

Political volatility surrounds Taiwanese election

John Chan
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The presidential elections on Taiwan will take place on March 20 under conditions of tremendous tension between the two main political formations—the ruling Progressive Democratic Party (DPP), and the opposition alliance of the Kuomintang (KMT) and the People's First Party (PFP). The central election issue is the island's formal status as a province of China.

According to the Hong Kong media, the Chinese government is concerned that if DPP president Chen Shui-bian is not re-elected, there may be domestic violence. Chinese president Hu Jintao has reportedly taken over the department of general staff of the People's Liberation Army (PLA), to keep abreast of the mainland's military preparations to intervene if Taiwan descends into political turmoil. The *People's Liberation Army Daily* reported last month that China's eastern Nanjing Military Region opposite Taiwan had stepped up naval transport excises and landing drills “with future combat needs in mind.”

Beijing's concerns are not groundless. The most fanatical proponents of Taiwanese independence may not accept a return to power of the KMT, which ruled Taiwan from 1945 until the 2000 elections and still formally advocates some form of future reunification between the island and the mainland.

Chen Shui-bian has centred his campaign on demagogic appeals to anti-Chinese, “native Taiwanese” nationalism and denunciations of China's claim that Taiwan is an inseparable part of its territory. In a mass anti-China and anti-KMT outpouring organised by the DPP on February 28, more than 2.5 million people turned out to form a 500 kilometre human chain running from Keelung in the north to Pingtung in the south of the island.

The date was politically motivated. It was the anniversary of the massacre on February 28, 1947, during which KMT troops slaughtered 30,000 Taiwanese demonstrating against the take-over of the island by Chang Kai-shek's Chinese regime. In 1949, when the KMT was overthrown by the Communist Party, some two million mainland Chinese, along with the KMT government, fled to Taiwan. The KMT ruled the island as a brutal military dictatorship until the late 1980s, when it began introducing parliamentary reforms. Under the KMT-written constitution though, Taiwan remains a province of the Republic of China (ROC).

KMT chairman Lien Chan condemned the DPP rallies as a conscious attempt to stoke ethnic tensions between mainland-derived and “native” Taiwanese and has declared the coming election is a choice between war and peace with China. Last weekend, 24 simultaneous KMT and PFP rallies across Taiwan were attended by an estimated 2.3 million people.

Chen Shui-bian is playing a dangerous game of brinkmanship with both his domestic opponents and with China. The Beijing regime threatens to invade Taiwan if a government on the island calls a referendum over separation. Chen, however, has slated a populist referendum on the same day as the elections that will ask voters whether Taiwan should expand its anti-missile capacities and whether “a framework of peace and stability” should exist before there is any interaction with the mainland.

Chen declared on February 3 that after the referendum “the Chinese communists will face a choice: This is the decision made by Taiwanese. Do you want to respect and accept it?”

The original questions of the referendum were going to be even more provocative: Whether China should withdraw the 500 missiles it has aimed at Taiwan and whether the mainland should “renounce” the use of force against the island. This was changed, most likely under pressure from the Bush administration.

Preoccupied with the occupation of Iraq and requiring China's cooperation to exert pressure on North Korea to end its nuclear programs, Washington has made clear to Chen's government it does not want a crisis in the Taiwan Strait. Bush publicly rebuked Chen last December, declaring the US opposed “any unilateral decision by either China or Taiwan to change the status quo.”

In 1979, the US withdrew diplomatic recognition from the ROC on Taiwan and instead recognised the mainland Peoples Republic as the sovereign state of China. While not recognising the ROC, Congress enacted the Taiwan Relations Act, which committed the US to ensuring Taiwan could militarily defend itself against any attempt by China to forcibly reunify the island with the mainland.

Under these arrangements, Chen's government has pushed through a \$US15.11 billion defence budget to pay for the largest ever US arms-sale to the island. Signed by Bush in 2001, the package includes eight conventional submarines, submarine-hunting P3C planes and Patriot anti-missile systems.

In the final analysis, however, the DPP and other pro-independence forces are basing their election campaign on the section of the US establishment that interprets the Taiwan Relations Act as committing the US to go to war with China on Taiwan's behalf. During the last major confrontation across the Strait, during the 1996 Taiwanese elections, the Clinton administration put two aircraft carriers off China's coast.

Chen's campaign to polarise Taiwan over the issue of independence is an attempt to win support under the conditions of growing economic and social turbulence and broad alienation from the entire political establishment.

In 2000, Chen's narrow victory over his opponents was hailed as a milestone in Taiwan's “democracy”, ending over 50 years of KMT rule. Certain illusions existed that his administration would enact democratic and social reforms to the benefit of the working class and poor.

His government, however, has presided over the corporatisation of public enterprises, budget cuts for public education, the growth of mass unemployment and the deregulation of the financial system. His policies have been so favourable to financial circles that one private lender in Taiwan issued a credit card with Chen's nickname “A-bian”.

In order to lessen the criticisms that he is a president for the rich, Chen Shui-bian openly urged his wife—a former legislator closely connected to financial circles—to temporarily stop her well-known speculation on the stock exchange during the election period.

Chen Shui-bian's social and economic policies have created general discontent. According to a national survey conducted this year by *Tienhsia Magazine*, 67 percent of the population reported enormous pressure in their lives, 75 percent believed the gap between rich and poor was serious and widening and 68 percent were worried someone in their family would become unemployed.

Unable to address the social concerns, Chen and his supporters have sought to demagogically present their reelection and the referendum as necessary to strengthen democracy in Taiwan, and as a step toward independence.

During the DPP's first election rally held on January 31, for instance, Chen declared: "It is a known fact that Taiwan and China are two separate countries on each side of the Taiwan Strait, but some people dare not acknowledge it and think it might bring disaster for Taiwan.... At this juncture, to further Taiwan's democracy, the holding of such a historic referendum will be necessary to advance democracy and ensure Taiwan's security."

The DPP's campaign has enabled Chen to consolidate support among sections of the island's ruling elite that believe their economic and geopolitical interests have been undermined by the fact Taiwan is not recognised as an independent state and by decades of corrupt KMT rule.

More than 1,000 prominent academics and professionals joined the DPP's camp on February 16 by publishing a full-page statement in major newspapers throughout Taiwan, urging the public to support the referendum on March 20. In the latest poll by *China Times*, 39.8 percent of respondents indicated they would vote for Chen Shui-bian, compared to 38.1 percent for the KMT's Lien Chan.

Other sections of the ruling class are alarmed about the domestic and international consequences of holding the planned referendum and Chen's provocations toward China.

One faction, represented by the *Taipei Times*, backed Chen in the 2000 elections in the hope his government would dismantle the KMT's stifling grip over the political system and sections of the economy. It has grown increasingly critical of his government's failure to do so and its reliance on independence populism. An editorial on March 2 bluntly declared the referendum was "simply illegal" on the grounds it violates Article 17 of the Referendum Law that was approved by parliament last November—legislation to allow the president to initiate a "defensive referendum" only in the face of a foreign military threat.

By contrast, the Taiwanese elite who have poured some \$US100 billion of investment into China are deeply anxious the DPP's campaign could destabilise their economic arrangements with Beijing. The KMT-PFP functions as the main spokesman for this powerful layer. Until 1979, the KMT held onto the ambition of one day retaking power over all of China. By the 1980s, this perspective was abandoned and arrangements made with Beijing to allow the Taiwanese-based Chinese capitalists to begin to invest on the mainland.

While the KMT and PFP are not prepared to accept any semblance of mainland control over Taiwan, they still have aspirations for greater economic access and even a political role in China. In one of Lien Chan's books, *New Blueprint, New Dynamism*, written in 2001, he declared the KMT's ultimate goal was unification with the mainland on the basis of a confederation.

The main ambition of the China-based Taiwanese corporations is not unification but ending the various obstacles that still exist to the free movement of capital, people and goods between Taiwan and the mainland. Taiwanese now operate over 50,000 companies in China. As many as 200,000 Taiwanese live in the Shanghai region alone. The KMT has promised to allow Taiwanese companies in China to raise funds on Taiex—Taiwan's stock exchange—as well as to allow more mainland tourists and Chinese investment in Taiwan's real estate markets.

In response, the chairman of the Taiwan Business Association, Chang

Hanwen, has declared he will bring 200,000 businessmen back to Taiwan on March 20 to vote for the KMT-PFP ticket.

Chen Shui-bian has sought to compete with the KMT-PFP leaders by making the same promise to expand cargo and passenger links with China if he wins. His statement has been viewed as worthless because of the tensions with Beijing.

Chinese leaders, while remaining relatively low-key during the Taiwanese election campaign, have supported the KMT-PFP camp through their influence within Taiwan's business community. President Hu Jintao invited the leaders of the Taiwan Chamber of Commerce to a closed-door meeting in Beijing where he guaranteed the safety of their investment in China.

Beijing, however, has far more at stake in Taiwan than just economic relations. The *Asia Times* commented on February 23 that it would be dangerous to think China would not attack Taiwan if it pushed for independence.

"...[F]or China, the Taiwan issue is so bound up with the legitimacy of the government that any successful breakaway by Taiwan could lead to the downfall of the Beijing regime. This contingency, or the fear of it, could lead a Chinese government to fight, even from a position of inferiority... China would fight if sufficiently provoked," it wrote.

China's determination to prevent Taiwan's independence is one of the main possible triggers for a breakdown in relations with Washington.

On February 18, the US-based Knight-Ridder News Service reported that China has been modernising its military to alter the balance of forces in the Taiwan Strait in Beijing's favour. It is spending over \$2 billion each year on sophisticated Russian weapons and production technologies. According to a number of Pentagon's recent reports, China is adding 75 ballistic missiles annually to its arsenal opposite Taiwan, and deploying amphibious carriers and tanks, cruise missiles, unmanned aerial vehicles and a network of surveillance satellites.

The Chinese are also seeking to develop closer ties with the European powers which came into conflict with the US over the Iraq war. Hu Jintao won significant support during his visit to France in early February. French President Jacques Chirac declared Chen Shui-bian's referendum was "a grave mistake" and supported the EU's steps toward ending the arms sale embargo it placed on China in 1989.

Behind the deals, including Chirac's declaration that 2004 is the "Year of China," are Europe's burgeoning interests in East Asia and China. The European Union is expected to replace Japan and the US as China's largest trade partner by 2005.

A vicious editorial in the right-wing *Washington Times* on February 3 noted that despite the Bush administration's pressure on European governments not to sell weapons to China, France was negotiating the sale of Mirage jets and advanced avionics equipment which would undermine Taiwan's technological superiority.

"There is now a growing pattern of America's old allies in old Europe working to counter—if not undermine—US interests, American security and human rights around the world. The EU desire to arm Communist China is another example of that," the *Times* declared.

The dynamic of conflicting forces and interests involved in Taiwan ensure that whatever the outcome of the election and referendum on March 20, it will contribute to rising tensions both on the island and in North East Asia.



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