistake.
- 4. Advantage of funds and incumbency by President Lee. Control of the administrative powers of government, the advantages of incumbency, and the KMT's large financial resources made it possible for the President to outspend the other candidates in advertising, control of access to television, and thus to overwhelm his competitors. The KMT blanketed Taipei and other cities with billboards, television commercials, and campaign paraphernalia, while the DPP's lack of funds made it impossible for Professor Peng to make up for the lack of name-recognition on the island.

National Assembly elections

The elections for the 334-member National Assembly — a body which has "Amendment of the Constitution" as its only function — was held concurrently. The results are shown in the table on page 7. For comparison, we also show the number of seats and percentage of the votes gained in the previous National Assembly elections in 1991.

This shows the significant loss suffered by the Kuomintang since that time, from more than 70 percent to less than 50 percent. A large portion of that is due to the establishment of the New Party in 1993 — which drew away many of the mainlanders, the KMT's traditional power base.

	1996 No. of seats	1996 % of vote	1991 No. of seats	1991 % of vote
Kuomintang DPP Indep. Candidates New Party	183 99 6 46	49.68 % 29.85 % 6.80 % 13.67 %	254 66 5	71.2 % 23.9 % 4.9 %
TOTAL	334	100%	325	100%

The table shows the headway made by the DPP, consolidating its position with approximately one third of the electorate as its power base. It also shows that the Kuomintang no longer has the majority to unilaterally amend the Constitution, which requires the approval of at least a three-quarter majority in the Assembly.

Mr. Lee Teng-hui's inauguration speech

On Monday, 20 May 1996, the newly-elected President Lee Teng-hui was inaugurated, and delivered his long-awaited inaugural speech. It became an exercise in double-talk: on the one hand Mr. Lee spoke about "...a fresh beginning for the future of the country", about "our common homeland" and (rightly so) did not refer to "One China" at all.

He also stated that he would continue Taiwan's quest to expand international relations, including membership in the United Nations. "We will continue to promote pragmatic diplomacy. By doing so, we will secure for our 21.3 million people enough room for existence and development, as well as the respect and treatment they deserve in the international arena."

On the other hand, he proclaimed that "... we in Taiwan have realized the Chinese dream", referred several times to Taiwan as part of China's 5,000 years' history, and suggested that Taiwan was "set to gradually exercise its leadership role in cultural development and take upon itself the responsibility for nurturing a new Chinese culture."

Mr. Lee received most press coverage for his statement that he was willing to travel to China to meet with Chinese leaders "for a direct exchange of views in order to open up a new era of communication and cooperation between the two sides and ensure peace, stability and prosperity in the Asia-Pacific region."

Taiwan Communiqué comment: While Mr. Lee's speech has some positive elements, he failed to clearly enunciate Taiwan's right to determine its own future as a free, democratic and independent nation. He continues to cling to the outdated "unification" policy of the Kuomintang, and even challenged the Chinese in leadership in the area of cultural development: if anything is provocative to the Chinese in Beijing, this is it!

If Mr. Lee really wants to conduct pragmatic diplomacy, he needs to sever the links with the Kuomintang's Chinese past, discard the old and confusing "Republic of China (ROC)" title -- jokingly referred to as "Republic of Confusion" by the Taiwanese -- and present Taiwan internationally simply and straightforwardly as "Taiwan." That is the only way the international community will accept Taiwan in its fold as a full and equal member.

"Taiwan is not part of China" demonstration

One day before Mr. Lee's inauguration, a large demonstration was held in Taipei to express support for formal independence of the island. Supporters of Taiwan independence took to the streets to let their voices be heard internationally. They emphasized that President Lee's anachronistic line of "eventual unification with China" does not have the full support of the people of Taiwan. As usual, the government-controlled media tried to downplay the event, and hardly gave it any coverage.

On 18 May 1996, Prof. Lin Shan-tien of National Taiwan University, the spokesman for the Association for Taiwan Nationbuilding (the main organizer of the event), issued a statement urging the new cabinet to take concrete measures to abolish the old and outdated "Republic of China" constitution (which dates back to 1947, when the Chinese Nationalists ruled China from Nanking) and to enact a new Taiwan Constitution. Professor Lin urged the new government to bring Taiwan back to the international community by joining the United Nations as "Taiwan".

The demonstration drew more than 10,000 participants, and included young and old, mothers with babies and teenagers. They marched from Ta-an park in the eastern part of Taipei around 5 p.m. and wound their way through the city. Many carried banners and placards saying that Taiwan is not part of China. They also strongly criticized President Lee for stating that "independence is unnecessary and impossible."

The demonstrators were joined by more than 100 vehicles, including taxis, cars and vans festooned with colorful pro-independence flags and banners. The convoy stretched

for several kilometers through the capital city. After two hours they arrived at Taipei City Hall to hold a rally, including speeches by major political figures in the democratic opposition, and singing of Taiwanese folk songs.

More than 20 pro-independence groups and radio stations joined the Association for Nation-building in sponsoring the event. Prof. Peng Ming-min, the DPP's presidential candidate in the March 1996 elections, founded the Association for Taiwan Nation-building as a forum to continue advocacy of Taiwan independence.

Lessons from the March Missile crisis

The crisis in the Taiwan Straits in February and March 1996, created by China's missile tests and military maneuvers suddenly evaporated after March 23rd, election day in

Taiwan. However, the underlying tension is still there, and the Chinese apparently haven't gotten the most basic message of the episode: that the Taiwanese people want to be left in peace, and do not want to be embraced in a smothering Chinese stranglehold of repression, underdevelopment, corruption, deceit and duplicity. During the past two months, Chinese spokesmen have continued



Taiwanese in Taipei welcoming US presence

to rant against Taiwan's efforts to raise its international profile.

Thank you America for (USS) Independence

One important positive development which came out of the March episode, was the decision by the Clinton Administration to position two aircraft carrier battle groups near Taiwan, in a clear signal to China to moderate its behavior.

One of the aircraft carriers was — appropriately — named USS Independence, which prompted DPP Legislator Shen Fu-hsiung and a number of prominent members of the Democratic Progressive Party in Taipei to stage a friendly demonstration in front of the American Institute in Taiwan (the informal American embassy) with a big banner, saying "Taiwan Welcomes (uss) Independence."

Taiwanese March on Washington

In the United States and Europe, many demonstrations were held in major cities to protests the Chinese aggression. The biggest gathering was held on Monday, 18 March 1996, when Taiwanese Americans from all across the country converged in Washington D.C. to protest the Chinese missile tests and military exercises near Taiwan.

The protest activities began with a rally in front of the White House with speeches by Professor Chen Lung-chu and other Taiwanese dignitaries. group appealed to President Clinton and the U.S. Congress to express America's grave concern by making defensive weaponry avail-



Taiwanese crowd in front of the Capitol in Washington

able to Taiwan, and by dispatching the battle groups U.S.S. Independence and Nimitz through the Taiwan Strait. They also urged the United States to support Taiwan's membership in the United Nations, and to revoke most-favored-nation (MFN) status for China.

The crowd then wound its way through downtown Washington in a mile-long parade along Pennsylvania Avenue, Independence Avenue, past the Washington Monument and along the Mall to Capitol Hill. Along the way, they chanted "One Taiwan, One China", "China, hands off Taiwan", "China, out of Tibet", "Recognize Taiwan Independence", and "Taiwan is Taiwan, China is China."

They gathered on the steps of the U.S. Capitol Hill, overlooking the Mall, and in the distance the symbol of American independence, the Washington Monument. Here they heard statements from U.S. Senator Claiborne Pell, and Congressmen Matt Salmon, Sherrod Brown, Peter Deutsch, Robert Torricelli, and several Taiwanese dignitaries.

The crowd later reassembled in front of the Chinese embassy on Connecticut Avenue to express their outrage to the Chinese representatives. They demanded the immediate cessation of all hostile actions toward Taiwan, and declared that the future of Taiwan is to be determined by the Taiwanese people themselves, without any outside interference.

The China-policy debate

Ambiguous Engagement

During the past weeks, both the Clinton Administration and its Republican opponents have attempted to (re)define their policies towards Asia in general, and China in particular. These statements come against the background of the tensions caused by China's repressive practices in China itself and Tibet, its bullying of Taiwan, and the debate on trade issues — MFN, copyrights, and non-proliferation (see our article on page 14).

Mr. Dole's Asia speech

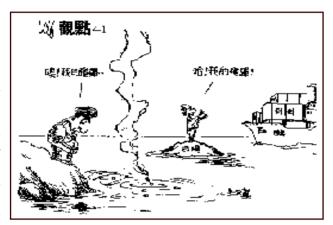
Republican candidate Robert Dole launched the debate on 9 May 1996, with his long-awaited Asia policy speech at the center for Strategic and International Studies in Washington DC. While Mr. Dole accused President Clinton of causing diplomatic damage to U.S. relations in Asia through "weak leadership, vacillation and inconsistency", he joined the President in supporting extension of Most Favored Nation status for China.

He also proposed a "Pacific Democracy Defense Program" to develop and deploy a high tech missile defense system for Taiwan, Japan, South Korea and other U.S. allies in Asia. Presumably this would be a defense against Chinese missiles.

Regarding Taiwan, Mr. Dole emphasized that the United States should make its commitment to "..the peaceful resolution of the difference between China and Taiwan

clear." He stated that the Clinton Administration policy of ambiguity only sends signals of uncertainty. He stated that US policy should be "unmistakably resolute": "If force is used against Taiwan, the US will respond."

Mr. Dole specifically advocated to include Taiwan in his proposed Pacific Democracy Defense Program, and urged that the US make advanced defensive weapons, such as AMRAAM air-to-air missile, the shoulderfired Stinger, coastal submarines and other antiship and anti-submarine weapon systems available to Taiwan.



Chinese soldier: "There went my missiles!"
Taiwanese soldier: "Here come my missiles!"

The Clinton Administration's response

On 17 May 1996, Secretary of State **Warren Christopher** gave a speech to three New York-based Asia-related organizations, in which he outlined his policy towards China. Although the speech was touted as Mr. Christopher's first major foreign policy speech on China in three years, he didn't get very much beyond reiterating the old and worn-out "One China" policy. The only "new" element in Mr. Christopher's speech was that he proposed to have regular summit meetings with Beijing.

A few days later, on 20 May 1996, **President Clinton** himself addressed U.S. relations with Asia in a speech to the Pacific Basin Economic Council in Washington D.C. Mr. Clinton formally announced his support for MFN-status for China, arguing that revoking MFN for China "...would drive us back into a period of mutual isolation and recrimination that would harm America's interests, not advance them."

He stated that "Rather than strengthening China's respect for human rights, it would lessen our contact with the Chinese people ... limit the prospects for future cooperation (limiting the spread of weapons of mass destruction) Rather than bringing the

stability to the region, it would increase instability as the leaders of Hong Kong, Taiwan and all of the nations have stated repeatedly."

The American interest

Taiwan Communiqué comment: although we commend Mr. Clinton's good intentions and share his desire to see China become a responsible member of the international community, we see serious flaws and contradictions in his present policy: it combines a bit of the earlier "strategic ambiguity" with the more recent "constructive engagement" approach: it is becoming "ambiguous engagement."

In his speech Mr. Clinton says that the US will "...stand firm for a peaceful resolution of the Taiwan issue." This is commendable, but he proposes to do this "...within the context of the One-China policy, which has benefited the United States, China, and Taiwan for nearly two decades." This is a contradiction in terms. There was no causal effect whatsoever between the "One China" policy and the positive developments on Taiwan. If anything, the democratization in Taiwan came about in spite of the "One-China" policy. As we indicated earlier, Taiwan's transition towards democracy was first and foremost the achievement of the Taiwanese democratic movement. This movement also initiated the push towards international recognition.

That American interests are best served by maintaining friendly relations with China maybe the case in abstract terms, but certainly not when this is done at the expense of the democratic rights of the people of Tibet and Taiwan, and at the expense of the basic principles on which the United States and the United Nations were founded.

U.S. interests — and those of other Western nations — are first and foremost served if we hold high the basic principles of "...equal rights and self-determination of peoples" (Article 1.2, Charter of the United Nations) and those of human rights and democracy. These rights are as valid for the people of Tibet and Taiwan as for anyone else, and give them the right to determine their own future — free from coercion by China.

Cuddling up and kowtowing to China in the hope that China somehow mends its ways — like Mr. Henry Kissinger and Mrs. Feinstein are suggesting — is plainly gullible. It will only embolden China to further violate international agreements and trample the rights of other peoples. The United States and Western Europe should stand together and ensure that China understands it needs to play by some basic rules of conduct, honesty, decency, and respect for other nations and peoples.

Trading with China

(Self-)deception, lies and videotapes

In May and June 1996, the following separate but related trade issues were under discussion between the United States and China:

- Non-proliferation. On 10 May 1996, the State Department decided the US would not impose mandatory economic sanctions against China for the sale of nuclear technology to Pakistan.
- 2. Intellectual Property Rights (IPR). On Wednesday, 15 May 1996, the United States Trade Representative (USTR) published a list of US\$ 3 billion worth of Chinese goods, which would be subject to increased tariffs if China did not stop the continued widespread Chinese violations of copyrights through the pirating of compact disks and videotapes.
- 3. **Most Favored Nation (MFN) status for China**. On Monday, 20 May 1996, Mr. Clinton announced in a speech to the Pacific Basin Economic Council that he favored extension of MFN for China.

In the second half of May 1996, two additional prickly issues were added to this already quite sensitive list:

- 4. On 21 May 1996, U.S. Defense Secretary Perry announced that the US had learned that **China was seeking to obtain SS-18 strategic missile technology** from Russia and the Ukraine. The liquid-fueled multiple warhead SS-18 is Russia's main long-range missile, and has a range of 11,000 kilometers. Mr. Perry warned all three countries that sale would constitute a violation of both the Strategic Arms Reduction Treaty (START) and the Missile Technology Control Regime (MTCR) ("U.S. warns Russians on SS-18 sales to Chinese", **International Herald Tribune**, 22 May 1996).
- 5. On 23 May 1996, major newspapers in the United States reported that federal agents had arrested at least eight suspects and indicted seven others on charges of smuggling 2,000 AK-47 fully automatic Chinese rifles into the United States ("Chinese sought in plot to import arms to the U.S.", New York Times, and "U.S. arrests suspects with ties to Chinese arms firms in gun smuggling sting", Washington Post, 23 May 1996).

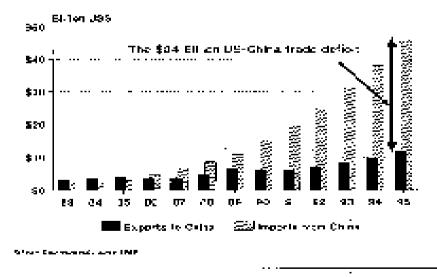
On the following pages we will briefly discuss each of the above issues. Our conclusion is that the Clinton Administration is far too soft on China: A much more forceful approach is needed in order to convince China to bide by international standards, and respect the rights of its own citizens and its neighbors.

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The MFN debate

The MFN-debate is a prime example of the (self-)deception presently prevailing in Washington. When Mr. Clinton became President he made the (right) decision to link human rights and the annual extension of MFN-status to China. However, in 1994 he caved in to pressure from major corporations wanting to do business with China and decided to de-link the two issues again.





The Administration's main arguments in favor of extension are that MFN-status is "normal" trading status, and that extending it will accelerate economic reform and a free market system, which will nudge the PRC towards democracy.

It has apparently not dawned yet on the Administration and proponents of extending MFN that economic relations with China are not "normal", but as out of balance as can be. One glance at the trade balance between the United States and China confirms this.

Another essential piece of information seems to be escaping Washington: as was pointed out in an article in the **Wall Street Journal** ("*In a trade war, China takes the bigger hit*", WSJ, 17 May 1996) China is far more dependent on trade with the U.S. than the U.S. is on trade with China. About 40 percent of China's exports go to the United States, while less than 2 percent of U.S. exports go to China.

The Administration's argument that trade is helping human rights and democratization in China was discarded by the New York Times, which stated in an editorial that "...there is little evidence that trade is fostering political liberalization there" ("*The annual China brawl*", **New York Times**, 12 May 1996).

Taiwan Communiqué comment: It is self-deception to think that more trade with China will lead to economic and political reform. The developments over the past two years only indicate that China is becoming a more powerful, hostile, and belligerent bully, which is less likely to be restrained by the niceties of human and political rights, and more apt to break agreements on anything from non-proliferation to trade.

Congress has 60 days to decide on the MFN-renewal issue. We strongly suggest that Congress rejects it: during the past year, China has not shown itself to be a responsible member of the international community, it has violated non-proliferation and trade agreements, trampled the rights of the Tibetan people, and threatened Taiwan with missiles and military maneuvers.

The U.S. should make it crystal clear to China that MFN-status can only be extended if China abides fully by non-proliferation and trade agreements, fully respects human rights in Tibet, and recognizes Taiwan's right to exist as a free and independent nation. The U.S. has the leverage, it should use it to stand up for the basic principles on which this nation was founded.

Copyrights and Human Right

The May 15th 1996 decision by the United States Trade Representative (USTR) to threaten with trade sanctions if China does not stop the continued widespread violations of copyrights, is a rerun of a similar exercise in February 1995. At the end

of that episode the Chinese government signed an agreement that it would take measures against pirating. The USTR has now concluded that pirating is as rampant as ever.

The U.S. has now announced a list of \$ 3 billion in Chinese products ranging from silk clothing to shoes, which would be subject to tariffs if by June 15th the Chinese do not take immediate action to stop the pirating of compact disks and videotapes. According to Mrs. **Charlene Barshefsky**, the acting USTR, the Chinese copyright violations damages the U.S. software and entertainment industry to the tune of US\$ 2.3 billion, "...more than five percent of the U.S. work force ... and growing at three times the rate of the rest of the economy."

According to the International Federation of the Phonographic Industry (IFPI) China's production of pirated compact disks had increased to some 88 percent of the total production. The Federation stated that since 1994, China had almost tripled its CD production capacity to some 150 million CD's per year.

China responded to the May 15th USTR announcement by publishing its own list of American products which would be hit with extra tariffs. These included automobiles, telecommunication equipment, and "other goods," presumably including aircraft, and agricultural products.

Taiwan Communiqué comment: while the forceful USTR moves are to be applauded, the Clinton Administration is giving the overall impression that copyrights are more important than human rights or nuclear proliferation.

Mr. Clinton would do well to be as forceful and outspoken about the recent crackdown in Tibet, where according to press reports, two Buddhist monks were killed and dozens of nuns injured by Chinese troops for displaying pictures of the Dalai Lama. Or are Tibetan lives worth less than Mickey Mouse?

Export of nuclear technology to Pakistan

On 10 May 1996, U.S. Secretary of State Warren Christopher decided not to impose mandatory economic sanctions against China for the sale of nuclear technology to Pakistan. The case surfaced in the beginning of February (see *Taiwan Communiqué* no. 70, p. 14-15) and prompted the U.S. government to ask the Export-Import Bank to temporarily suspend any new financing for American companies doing business with China.

Mr. Christopher's main arguments were that top Chinese officials "probably did not know about the transfer", and that Chinese Foreign Minister Qian Qichen had told Christopher in a private one-on-one meeting in The Hague on 19 April 1996, that China would in the future not allow any more sales of ring magnets to foreign nuclear facilities not subject to international inspection.

However, the **Washington Post** reported on 16 May 1996 ("Christopher defends agreement with China") that Mr. Qian's pledge was not even mentioned in China's public statement on the resolution of the case. In an editorial, the Washington Post chided the Administration for being so gullible, and for not insisting on a public acknowledgement by the Chinese ("Tough on China", 16 May 1996).

It is also becoming increasingly clear that State Department officials simply made up the argument that top Chinese officials didn't know about the transfer because they wanted to prevent the issue from coming to a boil at the same time as the conflict with China over copyrights and the MFN-issue.

Taiwan Communiqué comment: Mr. Christopher and his officials might gain some insight from (re)reading Lucian Pye's February 19th article in the New York Times ("China's Quest for Respect"), in which Mr. Pye states:

"American politicians ... tend to believe that honest communication is best realized in face-to-face meetings behind closed doors, and that public statements are unreliable.... The opposite is the rule in Chinese political culture. There, private settings are where hypocrisy usually prevails One knows where the other really stands only from public statements...

Arms smuggling into the United States

The case of arms smuggling into the United States is politically a serious matter, because the arrested and indicted men were associated with two Chinese state-owned companies, **China Northern Industrial Corporation** (Norinco) and **Polytechologies**. Norinco is one of China's main arms manufacturers. According to the Washington Post ("Charges raise ticklish issues for US policy", 24 May 1996) it is directly controlled by China's State Council, the nation's supreme policy-making body, chaired by premier Li Peng. Polytechnologies Inc. is headed by Mr. He Ping, who just happens to be the son-in-law of Mr. Deng Xiaoping.

American officials said the companies tried to disguise the weapon's origin, listing them as "hand tools", and shipping them through Japan and Hong Kong. They said that the weapons had all Chinese markings removed, and North Korean markings stamped on them "...to further establish plausible deniability." The U.S. officials stated that the Chinese thought that the weapons were destined for streetgangs in the United States.

Wall Street Journal: the McDonnell Douglas case

In several recent articles, the **Wall Street Journal** has highlighted the case of McDonnell Douglas, which was deceived and double-crossed by Chinese officials into transferring technology and even manufacturing equipment, which surreptitiously ended up in a military plants in Nanchang making Silkworm missiles ("A sellout to China", WSJ, 12 March 1996, and "McDonnell Douglas's High hopes for China never really soared", WSJ, 22 May 1996).

"In the end, we were betrayed"

McDonnell Douglas executive

The McDonnell Douglas case is only a foreboding what could happen to U.S. and European companies that are so eagerly chasing the mirage of the Chinese market.

Another interesting case, which recently came to light was that of the Dow Jones Company, whose China representative Mr. James McGregor (who also heads the American Chamber of Commerce in Beijing), came to Washington recently to lobby in favor of MFN. While he was in DC, the Chinese authorities announced tough new regulations restricting the activities of foreign economic news services such as Dow Jones ("East is East, West is West and Dow's man in the middle", Washington Post, 24 April 1996).

What could really happen is perhaps best reflected in a recent article in the Washington Post by **Mr. Harry Wu**, one of the few Chinese who dares to stand up to the Communist rulers in Beijing. He states:

"As Deng's rule comes to an and, several potential political crises threaten to shake up the Communist Party. In the face of changed political beliefs, bureaucratic corruption the party's next power struggle could result in violent surges sweeping and splitting the whole nation in civil war. Western businessmen who ignore this risk do so at their peril — and today the Western cash is just fuel in the tank driving

the Communist vehicle."

Harry Wu, "A Chinese word to remember: Laogai" (Washington Post, 26 May 1996)

Aborigine / Environmental Report Lanyu aborigines protest nuclear waste

At the end of April 1996, hundreds of aborigine residents of Lanyu (Orchid) island, to the Southeast of Taiwan, kept a ship carrying nuclear waste to the island at bay. The protest was one in a long running battle between the aborigine Yami tribesmen and the Taiwan authorities, who are turning the island into a nuclear waste storage site.

The some 3,000 Yami still remaining on the island are well-known for their traditional fishing and farming lifestyle, which preserved much of the aborigine heritage of the islanders (see our report "*The Yami of Orchid Island*" in *Taiwan Communiqué* no. 67, August 1995).

Since they started to store nuclear waste from Taiwan's three existing nuclear power stations on the island in 1982, the Kuomintang authorities have stored some 94,000 barrels at the storage site, which will soon reach its capacity of some 100,000 barrels.

Anti Nuclear Power Demonstrations

On May 19th, the day before the inauguration of Taiwan's first popularly-elected president, environmentalists planned to hold an anti-nuclear power sit-down protest in front of the presidential palace to call on President Lee to stop the construction of Taiwan's fourth nuclear power plant only 24 miles to the north of the nation's capital.

Unfortunately the 150 demonstrators were outnumbered by more than 1000 policemen, who formed layers of human wall around them, and were prevented from leaving their meeting place, the Chiang Kai-shek Memorial about half a mile from the presidential palace. The demonstration was organized by the Committee for a Referendum on the Fourth Nuclear Power Plant, which is the most active anti-nuclear group and previously has organized a march around Taiwan.

In an attempt to break the blockade, the protesters, wearing farmer's straw hats and white T-shirts emblazoned with anti-nuclear emblems, locked in arms and shoved against the human walls formed by policemen, armed with shields and batons. After four hours of stand-off, they were forced to call off the demonstration.

Another anti-nuclear demonstration led by the Taiwan Environment Protection Union was held in a northern coastal village, Wan-li, at the site of Taiwan's second nuclear power plant which has been in operation for years. More than 600 demonstrators mainly from Wanli and the neighboring villages of Chin-shan and Shih-men gathered to protest the storage of nuclear waste in the area. Wearing yellow headbands and holding placards they chanted "nuclear waste out of here."

Hundreds of policemen stood in front the gate of the power plant as a protecting shield to prevent the protesters from entering the plant. The demonstration ended after the director of the nuclear power plant and an official from the Taipower plant came out to accept a protest letter.

Legislative Yuan votes down 4th Nuclear plant

In a related development, Taiwan's legislature, the Legislative Yuan, on 24 May 1996 voted with a vote of 76 to 42 to halt construction of the controversial Fourth nuclear powerplant at Kungliao. In the vote, the opposition DPP and New Party aligned themselves against the ruling Kuomintang. The KMT has vowed to revive the project.

The Cabinet must now rule on the Legislative Yuan decision, but a cabinet veto could itself be overturned again by a two-thirds majority in the parliament. If that happens, Taiwan's laws require that the Prime Minister resigns.

The Legislative Yuan decision came as bidders from major foreign nuclear plant builders General Electric, Westinghouse, and Asea Brown Boveri (ABB) were in Taipei to submit bids for the construction of the plant.

The Fourth nuclear powerplant is controversial because it is located on Taiwan's Eastern seaboard, only 24 miles from the major metropolitan area of Taipei with its 4 million inhabitants. It is also situated near a major vault line, in an area known for its earthquakes.

Visit to imprisoned aborigine leader

Iciang Parod is a major leader of the Taiwanese aborigine movement. He was one of the leaders of the "Return our Land" movement (see *Taiwan Communiqué* no. 69, p. 22) He was imprisoned in November 1995, sentenced for organizing a demonstration in 1991 protesting the Kuomintang's policy of maintaining a Mongolian and Tibetan Affairs Commission (and spending millions of dollars trying to influence these groups) while neglecting the fate of the Taiwan aborigines.

Mr. Parod is presently serving his one year prison sentence in Kueishan prison near Taipei. He has been adopted as a 'Prisoner of Conscience' by Amnesty International, and was recently visited in his Kueishan cell by a staff member of Amnesty International from Germany, Mr. Klaus H. Walter, who has been active for human rights in Taiwan since the late seventies.

Mr. Parod's state of health is - under the given circumstances - reasonable. He shares a very small cell with nine other prisoners, there are only four beds in the cell, six prisoners have to sleep on the floor. (Only when you are imprisoned over a long time in the same cell you can achieve the privilege of using one of the four beds). Like many other prisons in Taiwan, Kueishan is extremely overcrowded. With a capacity of approximately 4000 it houses more than 7000 men.



Mr. Iciang Parod

There is no wardrobe in the cell, the few belongings of the prisoners are kept on small shelves, a board of 12 inches long per inmate. The few clothes are kept on hangers on the wall. Iciang Parod will be allowed to ask for an early release in May and could be released during the month of June 1996 if his application will be granted.

In a meeting with Justice Minister Ma Ying-jeou on 8 March, Mr. Klaus Walter reiterated Amnesty International's concern for Iciang Parod. The Justice Minister replied that such an application will probably be granted due to "good behavior" of Iciang Parod.

Mr. Walter also visited three young men So Chieng-ho, Liu Ping-lang and Chuang Linhsiung on death row in Hsintien prison. All three were taken in in foot shackles and were very outspoken about the shortcomings in their trial, several TV station and many print media journalists were present at the meeting in the prison.

Notes

Ilan City elects First DPP Mayor

On 21 April 1996, the DPP ended decades long of KMT monopoly of power in the city of I-lan when DPP candidate Mr. **Kuo Shih-nan** won the by-election by defeating the KMT opponent Wu Pan-lung in a tight race. The news of Mr. Kuo's victory was welcomed with cheers at the headquarters of DPP in Taipei, and gave a boost to the morale of the party workers there after the setback in the March presidential election.

The by-election was held to fill the mayor seat left vacant after the former KMT mayor was elected to the Legislative Yuan last December. Mr. Kuo will serve the remaining term of one year and ten months until the end of 1997.

The mayoral race was fierce as both parties tried to drum up support among local voters by sending top-notch party officials to speak in public rallies. But the key to winning this election was a DPP strategy to crack down on the practice of vote-buying by KMT supporters. The DPP spread the news that hired private investigators were keeping a vigilant eye on would-be vote-buyers. The fact that there were no reports of vote-buying was evidence of the success of this strategy.

Mr. Kuo is no newcomer to I-lan politics. He came from a prominent local family, which has been involved in local and national politics for decades. Mr. Kuo's father, Mr. **Kuo Yu-hsin**, was a prominent politician, who served in the provincial assembly for 20 years and was a vocal critic of the KMT regime during the martial law era.