

# Taiwan Security: A KMT's Perspective

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At the United States-Taiwan Defense Industry Conference  
Sponsored by the US-Taiwan Business Council  
Denver, Colorado, USA

September 11, 2006

## I. Facts and Misperceptions

1. March 1, 2000, Lee Tenghui sent out a long list of arms procurements
2. April 25, 2001, George W. Bush agreed to the list except the Aegis
3. January 16, 2004, Chen Shui-bian put out “additional anti-missile equipment” for referendum on March 20 election against the advice of the US and the Lien/Soong team, placing electoral interest ahead of national security interest.
  - a. Richard Armitage: Chen’s referendums were about “**neither divisive nor difficult**” issues, “raise questions about the motives” (January 30, 2004)
  - b. Chen Shui-bian: “8.25 million voters should come out and vote so as to pass the referendums” (March 4 and 9, 2004)
4. May 20, 2004, Lee Jye assumed the position of Defense Minister. Former Minister Tang Yao-ming refused to sign the arms bill out of the MND till the end of his term. Reason: protest against the bill itself or against the referendum, or others?
  - a. Chen on July 29, 2004: “US approved the arms bill in April 2001, and *we dragged our feet for three years. We should be blamed for this (delay)...If not for the latest personnel reshuffle the arm budget could have been still locked inside the MND door.*”
5. June 2, 2004, Executive Yuan (EY) submitted the arms bill to the Legislative Yuan (LY). June 9, the LY received the bill. June 11, the LY adjourned for the summer recess. Nothing could possibly have been done.
6. The bill was accompanied by only a two-page, 911-character memo. The media ridiculed that, with the bill costing NTD 610.8 billion (USD 18 billion), each character was worth NTD 670 million or USD 20 million.
7. September 14, the LY reconvened. November 11, the LY adjourned early for the December 11 LY Election. Legislators were preoccupied with their reelection and were in no mood for deliberation, particularly given the sharply confrontational atmosphere.
8. In 2005, new legislators and new mood. Some rational discussion, private

and public, began to take place. The LY Procedures Committee continued to block the bill, because its importance was believed to transcend the LY National Defense Committee (NDC), encompassing the concerns of the Finance, Interior (i.e. Cross-Strait), Foreign Affairs, etc Committees. Despite this, public debates (full-or half-day) have been held 32 times.

9. February 2006, KMT ironed out a position (including its English translation) ready for announcement, which was tabled in early March due to the “NUC + G Suspension.”
10. June 2006, KMT again was ready to approve some of the “supplemental” budget, but the “supplemental” reached the LY too late for it to be voted upon.
  - a. June 12, agenda was set for the 19-day LY extended session.
  - b. June 14, the bill of supplemental budget was passed by the EY and sent to the LY.
  - c. June 21, the bill reached the LY.
11. Causes for delay:
  - a. **Lack of proper political leadership** turned the issue into a “divisive and difficult” one
  - b. Bureaucratic neglect
  - c. Partisan politics

## II. New External Environment (for Taiwan)

1. Rise of China
  - a. Growing threat -- more expansive, more imminent
  - b. Growing opportunity -- greater interconnectedness, greater interdependence (in 2005, the Mainland was Taiwan’s largest trading partner; Taiwan the 7<sup>th</sup> largest for the Mainland)
2. US and China work toward being “responsible stakeholders” with each other. Great uncertainties abound, with Taiwan the only possible cause of military conflict.
3. China/Japan rivalry
  - a. Rising nationalism on each side
  - b. Historical/territorial disputes
  - c. Energy security

## III. New Taiwan

1. Divided Society and dwindling legitimacy of President Chen (see Appendix)
2. Stagnant economy with exports being the only locomotive for growth
  - a. Per capita income in 2005 (USD 15, 291) is barely above that of 2000 (USD 14, 519).

- b. Disposable income per family remains flat (NTD 891, 000 annually in 2000, and NTD 894, 000 in 2005)
  - c. Individual salaries increased by only 1.08% annually in 2000-2005, as compared with 4.33% in 1994-1999
  - d. Income disparity widening (“ratio of income share of highest 20% to that of lowest 20%” rose from 5.5 in 2000 to 6.0 in 2005)
  - e. National Debt/GDP = 113%
3. Incompetent and corrupt administration
- a. WEF and IMD surveys on “national competitiveness” have shown positively for Taiwan’s private sector, but negatively for the public sector
  - b. In the last six years there have been 5 Premiers, 6 Economic Affairs Ministers, 5 Finance Ministers, 4 Interior Ministers and 4 Transportation Ministers.
  - c. Currently, other than the widely known cases of Chen Shui-bian’s in-laws, 2 Deputy Secretary-Generals of the President’s Office, 1 Premier (Frank Hsieh), 2 Ministers (Transportation, Financial Supervision), 4 Vice Ministers (Interior, Transportation, Science, Fair Trade) have been formally indicted, in detention or under investigation as defendants.

#### 4. Declining faith in democracy

## Support for Democracy

	Hong Kong	<b>Taiwan</b>	Korea	Japan	Thailand	Philippines	Mongolia
<b>Democracy is...</b>							
Desirable for our country now*	87.6	<b>72.2</b>	95.4	87.1	93.0	88.1	91.6
Suitable for our country now*	66.7	<b>59.0</b>	84.2	76.3	88.1	80.2	86.3
Effective in solving the problems of society†	39.0	<b>46.8</b>	71.7	61.4	89.6	60.7	78.4
Preferable to all other kinds of government‡	40.3	<b>40.4</b>	49.4	67.2	82.6	63.6	57.1

Source: East Asia Barometer, 2001-2003

## Declining Support for Democracy in Taiwan Popular Belief in Democracy as the Best Form of Government

Country (Survey Year)	“Democracy is always preferable to any other kind of government.”	“Under some circumstances, an authoritarian government can be preferable to a democratic one.”	“For people like me, it does not matter whether we have a democratic or a non-democratic regime.”	Sample Size*
Taiwan (1998)	55.5	12.9	15.3	1219
Taiwan (2001)	40.4	23.2	25.9	1415
Taiwan (2003)	42.2	24.0	25.8	1164
Korea (2003)	49.4	33.2	17.4	1500
Mongolia (2002)	54.0	25.9	18.5	1144
Philippines (2002)	63.6	18.0	18.4	1200
Thailand (2001)	83.8	10.5	5.0	1531

Source: East Asia Barometer, 2001-2003

## Popular Assessment of the Fairness of the Three Presidential Elections

Categories	Year 1996		Year 2000		Year 2004	
	Was Fair (%)	N	Was Fair (%)	N	Was Fair (%)	N
Non-voters	85.0	80	78.8	66	37.7	167
Winning voters	93.2	606	85.9	433	77.6	732
Losing voters	61.9	331	76.8	557	11.0	609
Total*	82.4	1017	80.7	1056	46.3	1508

Source: National Taiwan University

5. Declining faith in moral values (Poll by Millennium Foundation and National Chengchi University in July 2006)
  - a. As compared with 2000:
    1. 70% feel that **moral values are declining**
    2. 87% feel people are **less sincere**
    3. 82% feel people are more **dishonest**
    4. 79.9% feel people are **less kind**
    5. 71.9% feel people are **less law-abiding**

## IV. New KMT

1. Popularly elected chairman, and democratically elected 31 members of the Central Standing Committee, 210 members of the Central Committee, and

- 1523 members of the Party Delegates.
2. Younger membership (in 2005, over half of new members are under 40). One out of the four Vice Chairmen spots is reserved for a person under 40.
  3. Strictly “Clean Party:” Once indicted, the person would lose his/her right to represent the party in any election or office. Once convicted, he/she would be expelled from the Party. Furthermore, no one can receive a gift over NTD 3,000 in value.
  4. The KMT moved out of its old headquarters and into a building with an office space only 1/7 of its former size. Ma is accelerating the process of liquidating the party’s properties. A mid-term report was publicized on August 23, 2006.
  5. KMT personnel downsized: At its height in 1996 KMT personnel totaled 3800, (under the Chairmanship of Lee Teng-hui), gradually decreasing to 3000 employees in 2000, (Chairman Lien Chan), and currently reduced to 890 staff members in the new KMT (Chairman Ma).
  6. Greater autonomy for the LY caucus

## V. Vision for the Future

1. Maintain Status-Quo: **Neither independence nor unification.**
  - a. Beijing had promoted unification (between June 27, 1998, when Jiang Zemin told Clinton, “I hope USG would weigh the benefits and costs and clearly indicate its support for China’s reunification,” and 2000) and failed.
  - b. Taipei has been pushing for independence (between July 9, 1999, “Lee Teng-hui’s Two-States Theory,” and now) and failed.
  - c. Now Taiwan’s people, Beijing’s leadership and the international community generally favor the status-quo.
2. Striking a balance between **“resisting the CCP’s threat”** and **“seizing the mainland’s opportunity”**
  - a. Ma Ying-jeou’s “5 Nos” and “5 Dos”
  - b. Especially resumption of dialogue on the basis of “92 Consensus,” and establishing direct transportation links have received over 60% popular support consistently.
  - c. Strengthening Taiwan’s defense to render it “a tough nut to crack.”
3. Rebuild Taiwan’s economy and cultivate a new **“co-existence paradigm”** for its external relations and a **“clean and open paradigm”** at home based on moral values, faith in democracy and internal reconciliation
4. Defuse Taiwan as “a tail that wags two (three) dogs” or a “bone of contention.” Maximize the positive values of Taiwan in between the US, China and Japan, even in the entire East Asia

## VI. Reasonable Arms Procurement

1. Four factors: Public opinion; Defense needs; Financial ability; Cross-Strait relations
  2. **Public Opinion:** in 2004, except ROCG and KMT sponsored polls, all private-sector polls were against procurement by ratios of 50 to 30 or 50 to 40. In 2005 and 2006, few private-sector polls were taken. Presumably, as the price tag goes down, the support goes up
  3. **Defense needs:**
    - a. Defensive defense, not potentially destabilizing “offensive defense,” is preferred
    - b. Top priority is to defend Taiwan against PRC’s strategy of coercion. To do that, Taiwan needs to prepare itself to an extent (in terms of readiness, hardening, survivability, morale, internal unity) that it could absorb initial shocks both militarily *and* politically for a certain period of time. To deny the PRC a “quick victory” would thus enhance Taiwan’s security.
    - c. Because the threat is imminent, the time factor of any procurement is critical
    - d. The attitude of the US (including the supply side) is also important
    - e. For this purpose, Taiwan needs to go beyond the current three items and rethink its package of procurement
  4. **Financial ability:** still limited. For 2007 budget proposal, for instance, the EY earmarked NTD 200 billion (USD 6 billion) for additional national debt. The percentages of defense expenditures in annual spending increases from 15.3% for 2006 to 18.7% for 2007. All the other outlays go down to varying degrees. For example, “social welfare” goes down from 19.4% to 18.6%
  5. **Cross-Strait Relations:** Taiwan’s security should “walk on two legs.” One is a survivable defense based on a strong political and military relationship with the US. The other is moderate cross-Strait relations based on exchanges and dialogue as well as political assurance that Taiwan would not pursue de jure independence.

## VII. The Pending Issues

1. The Existing Three Items:
  - a. **Green Light: P3Cs**
  - b. **Red Light: PAC-3s:** Referendum Law, Article 30, “If the number of voters does not reach the quantity prescribed in the preceding paragraph (i.e., not less than 1/2 of the total persons eligible to vote) or the consenters are not more than 1/2 of the valid ballots, the

proposal is vetoed.”

- c. **Yellow Light: Diesel submarines** -- great uncertainties in the US and greater controversies within Taiwan
2. **PAC-2 Upgrades:** The issue has not been discussed at all in the LY National Defense Committee, as the MND has not given a formal report to the NDC regarding legal, military, technical, budgetary and other dimensions of this issue. Only after this is done, the KMT caucus could take a position. Many, including myself, are puzzled as to why no such report was given in the last spring session when the atmosphere was conducive and why the MND delayed in sending the supplemental budget to the LY.
3. **F-16 C/D:** Again, the KMT would have to wait for a formal MND report to deliberate and debate this issue.
4. **Ammunitions:** Mostly in support
5. **Industrial cooperation:** Mostly in support

## VIII. Conclusion

The KMT wants to be a Positive “Responsible Stakeholder” in East Asia. We believe Taiwan can contribute to and benefit from a peaceful and prosperous region.

## Appendix:

### Should President Chen resign/Is President Chen unfit?

Timing/Event	Poll Center	Yes/Unfit (%)	No/Fit (%)	Didn't know/ Didn't respond
Eve of Shih Ming-teh's "Anti-Corruption Campaign" (A sample size of 300 people from Taiwan's population aged 28-30) August 30, 2006	Time Magazine Asian edition; CNN	<b>64</b>	19	17
"Anti-Corruption Campaign" heats up, August 18, 2006	The China Times	<b>54</b>	31 (Should finish term)	15
"Special Allowance Scandal," August 17, 2006	Global View Monthly Magazine	<b>64.7</b>	15.3	20
Shih Ming-teh Launches "Anti-Corruption Campaign," August 14, 2006	ERA TV	<b>58.15</b>	19.48	22.37
Pan-Green Academics Call for Chen's resignation, July 19, 2006	ERA TV	<b>46</b>	28	26
Pan-Green Academics Call for Chen's resignation, July 18, 2006	The China Times	<b>44</b>	32	24
If First Lady Proven Guilty of Involvement in SOGO Voucher	Global Views Monthly Magazine	<b>72.4</b>	13.6	14.1

Scandal, July 13, 2006				
First Lady Admits to Accepting SOGO Vouchers July 12, 2006	TVBS	<b>61</b>	26	13
SOGO Voucher Scandal Heats Up, July 10, 2006	The China Times	<b>65</b>	19	16
After Failure of Recall Motion, June 28, 2006	The China Times	<b>56</b>	22	22
President Chen's TV Speech, June 22, 2006	Apple Daily	<b>65.74</b>	26.55	7.71
After President Chen's TV speech, June 21, 2006	TVBS	<b>50</b>	32	18
June 21, 2006	ERA TV	<b>45.91</b>	35.53	18.56
June 19, 2006	The China Times	<b>53</b>	31	16
After the mass rally of recall, June 08, 2006	TVBS	<b>53</b>	34	13
June 02, 2006	The China Times	<b>43</b>	29	29
Chao Chien-min was detained, May 25, 2006	TVBS	<b>47</b>	35	18
The eve of the 6 <sup>th</sup> anniversary of President Chen's first inauguration, May 17, 2006	TVBS	<b>44</b>	42	14

### The Approval Ratings of President Chen

Timing/Event	Poll Center	Satisfied (%)	Unsatisfied (%)	Didn't know/ Didn't respond
Eve of "Anti-Corruption Campaign" September 6, 2006	United Daily News	18	<b>62</b>	18
Anti-Corruption Campaign (Sit-ins), August 22, 2006	ERA TV	13.07	<b>60.05</b>	26.88
"Special Allowance Scandal" and Anti-Corruption Campaign, August 18, 2006	The China Times	18.3	<b>57.9</b>	23.7
"Special Allowance Scandal" Hits the Administration, July 28, 2007	TVBS	11	<b>74</b>	15
Pan-Green Academics and Campaign Organizers sign petition for Chen's resignation, July 18, 2006	The China Times	23	<b>54</b>	23
After Failure of Recall Motion, June 28, 2006	TVBS	16	<b>70</b>	14
June 28, 2006	United Daily	19	<b>66</b>	15
June 28, 2006	ETTV	26.5	<b>57</b>	16.5
After President Chen's TV speech, June 21, 2006	TVBS	18	<b>65</b>	17
June 21, 2006	ERA TV	18.47	<b>40.07</b>	41.19
June 19, 2006	The China	28	<b>56</b>	16

	Times			
After the mass rally of recall, June 08, 2006	TVBS	12	<b>68</b>	19
Chao Chien-min was detained incommunicado, May 25, 2006	TVBS	11	<b>73</b>	16
May 25, 2006	The China Times	21	<b>61</b>	18
May 25, 2006	The United Daily News	17	<b>67</b>	16
The eve of the 6 <sup>th</sup> anniversary of President Chen's first inauguration, May 17, 2006	TVBS	16	<b>70</b>	14
May 17, 2006	ERA TV	25.4	<b>57.7</b>	16.9
May 03, 2006	ERA TV	18.3	<b>51.2</b>	30.5
Return from the South American visit, May 09, 2006	TVBS	15	<b>60</b>	24
March 30, 2006	The United Daily News	21	<b>63</b>	16
March 01, 2006	The United Daily News	25	<b>62</b>	13
February 28, 2006	The China Times	24	<b>53</b>	23
The New Year's speech, January 02, 2006	TVBS	13	<b>60</b>	27
December 07, 2005	ERA TV	12.6	<b>70.2</b>	17.3
After the local elections, December 01, 2005	TVBS	10	<b>73</b>	16
December 01, 2005	The China Times	28	<b>55</b>	17