

Beijing embraces former arch-enemy

Kuomintang leader visits Chinese mainland

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The eight-day visit by Kuomintang (KMT) chairman Lien Chan to China concluded on Tuesday without a hint of conflict. In fact, the Chinese leaders greeted Lien more as a long-lost friend or brother than a political leader connected to the corrupt and brutal regime that the peasant armies of Mao Zedong forced to flee to Taiwan. Lien is the first KMT leader to set foot on the Chinese mainland since 1949.

Looking at Lien and President Hu Jintao as they shook hands in the Great Hall of the People in Beijing, it was impossible to tell which black-suited gentleman was the “Communist” and which was the political envoy for Taiwanese capital. It was not just appearances: both espouse Chinese nationalism, a greater role for China in the world and the eventual reunification of Taiwan with the mainland.

Hu Jintao’s warm embrace of the KMT leader demonstrates that the Chinese Stalinist bureaucracy has not only abandoned its past socialist pretences, but is in the process of dumping its connections to the Chinese revolution itself. Lien had to apologise for nothing and retract nothing except to reaffirm the KMT’s support for Beijing’s One China policy.

When the KMT fled to Taiwan in 1949, it looted whatever it could, leaving the mainland in ruins. Millions of people fought and died believing that the KMT’s downfall meant that the evils of “Old China” would end. For its part, the KMT leadership continued to insist up to the early 1990s that the “Republic of China” in Taiwan, not the “communist usurpers,” was the legitimate Chinese government.

Last week Lien arrived in the former KMT capital of Nanjing with a party of 70 KMT officials for his “journey of peace”. It was no surprise that neither side wanted to talk about the historical record. “You can say the distance between Taiwan and Nanjing is not far, but when the plane landed, we had covered nearly 60 years, from this visit to our last presence here. I’m sorry I couldn’t meet you sooner,” Lien blandly told his welcomers.

Lien explained that he was coming to “unite with the communists” against those advocating Taiwanese independence. The discredited KMT lost power in Taiwan in 2000 amid widespread hostility to its decades of corrupt and dictatorial rule. Yet Beijing accorded Lien a full state welcome, rolling out the red carpet for Taiwan’s opposition leader and treating him like the island’s president.

After Lien met with Hu Jintao, a joint communiqué declared: “The parties reached a common understating on upholding the ’92

consensus, opposing Taiwanese independence and striving for peace and stability in the Taiwan Strait.” The 1992 “consensus” between Beijing and the KMT government on Taiwan involved the acceptance of the One China principle but left it open to each side to interpret.

Lien recognises that the Chinese Communist Party leadership has nothing to do with socialism. He is the son of a wealthy Chinese family, which continues to wield significant political influence today. He toured the mausoleum of the KMT’s founder Sun Yat-sen as well as former Nationalist presidential palace, emotionally recalling his flight into exile as a teenage boy.

At Beijing University, Lien delivered a speech that glossed over decades of conflict between the “nationalism of Sun Yat-sen” and “socialism of the Communist Party,” declaring that both were now coming together “in the national interest”. He hailed Beijing’s turn to “market reform” and praised Beijing’s decision to hold cosmetic “elections” at the village and township levels. Lien enthused that cooperation between China and Taiwan was a “win-win” strategy.

For decades, the Beijing regime and the KMT were the bitterest of enemies. In the immediate aftermath of the 1949 revolution, the KMT regime only survived through the ruthless repression of any opposition on Taiwan and with the military backing of US imperialism. Supported by Washington, Taiwan retained China’s seat on the UN Security Council and functioned as a government-in-exile, with an apparatus right down to the provincial level prepared to take over on the mainland.

Later, with defeat imminent in Vietnam, Washington made an abrupt switch of policy, reaching a rapprochement with China in 1972. The US recognised Beijing as the legitimate government of the whole of China and ended its formal recognition of Taiwan. At the same time, the US declared that it would defend Taiwan against attack by China—a pledge that was formalised in the Taiwan Relations Act in 1979.

Beijing’s alliance with US imperialism marked the beginning of a turn to free market policies and the embrace of foreign capital—an orientation that became explicit after 1978 under Deng Xiaoping. The shift was paralleled by an open orientation to the Chinese capitalist class in Taiwan, Hong Kong and Macau. Deng formulated his policy of “one country, two systems”—promising broad autonomy to the local ruling elites in return for their formal integration into China. The conception was a Greater Chinese capitalism dominated by Beijing.

Taiwan, however, with the assistance of the US and Japan, had already transformed itself into one of the “Asian Tigers”—a cheap labour platform for transnational capital. The KMT not only turned down China’s “one nation, two systems” offer but, under the leadership of Lee Teng-hui, encouraged Taiwanese nationalist sentiment. He legalised the opposition Democratic Progressive Party (DPP) which openly called for Taiwan to formally declare itself an independent nation.

In the wake of the 1997-98 Asian economic crisis, the balance shifted. Taiwan’s “economic miracle” ended and China became the world’s prime destination for foreign direct investment. When Lien speaks of a “win-win” outcome of a political deal with China, he is above all speaking on behalf of sections of Taiwanese capital that have huge investments on the mainland. He became KMT leader after the party expelled Lee’s faction following its loss in the presidential election in 2000.

According to a US Department of State economic report on Taiwan issued in February, the island’s economic growth is increasingly dependent on China. “Taiwan factories based in China use the low cost labour and land there to process Taiwan-made production inputs into finished goods for exports to such industrial markets as the US, Japan and Europe. Taiwan’s [annual] direct investment across the Taiwan Strait grew from \$US1.25 billion in 1999 to \$US5.4 billion in the first ten months of 2004. As a result of this trend, Greater China (China plus Hong Kong) replaced the US as Taiwan’s largest export market in 2001, and Greater China’s share of Taiwan’s exports in the first ten months of 2004 reached 36 percent, much higher than 16 percent for the US and 13 percent for the European Union.”

During his last stop in Shanghai, Lien declared that China was an opportunity that Taiwan “cannot afford to miss, no matter who is in control... China is the factory of the world and also a huge market. This is reality, and we have to face it. We shouldn’t ignore it because of ideological differences.” He called for a common market between Taiwan and China, along the lines of the European Union.

There are, however, sharp divisions in Taiwanese ruling circles. Taiwan remains heavily reliant on transnational capital. According to the US report, foreign direct investment accounted 20.8 percent of the island’s GDP in 2003—mostly concentrated in the electronic and electrical industries. The US and Japan accounted for 60 percent of inbound investment in these industries. In total, the US had 22 percent (\$13 billion) of all foreign investment in Taiwan and Japan 20 percent (\$12 billion).

Being a platform for global production without being recognised as a sovereign state places Taiwan at a serious disadvantage economically and politically. While one section of the Taiwanese ruling class wants a peaceful accommodation with China, others want to assert independence to make Taiwan an “equal” state in the international community. The latter are represented by President Chen Shui-bian’s ruling Democratic Progressive Party (DPP) and the pro-independence “fundamentalists”, the Taiwan Solidarity Union (TSU).

The Chinese leadership is deeply hostile to any move toward Taiwanese independence, fearing it will only encourage separatist sentiment in other parts of China, including Tibet and the western

region of Xinjing. Moreover, Beijing has elevated Taiwan into a potent symbol of Chinese nationalism—the ideology on which the regime now rests. Earlier this year, it passed an “anti-secession” law legitimising the use of military force against any declaration of Taiwanese independence.

Paradoxically, one of the immediate purposes of Lien’s trip to China was to bolster the political fortunes of the KMT in Taiwan. The Chinese leadership lavished political gifts on its old arch-enemy. Beijing announced that it had agreed with Lien to lift import tariffs on Taiwanese farm exports. As the *Taipei Times* pointed out, this “is nothing less than an attempt to win the support of southern farmers, thereby undermining the Democratic Progressive Party (DPP) electoral base there.”

Lien’s visit to China is putting pressure on President Chen Shui-bian. Shortly after Lien returned to Taiwan, James Soong, another pro-China opposition People First Party (PFP) leader, headed off for his own tour of China. Chen is attempting to balance between building a “dialogue” with Beijing while not alienating his party base. In February, he cut a deal with the PFP to tone down his independence rhetoric in return for tacit parliamentary support but at the cost of losing the support of the TSU.

In order to blunt the impact of Lien’s visit, Chen formally invited the Chinese president to visit Taiwan and called for “a military and security consultation mechanism as soon as possible”. Beijing, however, rejected Chen’s offer, demanding that his party “gives up its Taiwan independence party constitution and stops its separatist activities”. It is a demand that Chen cannot fulfill—at least for now.

Meanwhile, the TSU is seeking support elsewhere. A layer of the Taiwanese ruling elite still looks back with nostalgia to the period when the island was a colony of Japan from 1895 to 1945. Just last month, the TSU leader Su Chin-chiang visited the notorious Yasakuni Shrine where the souls of the Japanese war dead, including convicted war criminals, are symbolically interred. His trip to pay tribute to the thousands of Taiwanese soldiers who died fighting for Japanese imperialism during World War II, provoked an angry response from Beijing.

Lien’s visit will intensify the bitter conflicts that have wracked the Taiwanese ruling elites and triggered one political crisis after another.



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