

## **Appendix 171 -- Ma's Speech at the London School of Economics (2006)**

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### **BRIDGING THE DIVIDE: A VISION FOR PEACE IN EAST ASIA**

A speech by Dr. Ying-jeou Ma, Mayor of Taipei and Chairman of the Kuomintang, at the London School of Economics and Political Science, 13 February 2006

#### **Opening Remarks**

Director Davies, Distinguished Members of the London School of Economics and Political Science, Ladies and Gentlemen:

First of all, I would very much like to express my utmost gratitude to Director Davies for his good offices in making this special occasion possible. As an academic by training myself, I felt quite at home as I stepped into these surroundings. I am especially delighted to be given the opportunity here to share with all of you my deepest commitment to peace and prosperity across the Taiwan Strait, and in the larger Asia-Pacific region and the global community.

In 1895, four leading members of the Fabian Society—Beatrice and Sidney Webb, Graham Wallas and George Bernard Shaw—decided to create a school named the London School of Economics and Political Science to provide support for their social reformist ideas. Since then, this School has proved to be a world-class teaching institution and a leading research center in social sciences, as well as a platform for disseminating political and economic ideas worldwide.

Ladies and Gentlemen, please allow me to pay tribute to this great School and its splendid achievements in the past century.

#### **1. The Three Principles of the People in Perspective A Historical Rendezvous**

Also in 1895, in another corner of the world, quite something else transpired, that is, after the defeat of Qing China by a rising Japan in the first Sino-Japanese War, Taiwan was ceded to Japan under the Treaty of Shimonoseki concluded on 17 April 1895. My party, the Kuomintang, also known as the Chinese Nationalist Party, was founded by Dr. Sun Yat-sen on 24 November 1894, right after China's defeat but prior to Taiwan's cession. Prompted by the defeat, Dr. Sun aimed at rescuing China from the corrupt and inept rule of the Qing court and transforming China into an independent, democratic, and prosperous modern state. Eighteen years later, Dr. Sun and his comrades succeeded in founding the first republic in Asia—the Republic of China (ROC)—in 1912.

In retrospect, then, the year 1895 saw the founding of the LSE and China's cession of Taiwan to Japan. These two seemingly unrelated historic events may I remind you—intersected because of one great historic figure, namely, Dr. Sun Yat-sen.

In 1896, Dr. Sun was kidnapped in London under the Qing court's order for his arrest.

Thanks to public pressure in Great Britain, and with the help of his medical school professor Dr. James Cantlie, Dr. Sun was released. After that he frequently visited the library of the British Museum to study European politics and political thought, particularly socialism and Marxism. Hardly a secret at all, one of the most important and lasting influences on Dr. Sun's political thought came from the Fabians.

As is well-known, the Fabians advocated gradual reform and stressed the importance of rational persuasion and education rather than class struggle. They patiently set out and argued for their case for change and improvement. And their pragmatic approach was always founded on a deep commitment to democracy and pluralism.

Indeed, these Fabian insights and foresights not only contributed to the founding of the London School of Economics and Political Science, but also exerted a strong influence upon Dr. Sun Yat-sen in formulating his core philosophy—the Three Principles of the People.

#### The Three Principles of the People and the KMT

The Three Principles of the People — namely national independence, political democracy, and social well-being—are the political ideals from which the Kuomintang derives its theoretical foundation. China's defeat in 1894 prompted Dr. Sun to formulate his "Principle of National Independence" against the Manchu government. His contact with Fabian thought, in part, prompted him to formulate his "Principle of Social Well-being"—which represents a reformist approach to China's social and economic ills and is a key to Taiwan's economic miracle in the latter part of the last century. No less importantly, for Dr. Sun and his followers, social and economic improvement must go hand-in-hand with political reform as specified by the "Principle of Political Democracy".

These political ideals and values, I believe, have lost none of their relevance today. We have to keep updating them in the much more complex world of late modernity and renewed globalization we're in.

The Kuomintang's history represents the party's long struggle to accomplish the ideals of national independence, political democracy, and social well-being in the Chinese context—first in the Chinese mainland, and after 1949, in Taiwan. For more than a century, the party has always been the driving force for Chinese modernization, by leading the Republic of China successively through the "Northern Expedition for National Unification" from 1926 to 1928, the "Golden Ten Years" of national construction from 1928 to 1937, the war against the Japanese invasion from 1937 to 1945, the adoption of a democratic constitution in 1946 and, after 1949, by developing a prosperous and democratic society in Taiwan.

#### ii. The KMT's Governance in Taiwan Republic of China Thrives on Taiwan

In the pre-1949 period, the Kuomintang directed most of its political energies into the difficult task of maintaining national independence and unification. For many reasons, however, the democratic experiment launched by the party in the Chinese Mainland was not completely efficacious. Soon after the end of the war against Japan, the Chinese Communist Party (CCP) quickly expanded its forces, defeated the Nationalists and declared the establishment of the People's Republic of China (PRC) in 1949 in a state of tremendous economic and social

crisis. Consequently, the ROC government was compelled to relocate from the Chinese mainland to Taiwan—which had been returned to the ROC as the result of Japan’s unconditional surrender in 1945. After 1949, the KMT continued to run the ROC government on Taiwan, until the year 2000 when it lost the presidential election to the Democratic Progressive Party (DPP).

#### Economic Miracle and Social Well-Being

Having learnt from its past experiences, the Kuomintang government in Taiwan put forward a whole series of economic and social policies according to Dr. Sun’s “Principle of Social Well-being”. These policies have proved to be highly conducive to economic growth as well as social equity. One of the most salient achievements of the Kuomintang government in Taiwan was that it built an effective “developmental state” with a dynamic market economy having an average 8.1% annual growth rate from 1950 to 1999. Excuse me for indulging in another instance, which I hope might be of some interest to you. We all know since the late 1980’s Taiwan has become the prominent manufacturing base in the global production chain for computers, computer peripherals and IC chips.

The world’s number one and number two IC foundries, TSMC and UMC, were incubated and spun off from the government-funded ITRI (Industrial Technology Research Institute) when an LSE alumnus and many thanks to LSE, Mr. Yu Kuo-hwa, was the premier in the KMT government presiding over the success of industrial upgrading in Taiwan.

Indeed, what the KMT government managed to achieve between 1950 and 1999 was no small feat. It was, in 1994, described very aptly by the World Bank as the “East Asian Miracle” along with other top performing economies such as Singapore, South Korea, and Hong Kong in the region.

More remarkably still, Taiwan was one of the very few developing countries that succeeded in maintaining a delicate balance between economic development and social equality. For instance, the average household income of the top 20% families in Taiwan was about 5.55 times that of the bottom 20% in 1999, prior to the power transfer from the KMT to the DPP. This was one of the lowest rich-poor gaps among developing, or even among developed, countries.

Unfortunately, though, the economic growth rate has taken a nosedive since the DPP came into power in 2000. The economic divide within and without in the last few years has widened intolerably.

#### Liberalization and Democratization

Before its democratic turn in the mid-1980s, however, the Kuomintang government in Taiwan was authoritarian in character—against the background of the Chinese civil war and the ensuing Cold War. I myself have on many occasions apologized for our past excesses in the violation of human rights and the deviation from the rule of law. For example, the mishandling of the ‘228 Incident’ of 1947 in the contexts of the Chinese civil war and decolonialization; the so-called ‘White Terror’ of the 1950s after Martial Law had been in place since 1949; and some other unjustifiable

restrictions on political freedom, freedom of speech, press and publication. As a result, thousands of people were arrested, tortured, jailed, executed, or under house arrest, without honoring the due process of law, and many books, magazines or other publications were censored, banned or confiscated, all in the name of national security needs.

These restrictions have all been removed since Martial Law was lifted in July 1987 as part of the KMT's liberalization and democratization programs, but they left the victims and their families with deep traumas and sorrow that can hardly be healed even half a century later. This is why whenever I apologize for my party's unsavory episodes in the past, I mean it from the bottom of my heart.

At the same time, and for similar reasons, I feel proud of all the efforts of the Kuomintang in facilitating liberalization and democratization in Taiwan. Without the solid economic and social foundation successfully built by the Kuomintang government, a sustainable liberal democracy would have remained implausible in Taiwan. Moreover, the party has since the mid-1980s played an indispensable role in peacefully transforming Taiwan into a modern democracy.

After the people of Taiwan were able to choose their president directly in a democratic election in 1996, the international community considered Taiwan a full-fledged democracy. And in the very same process, the KMT has also successfully transformed itself into a modern democratic party, with its party chairman popularly elected by its members.

Indeed, few developing countries have achieved economic growth, social equity, and political stability concurrently in the last 60 years. Taiwan's "quiet revolution" in democratization can only be matched by its "economic miracle".

Ladies and Gentleman, I'm delighted to tell you that Dr. Sun's "Principle of Political Democracy" has largely been turned into a reality in Taiwan. And the new Kuomintang, though it has been in opposition since 2000, has been learning to play the role of "responsible opposition". And we are encouraged by the positive results of the two recent elections in 2004 and 2005, in which the KMT and its allies were able to maintain a majority in the Legislative Yuan (Parliament) (115 out of 225 seats) and in the local governments (17 out of 23 counties and cities). The widespread popular support for the KMT bodes well for our party to regain power in 2008.

### III. Bridging the Divide

Secession is no Answer In recent years, some Taiwanese politicians suggest that Taiwan should opt for unilateral secession by renouncing its Chinese heritage, by replacing the Republic of China with a new Republic of Taiwan through constitutional revolution, by heightening the so-called mainlander-Taiwanese divide among people in Taiwan, by repressing the rising tide of economic, social and cultural exchanges across the Taiwan Strait, by orchestrating nationalistic hostilities between Taiwan and Mainland China, or even by entering into arms race with Mainland China. I, for one, cannot disagree more with this line of thinking, and let me explain why.

In today's rapidly globalized, if not runaway, world, "secession" or "separatism" is by no means the only way to ensure political democracy, economic and social well-being. It is necessary and desirable that Taiwan should secure its democracy, but this must not be confused with unilateral secession. Instead, we must endeavor to reach out for possible accommodations with Mainland China. Engagement, rather than break-away, is the key.

Furthermore, unilateral secession on the part of Taiwan can only be a recipe for disaster. It means, in effect, the intensification of internal confrontation in Taiwan and the resumption of the Chinese civil war. This all-out war would not only jeopardize Taiwan's survival as well as Mainland China's modernization effort but would inevitably drag the U.S. and Japan into cross-Strait hostilities.

May I remind you that such a move is immensely detrimental to Taiwan's interests, regional stability and world peace.

#### Developments in Cross-Strait Relations

The last two decades saw phenomenal changes across the Taiwan Strait. In 1987, only a few thousand Taiwan residents traveled to the mainland. Last year, more than 4 million did. Bilateral trade between the two sides rose from less than US\$100 million in 1987 to US\$71 billion in 2005, a 700-time jump.

Mainland China has become Taiwan's largest export market, buying 37.8% of Taiwan's exports. And Taiwan's trade surplus with the mainland, US\$49.7 billion in 2005, far exceeded Taiwan's total trade surplus. This means that had Taiwan not traded with the mainland, Taiwan would have run a huge trade deficit of US\$42 billion with its other trading partners. Meanwhile, more than 70,000 Taiwanese companies have invested at least US\$70 billion in the Chinese mainland since 1987, creating an estimated 10 million jobs. It's estimated that around 750,000 Taiwan residents live in the Chinese mainland, about 3% of Taiwan's population. The scale of economic, cultural and social exchanges across the Strait has progressed enormously to a point unprecedented in history.

However, the political relationship between Taiwan and Mainland China has deteriorated since 1996 when the PRC military fired dumb missiles to waters just off the shores of Keelung and Kaohsiung harbors shortly before Taiwan's first popular presidential election on March 18 that year. In response, the U.S. dispatched two battleship groups, including two aircraft carriers, to the scene to stay alert. The situation improved in 1998 somewhat when Mr. Koo Chen-fu, Chairman of the Strait Exchange Foundation and a leading Taiwanese businessman, was sent by the then KMT administration to Mainland China to meet with Mainland Chinese leaders and came back with optimistic expectations.

Regrettably, in 1999, when the then President Lee Teng-hui characterized, in an interview with a foreign journalist, the cross-Strait situation as a "special state-to-state relationship", the political interactions sunk to a new low. The stalemate endured after the power transfer in 2000 as President Chen Shui-bian started to court the secessionists within the DPP ranks. Last April, however, Dr. Lien Chan, former Chairman of the Kuomintang, made a historic ice-breaking visit to Mainland China and met with General-Secretary Hu Jintao of the Chinese Communist Party. This visit, which was fittingly hailed as a "Journey of Peace",

significantly defused the tensions across the Strait triggered by the PRC's proactive adoption of the so-called "Anti-Secession Act" on 14 March 2005 and the 275,000-people rally in Taipei organized by the DPP shortly thereafter to protest against the PRC's move. The visit was a great act of reconciliation, which also has visibly disarmed Mainland China's hostility toward Taiwan and underlies the basic direction of the Kuomintang's cross-Strait policy.

#### A Zone of Engagement

We will continue to take steps to facilitate economic, social, and cultural exchanges along the lines of the consensus between former Chairman Lien and General-Secretary Hu reached in April 2005, to the benefit of both sides of the Taiwan Strait. In fact, the Lien-Hu's five-point "common vision" was adopted by the KMT's 17th Party Congress on 19 August 2005 as part of its Party Platform. And insofar as the political question is concerned, should the Kuomintang regain power in 2008, we will try to resume the disrupted cross-Strait talks under the so-called "Consensus of 1992". This is a tacit consensus reached by the two sides in 1992 in Hong Kong accepting the "one-China principle" but allowing different interpretations by each side, in order to find the common ground and cement mutual trust in the first place. For us, the "China" is Republic of China; for them, it is the People's Republic of China. But we won't let the different interpretations obstruct the two sides' exchanges in other areas.

The intermediate goal, though, is for both sides to negotiate and put into effect a viable peace agreement that can serve as a framework guiding cross-Strait interactions in decades ahead. It goes without saying that for such a peace framework to be possible, a number of political hurdles remain to be overcome. In this regard, I would like to invite you to consider one issue that I think is of fundamental political importance. Soon after the Republic of China lost its seat in the United Nations in 1971, the People's Republic of China came to be widely regarded as the only legitimate government representing the whole China, including Taiwan. Not to put too fine a point to it, the Republic of China on Taiwan has been uncharitably denied the right to join most regional and international organizations. The 23 million Taiwanese people have been virtually without representation internationally for more than 30 years. This is being exploited by today's pro-independence politicians to advocate a radical break from all things Chinese for regaining Taiwan's membership, and, more pertinently, dignity, in the international community. At the heart of the question is, I think, a demand for recognition. And in politics, recognition is not totally trivial.

However, I believe the need for recognition does not sanction the pursuit of secession. For, first of all, there are other more effective and less costly alternatives. And secondly, secession may not bring about recognition, since very few countries in the world would risk antagonizing the PRC on this ultra-sensitive issue by recognizing an independent Taiwan. Nevertheless, and pragmatically speaking, for any cross-Strait peace framework to be sustainable, the political liberty of the Republic of China on Taiwan must be satisfactorily accommodated.

The Kuomintang firmly supports the maintenance of the status quo across the Taiwan Strait for the foreseeable future, and opposes any unilateral change of the status quo, let alone by

any non-peaceful or unconstitutional means. But as the ROC Constitution is a one-China constitution, it does not rule out the option of eventual reunification between Taiwan and Mainland China if the overall conditions across the Taiwan Strait are ripe. That is to say, the developments in Mainland China reach a stage when its political democracy, economic prosperity and social well-being become congruent with those of Taiwan.

Since Taiwan has become a full-fledged democracy, reunification with Mainland China cannot proceed without the consent of Taiwanese people. Therefore, as of now, there is no timetable for reunification; nor is there any urgency for such a move on either side of the Taiwan Strait.

To create conditions to that end, however, it would be necessary for the Republic of China on Taiwan to be respected as an established democratic political entity and recognized as a political partner under the so-called one-China framework. Indeed, this is a formidable political challenge to both sides of the Taiwan Strait, and it further underlies the urgency of resuming meaningful dialogue.

Ladies and Gentlemen, present-day Mainland China is no longer the impoverished and totalitarian China as we knew it. Thirty or forty years ago, reconciliation with Mainland China would have been utterly inconceivable. Yet it is no longer so. I'm more than happy to see that Mainland China has created a dynamic economy during the last two decades in spite of its symbolic adherence to communist ideology, and that millions of poor peasants and workers have been lifted out of absolute poverty. This is quite an impressive effort, which we hope will be an important step towards better social well-being and greater political openness in the future.

No doubt, it takes time, and perhaps quite a long time, for social well-being and political democracy to be gradually realized in Mainland China. With eight hundred million people remaining in the rural, inland China, drastic political reforms would be very difficult, or even treacherous. What's needed, I believe, is sustainable social and political reform. Herein lies the continuing relevance of Dr. Sun Yat-sen's Three Principles of the People as exemplified by the Taiwan experience. And the Kuomintang under my leadership is willing to contribute to Mainland China's progressive development. Indeed, it's about time for both sides of the Taiwan Strait to end the Chinese civil war, and to formulate a new and constructive relationship based on trust and a common vision for peace and prosperity.

Needless to say, the Kuomintang now is a political party firmly based in Taiwan. Its Taiwanese identity is unmistakable, but this identity is neither inward-looking nor secessionist. I have every confidence that my party, while advancing Taiwanese people's best interests and upholding Taiwan's democracy, can also contribute in large measure to the unfinished task and constitutional mandate of building a free, democratic and prosperous modern China. We have no time for divide and rule, instead, my friends, we will heal the wound and bridge the divide.

Open Regionalism in East Asia

Ladies and Gentlemen, I come from a region that has been tormented and divided by

colonialism, imperialism, civil wars, the Cold War, and nationalist rivalries for more than a century. Millions of people perished as a result.

Reflecting on the bloody history of modern East Asia, I am inclined to think that we East Asians can draw important lessons from the experiences of the European Union, conceived both as an experiment in reconciliation and as a form of shared sovereignty and open regionalism.

One hundred year ago, Dr. Sun Yat-sen argued for a “pan-Asianism” against Western imperialism. Today, in the age of globalization, what East Asia needs is an open regionalism that aims for peace, prosperity, and democracy across and beyond the region. For such an open regionalism to be workable, it is absolutely essential that we East Asians face up to, and get over all those bloody historical memories that set one people against another, so as to share a future-oriented common vision of East Asia.

From this perspective, the relationship between Taiwan and Mainland China must also be placed in its historical and regional contexts. The movement towards ever closer contact between Taiwan and Mainland China is, in essence, one and the same as the movement towards ever closer union among East Asian peoples. As Dr. Sun would have expected of us, we will not only devote ourselves to the reconciliation and cooperation of the people across the Taiwan Strait, but will also strive for regional peace and indeed world peace.

#### Concluding Remarks

Ladies and Gentlemen, let me make my concluding remarks. Two thousand and five hundred years ago, the great Chinese sage Mencius was once asked by a prince how neighboring kingdoms should deal with each other. Mencius said, “It requires a benevolent prince to be able, with a large kingdom, to accommodate a small one; and it requires a wise prince to be able, with a small kingdom, to accommodate a large one. He who with a large kingdom accommodates a small one, is grateful of the mandate of Heaven. He who with a small kingdom accommodates a large one, is vigilant about the mandate of Heaven. He who is grateful of the mandate of Heaven will protect the whole world. He who is vigilant about the mandate of Heaven will keep his own kingdom.”

May Taiwan be wise and Mainland China be benevolent, and hand in hand, be a catalyst for regional and world peace. Let’s give peace a chance and turn it into reality. We, the new Kuomintang and people of Taiwan will not relent, will not retreat and will not shrink from this historical responsibility and challenge.

The Taiwan Strait should not remain the “flash point” in East Asia that could ignite a major war, but rather be a boulevard for peace, prosperity and democracy that connects the great people of Taiwan and Mainland China.

Today, we must resolve to create a new era in East Asia inspired by a new vision and paradigm. Only by doing so could we bridge the divide engendered by historical contingencies more than half a century ago. And that, my friends, is my dream. Today, I

invite you to share it with me. And today, I ask you what together we can do for peace, prosperity and democracy in the 21st century.

Thank you very much indeed.