

# New Taiwan rulers risk China's future

by Michael Billington and Ray Wei

For the first time in the history of the Republic of China in Taiwan, both the President and the prime minister are considered native Taiwanese. The last leading spokesman for the "mainland" faction of the Nationalist Party (the Kuomintang, those who led the retreat from the communist forces to Taiwan in 1949), Gen. Hau Peitsun, resigned as prime minister in February following a dramatic decline in the Kuomintang's electoral majority in the December elections. His replacement, Lien Chan, who like President Lee Teng-hui is also a member of the Kuomintang, is Taiwan-born and part of a faction that is turning away from the traditions of the founder of the Kuomintang, Dr. Sun Yat-sen.

This new "mainstream" of the Kuomintang is being guided by two policies which could bring disaster to all of China. On the one hand, President Lee and Prime Minister Lien want to reintegrate Taiwan into the world financial and political institutions, specifically the International Monetary Fund (IMF), the U.N., and the General Agreement on Tariffs and Trade (GATT).

On the other hand, while still maintaining a posture for the eventual unification of China under republican rule, this faction is de facto supporting an "independent Taiwan" policy, i.e., accepting the division of China into two separate states, while striking deals with Beijing which earn short-term profits for Taiwanese investors in the cheap labor centers along China's coast in exchange for virtual support for the tyrannical Beijing regime.

This policy ignores the fact that the western financial system is undergoing a massive collapse. "Reintegration" into this bankrupt structure is merely turning the "Taiwan economic miracle" over as a source of loot to Anglo-American financial interests. The policy toward the mainland is in keeping with the IMF policy, which is using China as a source of cheap labor to justify the failure to invest in the technological infrastructure needed in the West. Taiwan, by participating in this "free trade" looting of the mainland, will end up destroying itself, just as Britain and the United States have brought on their own self-destruction.

## Hau Peitsun versus Lien Chan

Hau Peitsun, the 72-year-old former army general of mainland descent, was prime minister for two and a half years. While maintaining the commitment of Chiang Kai-shek eventually to free the mainland of the Maoist nightmare, Hau was also responsible for the revival of the island's econo-

my in a period of crisis. The dramatic economic development of the past decades had led to the growth of enormous foreign reserves, rapidly increasing wages, and increasing land values. But then, investors began finding cheaper land and labor in Southeast Asia and in the mainland, which undermined Taiwan's own manufacturing sector.

Hau countered this by launching a six-year Taiwan economic development plan to invest \$300 billion in infrastructure and other projects over 1991-97. This increased government spending strengthened confidence in the economy, stimulating investment in the private sector.

The result was that in 1992, private investment came close to \$20 billion, up a staggering 14.1% from the previous year, compared with an anemic growth of 1.83% in 1991 and a decrease of 8% in 1990. Per capita income for the past two and a half years under Hau's leadership has increased by \$3,000 despite a worldwide recession.

Sources have told *EIR* that Prime Minister Lien considers the six-year development plan to be "unsophisticatedly designed," and has decided to review and possibly water down the ongoing and proposed projects.

Born into one of Taiwan's oldest and wealthiest families, Lien is known as one of the island's "Four Princes"—young politicians with advanced academic degrees and family ties. He entered politics by taking a series of Nationalist Party posts, becoming deputy secretary general in 1978. He received a Ph.D. in political science from the center of free trade radicalism, the University of Chicago. He served as communications minister, vice prime minister, and then foreign minister in 1988-90. He is viewed as someone who is willing to compromise with the Project Democracy-influenced Taiwan independence movement. As foreign minister, Lien promoted a policy of using Taiwan's economic power to break out of the international isolation imposed on the island following the U.S.-led dumping of Taiwan in the 1970s.

Less than two weeks after Lien's confirmation as prime minister in February, Foreign Minister Frederick Chien said that a strategic group had been set up to study the possibility of the Republic of China rejoining the U.N. Taiwan has been bribed in two ways by the Anglo-American financial institutions, appealing to greed rather than the long-term vision associated with the tradition of Dr. Sun Yat-sen and the Confucian moral worldview. Taiwan investors are offered quick profits, together with western speculators and investors, in the mainland free trade zones. They are encouraged to ignore the fact that the constant supply of millions of desperate unemployed peasants to man these low-technology industries is dependent on Beijing's continuing destruction of the nation's basic agricultural and industrial infrastructure, and enforced by their iron-fisted tyranny.

Taiwan is also lured with the promise that it could replace Hong Kong as the Asian capital for laundering the multibillion-dollar drug and other dirty money operations now run by the British colony. To this end, the faction under President

Lee has already dramatically deregulated the nation's banking system, as demanded by GATT.

## Deals with Beijing

While Beijing welcomes Taiwan's open support for their economic policies, they will not remove the constant threat of a military takeover of the island. Jiang Zemin, chairman of the Communist Party, said in early March that the Red Army would "never sit idly by" if Taiwan's growing independence movement gained too much power. "Activities for Taiwan independence have somewhat increased recently, and even within the Kuomintang there are a few people who are publicly echoing the call for one China, one Taiwan," Jiang was quoted as saying to the foreign news media. "We refuse to make the commitment not to use force," he said.

To appease Beijing, Lee in February closed the *Hong Kong Times*, the Kuomintang's mouthpiece in Hong Kong and a barometer of political trends in Taipei and Beijing for decades. Taiwan has decided not to become involved in the dispute between Hong Kong and Beijing over Gov. Chris Patten's proposals for democratic reforms preceding the 1997 turnover. Also, the *Young Chinese Morning Post*, a newspaper established in the United States over 80 years ago by Sun Yat-sen, has been closed. Several sources report that Taiwan has cut its support to the Chinese students in exile in the United States who are fighting for freedom and democracy

on the mainland.

The Republic of China has been sold out repeatedly by the Anglo-Americans in the 20th century. At the Versailles Treaty negotiations following World War I, despite China's support for the allied war effort, it was chopped up among the allies as if it had been on the other side—just as Dr. Sun Yat-sen had warned in his book *The Vital Problem of China*. Following World War II, the U.S. cut economic and military support to the war-ravaged government of Chiang Kai-shek, ensuring the eventual communist takeover. In the 1970s, Kissinger's geopolitical diplomacy again sold out Taiwan, switching U.S. recognition from Taipei to Beijing in order to play "the China card" and get access to the vast cheap labor of the impoverished mainland.

Today, the United States has added Taiwan to its list of "economic enemies," imposing unfair trade sanctions and threatening more. Although several Taiwan lawmakers are resisting these attacks, such pressure will only increase as the depression deepens in the West.

If Taiwan abandons its historic mission as a conservator of China's great Confucian culture and the economic and political policies of Dr. Sun Yat-sen, it will be dragged into the mire of western depression and the growing danger of world war. Nothing but the faith in a reunited Republic of China can save the little island of 20 million from being crushed in the "balance of power" games of the superpowers.

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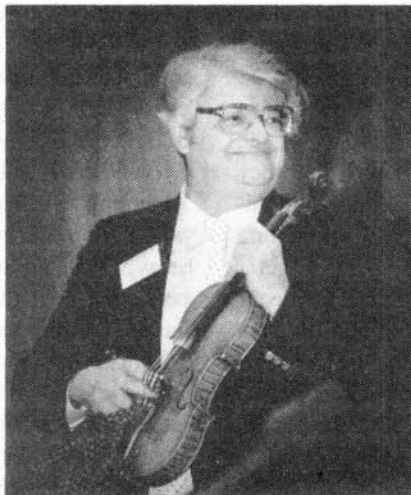
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