PIRNational Economy

Taiwan's patriots battle for the ideas of Dr. Sun Yat-sen

by Leni Rubinstein

At the end of May and beginning of June, I visited the Republic of China (R.O.C., Taiwan) on behalf of the *EIR* and the Schiller Institute. A number of private meetings were held and the four interviews printed below were conducted.

Taiwan is a truly remarkable place: a little island with 20 million people that in 45 years has developed from Third World conditions (it is worth recalling that this is a Maoist term) to become a high-technology and science-oriented nation.

Taiwan's development is not due to some miracle, but to sound economic principles applied in combination with a lot of hard work (see the *Feature* in last week's *EIR*, "Physical Economy: Comparing Taiwan and the P.R.C."). It is a good case-study for what can be done elsewhere, since the only natural resource that Taiwan has, is its people. For Asia, and especially for Mainland China, which shares the same language and culture, this successful experience of economic development can and must play a key role in the immediate future. In all four interviews published here, you will hear worries and alarm about the current situation in Taiwan. These concerns are well founded.

Political brawls

The political scene in Taiwan today resembles a zoo. Frequently, members of the National Assembly and the Legislative Yuan (the parliament) fight physically like small children, using their fists and whatever is handy, from microphones to tomatoes brought in for the purpose. These fist fights are mostly started by the Democratic Progressive Party (DPP), over silly little things, and are broadcast widely by the media. Almost daily, there are demonstrations in front of the Legislative Yuan about every conceivable issue (against nuclear power, for improvement of older people's pensions, for cab drivers' rights, and so on). Most of these demonstra-

tions are also initiated by the DPP.

Further, the DPP's main policy platform is the independence of Taiwan. Apart from appealing to people's petty selfishness—"We are now well-to-do and the poverty of China will drag us down"—the idea of a fake "ethnic" difference between Taiwanese and Chinese is being promoted. And while President Lee Tung-hui, a Taiwanese, on the surface has maintained the traditional policy of the ruling Kuomintang party in favor of the reunification of Taiwan with Mainland China, in reality all his actions, externally and internally, go toward an independent Taiwan.

This development is very dangerous, since Mainland China will not allow Taiwan to become independent, and has stated, repeatedly, in very harsh and clear statements that such a move would trigger an immediate military intervention.

Corruption is rampant. This year alone, 404 local elected officials, mostly from the Kuomintang, have been charged with electoral fraud in connection with the local elections held at the end of 1993. Twenty-three of these officials have already been convicted and sentenced to prison terms as long as 50 months.

In these circumstances, the Constitution based on the ideas of Dr. Sun Yat-sen and created in 1945 is being destroyed, undermining the political fabric of the Republic of China

Also, the military is being rocked by scandals. The military's general goals and priorities have been changed, and many generals and other military officers opposed to President Lee have been ousted or forced into retirement (for more details, see interview with Dr. Fung Hu-Husiang and Mr. Lin Hsi-tung published in *EIR*, April 1, 1994).

All of this naturally foments popular distrust of politicians, politics, and all authorities, and opens up the way for

2 National Economy EIR September 2, 1994



General Su (left, standing), the leader of a new organization called Chin Tung Meng Hui (CTMH), is calling for the reunification of Mainland China and Taiwan, on the basis of the moral principles and economic development program of Dr. Sun Yat-sen. Dr. Andi Sun (right), shown here before a portrait of Sun Yat-sen, is a leading member of the CTMH.



further destabilization.

Financially, Taiwan is about to be ravaged. Encouraged by outside foreign policy advisers such as James Lilley and Jeane Kirkpatrick, the sole foreign policy initiative adopted by President Lee has been the effort to get Taiwan into the United Nations. A key stepping stone into the U.N. is entry into the General Agreement on Tariffs and Trade, the global free-trade agreement. To enter GATT, the R.O.C. is stripping away a number of the measures that have protected its finances and economy so far. The subsidies for key agricultural products are being eliminated. Foreign financial institutions holding bonds issued by publicly listed Taiwanese companies will be allowed to convert their holdings into stocks by year's end.

In June, local newspapers "warned" that, with Taiwan's liberalization of its financial services in preparation for entry into GATT, Taiwanese banks had to become more aggressive in introducing "new financial products" and "innovative banking," or they would lose out to foreigners. This will create exactly the kind of dangerous speculative bubble, in derivatives and other worthless paper, that is wrecking the physical economy of other countries.

In May, a new chief for the Central Bank of China was picked, Liang Kuo-shu. Liang, who is close to President Lee, has publicly attacked his predecessor for being too conservative, and is advocating a policy of letting the market determine interest rates and the New Taiwan dollar's exchange rate.

It is easy to see that with these and other liberalization measures, the \$86 billion in U.S. dollars that the R.O.C. holds in foreign currency reserves, as well as the economic foundations created in the last 45 years, can be destroyed.

Last but not least, the R.O.C. is being morally undermined. Sex is becoming a more and more dominant feature in advertisements and clothing styles. One day, while riding on a public bus, I had the unfortunate experience of seeing a TV screen displaying intercourse, with a pop star singing an accompaniment. Taipei is crowded with Karaoke bars, slot machine halls, and video game dens, all filled with young people.

Destabilization from abroad

It is clear that the efforts to destroy Taiwan are largely run from abroad. The latest such effort is evidenced by the visit of Canada's Gerald Segal to the R.O.C. in July, where he met with President Lee as well as a number of senior officials. Segal is the assistant director of Asian Studies at the International Institute of Strategic Studies in London (IISS) and editor of The Pacific. He has, for several years, been promoting the idea that China should be split up into several parts.

In an article written from Taipei and published in the International Herald Tribune on July 18, Segal wrote that Taiwan must exploit Mainland China's trading interests to "creep to de facto sovereignty," and that the Taiwanese leadership to engage in more low-key, but high-level diplomacy, especially in Southeast Asia. The decentralization in the People's Republic of China, he wrote, is making full sovereignty more possible for Taiwan.

While the so-called neo-conservatives advise President Lee, individuals like former U.S. Rep. Steven Solarz (D-N.Y.), an operative of the Anti-Defamation League, publicly rally support for the DPP. The result is that Taiwan is getting chewed up between the two kinds of liberals.

In this dangerous situation, the individuals who built Taiwan and their sons and daughters have a big task ahead of them, which concerns not only Taiwan, but China as a whole and hence Asia at large. The new organization Chin Tung Meng Hui (CTMH) came into being on May 8 of this year to address that purpose. Tung Men Hui is the name for the support groups that Dr. Sun Yat-sen created all over the world in the struggle to found the Republic of China. Chin means "new." The founding principles and goals of Chin Tung Meng Hui are the ideas put forward by Dr. Sun Yatsen. Its members, therefore, see the reunification of Mainland China and Taiwan and the development of all of China as their moral obligation. The ideas expressed in the interviews that follow by Dr. An-di Sun and Dr. Su-yung Liang, two leading members of Chin Tung Meng Hui, should be seen in this context.