

TAIWAN, CHINA AND GOVERNANCE

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It was a privilege to revisit Taipei in early April to support the “Sunflower Movement” and its well-founded concerns about Taiwan as a democratic and sovereign nation.

Permit me to mention some points I made outside the Legislative Yuan:

- Public support for the Sunflower coalition of students, academics, civic organizations grew increasingly during three weeks of protest; one estimate was that a half million persons joined one support rally.
- Taiwan has become one of the strongest practitioners of multi-party democracy, pluralism, the rule of law, human dignity/equality, freedom of speech/assembly and independent media in Asia; this must not be lost now or ever.
- The occupation of the Legislative Yuan was precipitated by a trade-in- services agreement with China--both its substance and the way the Ma government attempted to ram it through without due consideration. Legislator Chang Ching-chung, the KMT chairman of a legislative committee, declared the clause-by-clause review of the pact completed after 30 seconds—a flagrant abuse of the Yuan’s procedural rules.
- As a former Deputy Speaker of Canada’s House of Commons, let me say how proud your Yuan speaker, Wang Jin-pyng’s public service above partisan interests has no doubt made independent speakers in the 29 or so parliamentary systems across the democratic world. The ruling of the court allowing him to keep his speakership was a tribute to the independence of Taiwanese judges.

President Chen Shui-bian

While in Taiwan, I visited former President Chen in prison and later wrote to President Ma about him. The letter (no reply has yet been received) can be accessed on the internet (www.david-kilgour.com); the key parts read:

The former president was kept in a three-square-metre cell with another prisoner for four years. There was neither a chair nor table, so the two of them were required to eat and read on the floor...His health problems are worsening. According to a medical diagnosis... he must leave the prison to improve. ...His current ailments include serious depression, which he has suffered from during four years. Apnea causes him to cease breathing briefly repeatedly while sleeping. His balance problems require now the

assistance of two persons to steady him when walking. I understand that he also suffers from Parkinson's disease...

In the indicated circumstances, I'd request that you grant a pardon... or... allow him to serve out his sentence at his home. Reading former vice-president Lu's new book, My Fight for a New Taiwan, I note in Professor Jerome Cohen's forward that you helped to have her jail sentence reduced considerably. I'd appeal to you on the basis of this earlier act of humanity on your part to act here as well.

Governance and Misgovernance

Following the martial law in effect in Taiwan from 1949-1987 and its horrors, one might presume that no Taiwanese favours authoritarianism today. Despite the lapses of the past six years, Taiwan is the governance model for what China can and I believe will become sooner than many think: a democracy with rule of law and respect/equality for all citizens.

Despite the continuing party-state attempts to have the long-suffering Chinese people forget, the Tiananmen Square massacre remains a pivotal event in China's post 1949 history.

Quelling The People (1992), the book by Timothy Brook, a Canadian historian, notes: "On the night of June, 3 1989, tens of thousands of soldiers armed with assault rifles forced their way into the city of Beijing and drove unarmed student protesters from the central square at Tiananmen. When hundreds of thousands of citizens and students blocked their paths, the soldiers opened fire. On the morning of June 4, thousands lay dead and dying in the streets, the hospitals and the homes of Beijing.

According to the respected journalist, the late Liu Binyan, those who made the decision were "largely controlled by eight senile 'retired emperors', all over eighty years, who did not hold formal office in the Party or government but who prop up their rule through brute force and lies...To Deng as to Mao, people are nothing more than instruments: in wartime, they serve as soldiers; in peacetime, they are hands for production..." Liu was twice expelled from the Communist Party, repeatedly persecuted and died in exile for speaking the truth.

"The Ghosts of Tiananmen Square" article by Ian Johnson, the Beijing-based correspondent for the New York Times, appeared in the June 5 issue of the New York Review of Books. It includes two important points:

- "Two new books (*The People's Republic of Amnesia: Tiananmen Revisited*, by Louisa Lim and *Tiananmen Exiles: Voices of the Struggle for Democracy in*

China, by Rowena Xiaoqing He) tackle the Tiananmen events... One is set in China and is about repressing memory; the other is set abroad and is about keeping it alive. They agree that June 4 was a watershed in contemporary Chinese history, a turning point that ended the idealism and experimentation of the 1980s, and led to the hyper capitalist and hypersensitive China of today”.

- Johnson adds that after the massacre Rowena He (now teaching at Harvard) returned to school wearing a black armband in memory of Tiananmen’s victims. Her teachers obliged her to remove it, but she recalls “*When I was forced to remove my black armband in 1989, I thought that would be the end of it. Bodies had been crushed, lives destroyed, voices silenced. They had guns, jails, and propaganda machines. We had nothing. Yet somehow it was on that June 4 that the seeds of democracy were planted in my heart, and the longing for freedom and human rights nourished. So it was not an ending after all, but another beginning...*”

Persecution of Communities

China’s 5000-year-old civilization deserves the respect of the entire world, but no friend of it and its people can fail to regret the waves of violence committed by the party-state since 1949. Jan Harvey and I wrote for a Canadian magazine, *Convivium*, an article on the persecution of faith communities generally in China a couple of years ago. You can access it at <http://www.davidkilgour.com/2011/convivium2011.pdf>

On Tibet, for example, the late Vaclav Havel was threatened that his country would lose exports to China if he invited the Dalai Lama to Prague. The visit took place and nothing appears to have been lost. When Prime Minister Harper stood up to Beijing after 2008, the same threats were made. Bombardier Inc announced one of its biggest contracts ever in China not long after our prime minister voiced values Canadians stand for in the world. Bluster aside, Beijing appears to respect those who stand up for universal values, the rule of law, etc. even if it does not.



Dalai Lama and Aung San Suu Kyi



Late Vaclav Havel

Falun Gong

Since 2001, the party-state addiction to brutality has also resulted in large scale pillaging of vital organs from Falun Gong practitioners. No-one survives these operations because all vital organs are seized and the bodies of “donors” are then cremated. The ongoing trafficking across China constitutes a major new crime against humanity.

David Matas and I located numerous pieces of evidence about this. From research set out in our book, *Bloody Harvest*, we concluded that Falun Gong have been killed in the thousands since 2001 so that their organs could be trafficked for large amounts to Chinese and foreign patients. For the period 2000-2005 alone, we arrived at the figure of 41,500 such transplants by deducting from the 60,000 transplants claimed by the government for the period, which seemed reasonable to us, our best estimate of the number of executed criminals (18,550).

Engaging With Beijing

With its proximity making Taiwan’s dealings with Beijing always difficult, the world’s democrats, including our national governments, civil society institutions and businesses, should also remain engaged with both the Xi/Li government and the broadest possible range of citizens across China. The people of China should know that the democratic world stands with them, not with the party-state, just as we did in east/central Europe during the Cold War, and with South Africans, particularly during the lead-up to the election of Nelson Mandela as president in 1994.

On the rule of law, for example, it is difficult outside China to understand that trials there are mere Party theatres. The Canadian lawyer Clive Ansley practised in Shanghai for 13 years, handling about 300 cases before returning to British Columbia. He explains the reality of what happened to Nobel Laureate Liu Xiaobo, lawyer Gao Zhisheng and so many other dissidents: “There is a current saying amongst Chinese lawyers and judges who truly believe in the Rule of Law and this saying... is: ‘Those who hear the case do not make the judgment; those who make the judgment have not heard the case’.... Nothing which has transpired in the ‘courtroom’ has any impact on the ‘judgment’.”

Some years ago as well, Ansley notes, a direction went to all judges across China that foreigners were not to win again in Chinese ‘courts’. That was the last straw for him; he returned to Canada.

Economies of Taiwan and China

The economic indicators in the current issue of the *Economist* magazine (June 14-20) confirm that Taiwan’s economy is performing well, including, the forecast 3 per cent

real growth in 2014, a current account balance of \$61.9 billion for the latest 12 months, and interest rates of 1.5 per cent (for 10-year gov't bonds). Yes, unemployment is 4% (slightly lower than China's 4.1), but is lower than in virtually all other advanced economy nations.

Manufacturing remains the lifeblood of most successful economies, including those in Taiwan, China, Germany and South Korea. Did not Taiwan become a leading 'Asian Tiger' economy decades ago primarily because of the strength of its manufacturing sector.

Canadians have also seen numerous manufacturing jobs at home disappear because irresponsible investors here felt they could make fatter profits in China. It is no accident that the most recent opinion survey by the Asia-Pacific Foundation of Canada notes that only 35 per cent of Canadians rate China as an important economic partner, down ten percentage points in one year. The lack of rule of law and corruption in the PRC appear to be among myriad reasons. The recent indication by Asia's wealthiest tycoon, Li Ka-shing, that he prefers markets with rule of law legal systems is no doubt contributing to disenchantment with China's economy among both Canadians and generally. What prudent investor would invest in China today?

I'm told by the academic Greg Autry of California that the U.S. has lost an estimated 57,000 factories and 20 million manufacturing jobs mostly to China over the past two decades? How many such jobs have been lost in Taiwan and many other countries over the same period for the same reason?

Regarding service jobs, Autry asked Prof Ann Lee of NYU in *Global Trade* magazine (April/May 2012): "What would you tell an American who lost his job at (a) factory and had to take two retail jobs without benefits selling Chinese-made goods to his fellow Americans about why the U.S.-China relationship has been mutually beneficial?"

Governments, investors and business leaders might also examine why they are supporting the violation of so many universal and democratic values in order to increase trade/investment with China. It has resulted mostly in jobs being outsourced to China and continuous increases in bi-lateral trade/investment deficits.

Are the rest of us so focused on inexpensive consumer goods that we ignore the human, social and natural environment costs paid by millions of Chinese to produce them?

Is the Foxconn plant in China (owned by a Taiwanese), making Apple and other i-phones with about 700,000 employees, to be the model for Taiwan too in future under cross-strait agreements? Someone who visited Foxconn tells me that about half of the employees, mostly aged from 16 to 35, live in dormitories on site, remaining there for 51 weeks a year. There are photogenic swimming pools and sports facilities, but my friend

got the impression from dust, etc that they are rarely used. When he asked about the nets on the factory roof to catch employees seeking to commit suicide, he was told that Foxconn's suicide rate is no higher than the general one across China.

Last year, Wal-Mart pledged to hire more than 100,000 American veterans and boost its sourcing from domestic suppliers. The retailer announced a three-part plan to help jump-start the American economy, which includes spending \$50 billion to buy more American-made goods over the next ten years and helping its part-time workers move into full-time positions. How about responsible Taiwanese, Canadian and other companies again recognizing that fellow citizens with good manufacturing jobs are their best consumers?

Jonathan Manthorpe concluded in the *Vancouver Sun* a couple of years ago that China is today full of variations of a Ponzi scheme. "A local government, without a functioning system for raising tax revenue—and...riddled with corruption...sells development land to garner cash... (first getting rid of (farmers) living on the land)... And, this being China...the municipality has the power to instruct banks to lend the development company the money for the sale. So the local government gets its cash, the municipally-owned company gets to build a speculative residential or industrial complex, and all seems well".

In the *Financial Times* not long after Manthorpe wrote was a story about how in one coastal city luxury apartments were to be built for as much as 70,000 Yuan (\$11,000) a square metre, which is about twice the annual income of the average resident. To finance a 150 square metre apartment in the building would consume every penny of a typical resident's income for 350 years. Is this not a housing bubble extraordinaire, which is going to burst with a lot of citizen grief?

Chinese banking today is dominated by state-owned banks that lend primarily to inefficient government businesses and currently pay about 0.3 per cent for deposits. There is no deposit insurance. These factors encourage abused depositors to invest in increasingly risky realty and stocks. There is a very large amount of money in its shadow banking sector, but it has very little regulation. It also holds a lot of the total debt in China, which since 2008 has surged to about 210 per cent of GDP. What happens if/when China's estimated \$23 trillion credit bubble bursts?

Autry/Navarro

Greg Autry and Peter Navarro at the University of California argue convincingly that consumer markets worldwide have been "conquered" by China largely through cheating. They have made proposals to ensure that trade becomes fair. Specifically, they say all nations should:

- define currency manipulation as an illegal export subsidy and add it to other subsidies when calculating anti-dumping and countervail penalties;
- respect intellectual property; adopt and enforce health, safety and environmental regulations consistent with international norms; ban the use of forced labour effectively-not merely on paper as now- and provide decent wages and working conditions for all;
- apply provisions for protection of the natural environment in all bilateral and multilateral trade agreements in order to reverse the 'race to the environmental bottom' in China and elsewhere.

Conclusion

The Chinese people want the same things as the rest of us, respect for all, education, safety and security, good jobs, the rule of law, democratic and accountable governance and a sustainable natural environment. If the party-state ends its systematic and gross violations of human rights at home and abroad and begins to treat its trade partners in a transparent and equitable way, the new century can bring harmony and coherence for Taiwan, China and the world.

The Sunflower Movement students and others demonstrated again this spring their concern for Taiwan's democratic autonomy and have since formed "Taiwan March" to pursue better governance in their nation. The Taiwanese deserve the support of 23 million Taiwanese, Canadians and all other democrats across the world.

Lest there remains any doubt, the Federal Court of Canada years ago held that Taiwan is a fully sovereign nation. Canada's national governments in various ways should demonstrate more respect for the Federal Court finding.

One good place to start would be for Canada and other rule of law countries to follow New Zealand's lead in achieving a trade pact with Taipei soon.

Thank you.