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## Report From Taiwan

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# Has Chen Shui-bian Finally Gone Too Far?

by Leni Rubinstein

Under a huge portrait of Dr. Sun Yat-sen, the founder of China's first republic, Taiwan's President Chen Shui-bian on Jan. 1 gave a televised speech, which silenced weeks of speculation that he might try to improve relations across the Taiwan Strait.

Chen reversed his economic and trade policies vis-à-vis mainland China, saying that liberalization should not have been given so much emphasis. He called for less interchange with the mainland, and for discouraging Taiwanese entrepreneurs, if not "proactively" prohibiting them, from investing in China; urged a united effort to purchase more weapons and equipment from the United States; and called for "re-engineering" the Constitution by 2008.

Just a week earlier, on Dec. 23, Prime Minister Frank Hsieh—no. 2 in Chen's government—had said just the opposite, in a major statement: "In order for Taiwan to become an international operations hub, liberalization is surely the path, that the island must take. I will never change such a conviction, for whatever reason. . . ." Hsieh outlined that the National Security Council was going to adopt more sound strategies concerning charter flights across the Taiwan Strait, as well as reviewing its immigration policy. Hsieh stated that more Chinese mainlanders should be allowed to make tourist visits to Taiwan, and that the government had agreed, in principle, to lift the ceiling on investment in mainland China by local enterprises, which is now set at 40% of their net worth.

Hsieh further explained, that negotiations with Chinese authorities on the establishment of branch offices in the mainland by Taiwan-based banks, were under way, and that both sides of the Strait had reached the consensus that a settlement system for the currencies of Taiwan and mainland China should be established, as soon as possible. Hsieh reiterated his support for the establishment of the three direct links: direct trade, transportation, and postal services (currently, all three services are routed via a third country or territory).

Local observers tell *EIR*, that the recent policy reversal of Chen Shui-bian is due to his political bankruptcy. He is a "lame duck," who is trying to rally his base through a renewed push for independence. An underlying theme in Chen's message is "one country on each side," which is an outgrowth of former President Lee Teng-hui's "two-country" doctrine. Lee



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*Try as he might, President Chen Shui-bian cannot eradicate the spirit of Sun Yat-sen (shown here), founder of the Chinese Republic, which is shared by patriots on the mainland and Taiwan.*

Teng-hui (dubbed the "Puppet Emperor" some years ago by Lyndon LaRouche, for the role he plays as a tool for neo-colonial forces) was instrumental in souring the relationship across the Strait. Thirteen years ago, an agreement was reached between C.F. Koo (representing Taiwan) and Wang Daohan (representing mainland China), the so-called "consensus of 1992." Under this unsigned agreement, Taipei and Beijing acknowledge that there is only one China, whose connotation, however, can be independently and orally defined. This agreement enabled Koo and Wang to meet in Singapore in 1993 and in Shanghai in 1998. In 1999, Lee Teng-hui proclaimed his "two-country" doctrine, destroying the dialogue across the Strait, and paving the way for the pro-independence Chen Shui-bian to be elected President in 2000.

Since beginning his second term as President in 2004 (a very dubious election, during which Chen was superficially wounded by a gunshot on the eve of the election, and won with only 20,000 votes), Chen's star has been falling. In the elections the following year for the Legislative Yuan (the parliament), the Democratic Progressive Party (DPP), Chen's party, lost their majority to the Pan-Blue Alliance (the Kuomintang [KMT], People First Party [PFP], and the New Party [NP]), a defeat to be intensified at elections for city and county posts on Dec. 3, in which the DPP won only 6 out of 23 local government seats, down from 9, and less than half the 14 seats won by the KMT. Two local seats (so-called DPP strongholds) were won by the KMT for the first time, and the county of Taipei, Taiwan's most populous, was won by the KMT, after 16 years of DPP rule, by a wide margin of over 190,000 votes.

Ever since taking office in 2000, Chen Shui-bian has talked about the necessity for creating a new Constitution, to

build a “Taiwanese identity,” and has tried to distance the population from anything “Chinese,” launching a process of “de-sinification.” Several years ago, he proclaimed that Taiwan had no official language, telling elected officials they could use whatever dialect they preferred. History books have been re-written, to exclude the common history of mainland China and Taiwan, and to whitewash the period of Japan’s occupation of Taiwan. The commemoration of Constitutional Day has been cancelled, and the birthday of the “Solon of Asia,” Confucius, which used to be a holiday, has been eliminated, to give a few examples.

Most observers see the recent smashing electoral defeat of the DPP as a “no-confidence” vote. A poll gave Chen an approval rating of 25%, and showed that 64% were dissatisfied with the economy. A number of major corruption scandals, involving top aides to Chen Shui-bian, are ongoing, and continuing infighting among different factions of the DPP have made a majority of the population fed up.

### **Repercussions of the KMT’s Historical Trip**

The most determining factor for the changing situation, however, is a change of profound historical and cultural significance, ignited by the historical trip of the KMT’s former chairman, Lien Chan, to mainland China in April 2005, the first KMT leader to visit the mainland in 65 years, to be followed by similar trips of the leader of PFP, James Soong, and the leader of the New Party, Yu Mu-ming—the three leaders of the Pan-Blue opposition (see *EIR*, April 15 and May 13, 2005).

These trips (of which the first was undoubtedly the most important), created optimism, through breaking the paranoia and smallness of “island policy” and, on a deeper level, re-igniting the legacy of the founder of modern China, and of the KMT, Dr. Sun Yat-sen, and opening up new channels, both formal and informal, for collaboration between the Chinese Communist Party and the parties of the Pan-Blue Alliance. The trips revealed that Chen’s efforts at “de-sinification” had failed. Lee Teng-hui lashed out against both Lien Chan and James Soong at the end of December 2005, saying that the KMT “is conspiring with the Chinese Communists to get Taiwan back to their fold. The KMT is collaborating with China to sell out Taiwan. . . . Both of them [Lien and Soong], with their Chinese nationalism, are trying to cheat the young people, and they want to do so until 2008.”

The president of Beijing University, Xu Zhihong, announced recently, that the university wants to make Lien Chan, now honorary chairman of the KMT after resigning last August, professor emeritus, and will present him with the honor at the appropriate time. And, a suitable pair of pandas from the mainland, a male and a female (one of the gifts offered on the trip in April) has been found, and will soon be shipped to Taiwan. Both developments are of important symbolic significance.

### **Fallout From the Election Defeat**

The December defeat of Chen Shui-bian’s party, the DPP, in local elections, led a number of local DPP leaders to ask him to resign from the party. His newly stated policy of wanting to limit investment in mainland China, if implemented, would have very grave economic consequences for Taiwan. Over 70% of Taiwan’s foreign investment last year went to China, a doubling in percentage from 2000, and this has made Taiwan’s economy more and more dependent upon that of the mainland. For months, leading businessmen in Taiwan have criticized the Chen government for failing to lift the 57-year-old ban on direct air and shipping links with China.

The current chairman of the KMT, Taipei Mayor Ma Ying-jeou, recently stated that he is determined to push for direct transportation links across the Taiwan Strait, to improve the island’s international competitiveness, as well as the business environment for international investors. Taiwan is becoming rapidly marginalized, said Ma, citing Kaohsiung harbor as an example. This international harbor, in the southern part of Taiwan, has dropped to sixth place, and is steadily slipping to the seventh spot from its previous third place.

Chen’s call for a new Constitution sounds hollow, as he has no majority in the Legislative Yuan, and the implementation of a new Constitution needs a two-thirds majority. And, the demand for more purchases of weapons and equipment from the United States? President Bush okayed an \$18 billion weapons package to be purchased by Taiwan in 2001. Although the package has already been reduced, in several stages, to \$9 billion, the Pan-Blue opposition has voted against it 42 times, the last being in December 2005.

The image that comes to mind, regarding the above-mentioned silly speech by Chen Shui-bian, with the backdrop of a huge portrait of Dr. Sun Yat-sen, is that of a barking dog. “Barking dogs do not bite.”

However, until the Cheneyacs in the United States are thoroughly routed, and the power of their puppets in Japan curtailed, peace across the Taiwan Strait is not guaranteed. Tokyo and Washington agreed in October 2005 to build a joint missile defense system, that is to stretch from Japan to Australia. The project is expected to be spread over nine years, beginning in Fiscal 2006, and Japan will shoulder a third to a half of the estimated cost of \$3 billion. The “missile shield” is ostensibly to protect against nuclear missiles from North Korea, and the U.S. Navy has been patrolling the Sea of Japan since 2004, on the look-out for such projectiles. The actual target, though, is mainland China, and the current Japanese government has continued to issue provocative statements, the latest coming from the Foreign Minister of Japan, Taro Aso, when he publicly stated in mid-December, that China’s military build-up was a threat, given its lack of transparency.