

**THE BROOKINGS INSTITUTION**  
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**March to December:  
Taiwan's Year of Elections**

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*Introduction:*

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[TRANSCRIPT PRODUCED FROM A TAPE RECORDING]

## P R O C E E D I N G S

MR. BUSH: I think we'll go ahead and get started, because I'm sure, with all the expertise we have in the room aside from our speakers, there are going to be a lot of questions and discussion.

It's my great pleasure to welcome you to this program today on the Taiwan elections in 2004. I think that it's a working assumption in Washington and Beijing and elsewhere that the domestic political dynamics in Taiwan drive events more widely in cross-strait relations, U.S.-China relations, U.S.-Taiwan relations, and so it's very important to understand as well as we can what is driving that dynamic--what are its sources and ramifications.

To do this today, we have three people who know a lot about the subject from the inside out. Our featured speaker is Dr. Shelley Rigger, who's a professor of political science at Davidson College and has a Ph.D. from Harvard University. She will be joined at the table with our friend from the Heritage Foundation, John Tkacik, who himself is no slouch when it comes to Taiwan electoral politics; and also by Ms. Liu Shyh-Fang, who is our CNAPS visiting fellow from Taiwan this year and most recently was the executive secretary of Taiwan's Executive Yuan. She knows a lot about politics in Taiwan.

So without further ado, I would ask Shelley and John and Shyh-Fang to come up to the table. You can speak from the table or from the podium, whatever you like. And I think we'll have a good amount of time for questions.

MS. RIGGER: Well, if you don't mind, I'll stand up, because that way I'll be taller and you can keep eating and not have to feel like you can't see me.

Well, here we are again. I'm in Washington, which can only mean one thing, that is, it's time to have an election in Taiwan. I'm always glad to be here and thankful that Taiwan has elections so frequently so that I have so many opportunities to visit you.

I don't want to talk too long today, not least because we have two really excellent discussants and I want to make sure that there's plenty of time both for them to speak and also for you to ask questions and make your own comments. Liu Shyh-Fang is someone who is absolutely top-notch for talking about these issues. She is inside the Taiwan political system and is very much of a gifted political strategist herself. So I'm really looking forward to hearing what she has to say. And John Tkacik always has no shortage of interesting thoughts as well to share, so I will try and save plenty of time for both of them.

Well, the title of the talk today is "March to December." That's a very clever title, and I wish that I had thought of it. But I think, actually, it's a little misleading, because in order to set the context for the upcoming legislative elections in Taiwan, we actually probably ought to start a little bit earlier than March and think about Chen Shui-bian's campaign for the presidential election that took place in March 2004.

So that's where I want to start, with the competition between the so-called Pan-Blue and Pan-Green camps, that is, the Blue camp consisting of the old KMT and its spinoff parties, the PFP,

and the New Party; and the Green camp consisting of the DPP and its coalition ally, the Taiwan Solidarity Union. The competition between these two parties I want to set in the context of the presidential campaign and then talk a little bit about the legislative election.

I think Taiwan's 2004 presidential election really highlighted the ability of politicians in Taiwan to find ways to create polarization with an incredibly narrow range of options. It reminds me of my students arguing over which is better, Coke or Pepsi. They're passionately devoted to one or the other. And I personally can't tell the difference. I think it's a bit the same in Taiwan politics. There is a very narrow band of opinion within which these battles are fought.



Fundamentally, I think it's fair to say that no one in Taiwan wants unification on Beijing's terms and very few people in Taiwan are seriously interested in real unification, political unification, on any terms. But all actors in Taiwan politics understand that there is no easy way out for Taiwan, that there's no way of securing Taiwan into the future such that discussions of unification or pressure for unification from the PRC will be eliminated forever.

In fact, I think, the situation that Taiwan faces is becoming more difficult rather than less difficult. Both the military balance in the strait and the economic advantage in the strait are shifting toward Beijing at the same time that Taiwan's international situation is at least not improving in the way that it needs to do if Taiwan is to be secured against PRC pressure, and in fact may be deteriorating.

So there are some radicals, one could call them, in Taiwan who imagine that it might be possible to make a break for it. So you have people like Lee Teng-hui who say, damn the torpedoes, let's just go ahead and change the name of the country. And you also have a small number of people on the other side who say, let's just make a break for unification. But most Taiwanese politicians

and most Taiwanese citizens, I think, hope for a strategy and a policy orientation that can manage this problem and defer any kind of resolution of it into the future.

Within that set of constraints, however, there are significant strategic or tactical differences between the two camps, the Blue and Green camps.

The Blue camp, I think, has an overall strategy of seeking to lower the level of cross-strait tension by eschewing national identity-building exercises as much as possible. Then in that atmosphere of lowered cross-strait tension, they would like to resume dialog with the PRC--not dialog about unification, but dialog about practical measures that the two sides might take that implicitly might lead somewhere in the future. And I think the Blue politicians believe that this kind of a strategy would improve Taiwan's viability into the future so that this resolution of the cross-strait problem can be deferred until such a time when an acceptable outcome is possible. It's hard to envision an outcome that would be acceptable to Taiwan at present, so deferring it to the future may allow for the world to change in ways that may be more promising.

The Greens, on the other hand, seem to me to be motivated in large part by the sense that the only way for Taiwan to resist robustly the pressure for unification or for some kind of deal on Beijing's terms is to propagate a firm sense of national identity, of Taiwan national identity, that will make Taiwanese fully resistant to both the military pressure the PRC might apply and also to psychological pressures in the form of carrots as well as in the form of sticks.

At the same time, the Green leadership understands that doing nothing about cross-strait relations is not an option, if only because the U.S. expects it, but I think also because they recognize that many Taiwanese in the electorate also expect some kind of effort to balance this domestic strategy with an approach to the PRC. And so we see even the Chen Shui-bian leadership--which is often dismissed in Beijing and, unfortunately, sometimes in Washington, as totally uninterested in making any progress on cross-strait relations--we actually see the Chen administration reaching out to Beijing in ways that I personally think are meaningful and have content.

And one example just in the last couple of weeks would be the resurrection of the idea that something useful was accomplished in 1992. And of course it's difficult for the DPP to embrace the full spectrum of wording that comes with that number, 1992, but I also think it's a step back from earlier rhetoric for President Chen to raise 1992 and the 1992 framework as a useful starting point for dialog with the PRC.

All right, given this whole framework, then, I think it's fair to say that Chen Shui-bian chose an astonishingly risky strategy for his reelection in 2004. And here I am not talking about events on March 19th, which other people have suggested might have been part of a risky strategy, but rather I'm talking about the whole campaign theme, which was essentially to run against China. Chen Shui-bian ran against China in 2004, and that was quite a contrast to his campaign strategy in 2000. In 2000, Chen made great efforts and took great pains to show his moderation on cross-strait issues and to convey a willingness to engage Beijing in dialog and so on.

We don't see that in the 2004 campaign. And it is so risky a strategy and so unexpected an approach that some political scientists, including a very astute observer of Taiwan politics, John Hsieh at the University of South Carolina, have speculated that perhaps President Chen expected to lose the election and that this strategy was aimed not so much at winning votes and winning the election, but at shifting the political center of gravity-- changing the nature of the political debate in Taiwan in ways that would benefit the DPP and the Green camp in the future, even if they contributed in the short term to Chen's defeat.

Well, as it turned out, Chen Shui-bian did shift the center of gravity of Taiwan politics. But he also won the election. So I think that he perhaps had the success that he hoped for. At the very least, he succeeded in accomplishing goals both of which are consistent with his interests.

After the presidential election, the Blue leadership, the leadership of the traditional conservatives in Taiwan, appeared in really dire straits, really desperate condition. The two main leaders, the party leaders of both the KMT and the People First Party, the PFP, were humiliated by their defeat in this election, which was really theirs to lose coming into the campaign. And they were also embarrassingly preoccupied, to the point of almost obsession, with rehashing the events of the presidential election and trying to figure out how it was that Chen Shui-bian managed to "cheat his way to victory." So, those of us who had conversations with people in the Blue camp long after the election were still finding them determined to restage the assassination attempt on March 19th, and so on--, really using time that might more fruitfully have been devoted to winning this legislative election in December, they devoted this time to complaining about the presidential election in March.

However, we are talking about the island where everything moves at warp speed, so of course, the distance between March and December is vast. And a new issue came, which I think has really allowed at least the legislators in the Blue camp to transcend that sort of post-election malaise a little bit and gain some traction coming into the legislative election. And the issue I'm talking about is the special military budget and the arms acquisition from the United States.

It may be hard to believe that opposing military spending, opposing national security goals--and this is spending on items that a previous generation of KMT leaders had pleaded with the United States to provide--opposing this national security agenda has actually been a winning strategy. The reasons why it's worked to the Blues' advantage in reconsolidating some of their political support is that, first of all, it forces Chen Shui-bian and the Green camp to talk about the military threat that Taiwan is facing. And a big part of what makes many Taiwanese comfortable with Green leadership is their conviction that Taiwan doesn't really face an immediate and serious military threat and that, as long as the United States is willing to be helpful to Taiwan and as long as the PRC is rational and can see that there's no interest to be served for Beijing in attacking Taiwan, there's no big problem here.

Having to battle with the legislature for months on end for military procurement takes the Greens out of that framework and puts them in a framework where they're the ones who are saying we have to buy weapons, we need this military spending. Their choices are either to say we need it because we have a military problem that we need to address, or we need it because we need to pacify the Americans. The latter is a more palatable strategy politically, to put this all off on

American pressure, but that's not a great strategy either, because what that reveals is that Chen Shui-bian has somehow mishandled the relationship with the United States in ways that have now put him under great pressure. So that doesn't work very well for the Greens politically.

Another challenge that the arms procurement debate has raised for the Green camp is it underscores the fact that there's no dialog happening. And the Blues have, in a sense, implied that military spending is an alternative to dialog. And I think this is disingenuous. Taiwan needs to have a robust military whether or not dialog is going on. But, you know, politicians do what works, and what works is to say, gosh, if only we were talking to Beijing we wouldn't need to be spending our old-age pensions, our health care money, our environmental protection funds and everything else buying weapons from the Americans.

Finally, the debate over arms procurement has created some sort of common purpose between the so-called pan-purple alliance, the social movement and traditional economic left in Taiwan with the Blues, because it paints the Greens as the folks who want to give you guns, not butter. And so the people who are interested in butter are now, questioning whether or not loyalty to the Green Party is the best solution.

So none of these are completed transitions of support, but I think they have all made life more difficult for the Green Party than one might have expected. And this battle has been going on since the inauguration. Throughout the summer and right up until the end of the legislative session, this is the dominant issue. So it is constantly on the front pages that Chen Shui-bian has somehow put us the position where we've got to fight over military procurement instead of thinking about the other kinds of issues that I think the Green Party really believes are its fundamental platform positions.

Okay, this brings us, then, to the legislative election. And here Liu Shyh-Fang really is the expert. So I just want to say a few things. And in proper Chinese style, I have three observations and one conclusion.

Observation number one. Coming into the legislative election, we should not assume that the fact that Chen Shui-bian won means that there's been a big realignment in favor of the Greens. He won by a very narrow margin, and it is a strong historical pattern in Taiwan that the DPP does much better in executive races, including presidential races, than in legislative races. So coattails are fairly short in this situation.

Second observation. There is a huge incumbency advantage built into Taiwan's electoral system, and there are many, many incumbents running. Out of 168 district seats in this election, there are exactly 22 partisan seats-- 22 seats currently held by members of political parties -- that are open. Everybody else is an incumbent. So changing the composition of the legislature substantially will be very difficult. It will require winning lots of open seats and also unseating some incumbents. And that's hard to do. And it's especially hard to do, I think, this year and in this electoral system.

And one reason that it's hard to unseat incumbents is that voting in Legislative Yuan elections traditionally is candidate-centered with a strong incumbency advantage, and partisan

identification is generally not considered the most important factor that voters consider when they're deciding what to do.

So the one conclusion based on these three observations is that I don't think the change in the composition of the legislature is going to be very large. In light of President Chen's campaign and his victory, which I think has centralized the Green tendency somewhat and shifted the center of gravity on policy issues to some extent, and also distracted the Blue leadership, there is a good chance that the Greens will pick up a few seats. But I don't think they're going to pick up a lot of seats. Even the DPP headquarters says that Green will--what they're hoping for is 109 seats to 105 seats for the Blues, which is a slight plurality, but it's not a majority, and it is not anything close to the three-quarters majority that is required for constitutional changes.

So overall, then, I am cautiously optimistic that the Legislative Yuan election is not going to usher in a period of crisis in the Taiwan Strait, that the ability of the Chen administration to make the kinds of constitutional changes that China has expressed extreme concern about and the need to react to in a strong way, these are very unlikely. I think it's unlikely they will capture the share of the legislature needed to make those kinds of deep changes.

At the same time, you know, there is going to be continuing pressure on Chen Shui-bian to make those changes. The collapse of the Blue leadership has left a vacuum that the people on the sort of left flank of Chen's administration and Chen's party are eager to fill. However, I think there is a need and a constituency for an effective opposition in Taiwan and an effective centrist opposition, or center-right opposition. This political force is in trouble at the level of national leadership because of the difficulties the Blue leadership had in the presidential election. However, I think that leadership for that tendency and for that constituency will emerge from somewhere, whether out of a revitalized Blue camp or a fissioning Green camp looking toward--yes, already we are looking toward the next presidential election, when President Chen will have to yield leadership of his party and of his camp and of his nation to someone in the next generation.

So that's all I wanted to say to get things started. Thank you very much.

MR. BUSH: Thank you, Shelley. You definitely got things started. We now turn to John Tkacik.

MR. TKACIK: To me? I agree with everything Shelley said, but if I were writing her speech, I would have framed it a little bit differently.

Just going through some notes that I was taking on where Chen Shui-bian himself sits in regard to relations with the Mainland, I think Shelley mentioned, very rightly, that in the 2000 election Chen Shui-bian adopted a moderate attitude toward dialogue with China and that in the 2004 election the moderation was not quite as obvious. I think the case can be made that in 2000 the moderation brought him nothing, and that from the day of his election right through the day of his reelection, the Chinese leadership in Beijing absolutely, stark-raving refused to have anything to do with him. So I'm not surprised that Chen Shui-bian would say, well, that's not working.

The first thing you do when you're digging yourself into a hole, you just stop digging. I also think that it makes sense to kind of reframe the relationship with China.

The second thing I'd say is I would simplify the Pan-Blue and the Pan-Green outlooks, I think, much more than Shelley does. This is because she's a scholar and I'm more a pamphleteer, as you say. I think you have to look at what the Pan-Blue stands for in relation to China and what the Pan-Green stands for. I wrote last year, in 2003, an article for Jamestown China Brief that basically said if the Blue wins, there will be no special budget [for arms purchases from the United States] because the Blue does not see the kind of relationship with China that the Green sees, or perhaps even that the United States sees. There is no room in a Blue vision of a relationship with China for a continued U.S.-Taiwan defense relationship, and consequently, the Blue has no interest in the special budget.



Three months later, Ambassador Chen Si-Fang [Stephen S.F. Chen] took me to breakfast and took me to task for my article, and said, "John, I guarantee you that the Blue will support the special budget." This was in August, the morning of August 27, 2003. I said that may well be true, but I won't believe it until I see it. I think the intervening 18 months has proven--to me, at least--that Ambassador Chen was wrong, that the Blue vision for China is a vision of a new relationship between Taiwan and the PRC that does not involve a defense relationship with the United States.

On the other hand, I would agree with Dr. Rigger that the Green vision is just the opposite, that the Green vision is a Taiwan that remains separate from China for the foreseeable future and, from what the people on the Green side tell me, which is maybe what I want to hear, that they do see that a defense relationship with the United States is absolutely essential to a continued separate identity for Taiwan.

Consequently, I would put that particular issue in that kind of a stark contrast for this upcoming election: Does the Taiwan electorate look at the relationship with Mainland China as a key issue in the legislative choice? And if so, then voting for Blue means they see a new relationship for the future that involves a closer tie with Mainland China, and voting for the Green says that they see a relationship with Mainland China that involves a separate identity for Taiwan. I agree that the arms budget debate has been very, very controversial. Unfortunately, it's a decision that the people of Taiwan have to make, and that's going to be at the foundation for the way the United States bureaucracy views the upcoming election.

Now, again, when Dr. Rigger says the arms budget debate sort of underscores the fact that there is no dialogue happening between Taipei and Beijing, I would also ask people to look at who's responsible for it. Why is there no dialogue between Taiwan and Beijing when Chen Shui-bian has said, he's open to talking to Beijing at any time, at any place, under any circumstances, as an equal and without preconditions. I mean, that sounds reasonable to me. Why isn't there a dialogue?



Mike Meserve will tell me if I'm right or not, but my impression from what I hear from my good friends in the administration is that the U.S. position is that there should be a dialogue as soon as possible without preconditions and on an equal basis. Now, that's Taiwan's view--that's Chen Shui-bian's view of what a dialogue should be. It is not Beijing's. Consequently, the reason there is no dialogue is 100 percent in Beijing and not at all in Taipei.

So like I say, I am a pamphleteer, I don't pretend to be a scholar of the minutiae of the Taiwan elections, but I think it's important to see, at least for an American audience, what the meaning of this legislative election is. I will end by saying that if you read what Deputy Undersecretary of Defense Lawless had to say about this in the last couple of days, I think you'll get a sense that this upcoming election may be a touchstone for the next four years of U.S.-Taiwan relations.

There were other things that I had put little exclamation points after, but on the whole I congratulate Dr. Rigger for a wonderful presentation. I really enjoyed it. I think it's valuable. I think at this point, I will turn the microphone over to Liu Shyh-Fang to give us just what the election is all about--or maybe I should turn it back over to Richard Bush.

MR. BUSH: Let's go right to Liu Shyh-Fang.

MS. LIU: Thank you for giving me an opportunity to make some predictions and give an introduction to the upcoming 2004 LY election. Because people are curious about the outcome of the election and its significance, Richard wanted me to talk to an American audience. I will focus on the party politics here.



When I have been in America for just two or three months, I have found out the people in Washington circles don't understand what the different political parties in Taiwan are and what they do, what they say--do they do the same as what they say? I don't think so. So I will give you a brief introduction and then I will give you the final outcome that I predict for the election.

I have to show you some data here, so if you have my three pages of handouts in your hand, I think it's more convenient for you to understand what I'm going to say at this time.

I don't think the Pan-Green group or the Pan-Blue group will have a majority in the Legislative Yuan after this election. There are several reasons here. Patterns of voter shifting data show you that although the people do [inaudible], there are more and more political parties. Before the year 2000, there were only the KMT and DPP. But after the year 2000, there are four parties--or we say we have four-plus-one parties. There are five political parties here.

You can see the voter behavior. They just changed gradually. They didn't change rapidly. So if any party says that they will have many more seats than last time, I don't think that's right.

You can compare the number of votes on the third page. This statistic shows you the number of votes the DPP received and how many votes the KMT received in presidential elections from the year 1986 until 2004.

So let's go back to the year 2004 LY election. I say that there will be no majority for either camp because right now the DPP has 87 seats and the TSU has 13 seats. So totally, the Pan-Green has 100 seats. The Pan-Blue have more than 100 seats here. In the LY now we have a total of 225 seats. So every time we have a bill to debate in the LY, less than two-thirds of the bills can be passed because the opposition party plays a major role in the LY.

So that's why we predict that this time, in year 2004, if Pan-Green can get 10 more seats, that means we have 110 and that will be an improvement over the 2001 election. But if we want a majority of seats in the LY, we need 113. So we still have three seats to go. It is not easy for the Pan-Green group to get the speaker of the house or to get a majority of the LY election here.

People were concerned about the major strategies of the political parties. I would say that there are different tactics and different strategies.

For the DPP, because Chen Shui-bian just won his presidential election this March, to try to keep our social and political stability is very important. If you look at his campaign theme, *ping-an* and *xin-fu* --safety, happiness, and goodness—he is trying to tell the people of Taiwan that we have to keep our society as stable and happy as before. So the DPP agenda is to gain a majority of LY seats and institute better governance.

I would assume that the KMT people and the PFP people, especially the two leaders of the party, Lien Chan and James Soong Chu-yu, because they are so angry about the presidential election, are still living in that atmosphere. So I would say that their strategy is the same as it was for the presidential election, although their party members do not agree with their campaigning strategy. If you look at the KMT agenda here, it says "work in the right direction to get to the right outcome." I don't know what this means, exactly, because I don't know who is in the wrong direction. But that's what they did. This is a KMT headquarters agenda from their headquarters.

Also, during the election season the Executive Yuan has declared that the KMT has to get rid of its party assets. The KMT went against the Executive Yuan, so one of their special agendas is to work against Western government assets here. So it's very special. I don't know if the people can buy this agenda either.

The PFP could lose more seats at this time. One reason is because the chairperson of the PFP party, James Soong, he's still living in his [inaudible]. He's the leader of the opposition parties. So no matter what the members of PFP ask him to and not to do in this election season, they still do it, so people will predict that the PFP probably will lose many more seats this time.

When we talk about the other party in the Pan-Green group, TSU, the Taiwan Solidarity Union, people know that the spiritual leader of this party is former President Lee Teng-hui. They insist that Taiwan has to be independent immediately, so their agenda is a New Constitution for New Taiwan and Rectification for a New Country, the same as their spiritual leader. But because of

the bipartisan effect in the next LY election, I don't think the TSU will get more seats this time. They probably will keep the same or they just will have two or three more seats.

Besides those four political parties, I told you a few minutes ago we have a new party that was just founded. Its name is the Nonpartisan Union. The chairperson of this party is former cabinet minister of public health, Ms. Chang Po-ya. Because they have about 10 seats in the LY and because they are so famous in their local districts, probably they will keep the same number of seats this time.

If you compare what I have said to the handout that I gave to you, you will find that this is proof that there will be no majority for either camp.

People will ask if Pan-Green get more seats in the LY, what will happen? Just like I told you before, because the ruling party at this time is suffering because there is no passage of the major bills in the Legislative Yuan. So we hope that if the Pan-Green group gets a majority or they get only three seats above a majority, that bills can be passed.

First of all, I think the arms procurement bill can be passed by the election. Because if the Pan-Green gets more seats, then the Pan-Blue understands that the people are tired of their opposition against arms this time.

Second of all, I think it's very important because next year--I mean the year 2005 or the year 2006--Taiwan is going to reform its constitution. The political entity that will govern over constitutional reform this time is the LY. So if the Pan-Green can get a majority or even a slight majority in the LY, I think the constitutional reform can be passed by the ruling parties. It is very important for the people in Taiwan because they are tired of the ineffectiveness and the lack of efficiency of the government caused by the malfunctioning of the constitution.

The third part here is cross-strait relations. People understand that after the presidential election, President Chen Shui-bian asked if he has any chance or if there is any window of opportunity to talk to the Chinese leader about cross-strait relations. When you look at the newspapers or the magazines, there are different opinions from the opposition parties or from the ruling party.

So if the Pan-Green group can have their majority in the LY, I think the people in the U.S. or people in China will understand Chen Shui-bian is the person in charge, and that you have to talk to him. It is very important.

Maybe many Taiwanese people will think the LY election is not that important because it is kind of a local election. But if you look at it from the central level, I think it's a very important opportunity for the ruling party to talk to the people. If we can have our majority, then we can have political power and tell the people, since this is the only leader in the country, no matter what kind of national policies or no matter what kind of national identity you prefer, you have opinions that we can deal with.

I will just stop here, then I can take your questions. Thank you very much.

MR. BUSH: Thank you very much.

We now have plenty of time for questions, so we will open it up. I please ask you to state your name if I don't know it. Start with Nat Bellocchi.

QUESTION: I agree pretty much with your diagnosis of what's going to happen in terms of the numbers in the election, that the present ruling party will get enough probably to just barely make a majority and the KMT may drop some, but not too much. But the PFP will drop a great deal. Where are they going? There are still 225 seats that have to be filled. Where do you think the seats formerly controlled by the PFP, for example, and even the KMT, where will those seats go?

MS. LIU: My prediction is that if the Green parties get more seats, then the Blue parties will lose 10 seats. But if you look at all the candidates this time, you will find out there are so many famous candidates, but they are not going to be reelected.

Let me tell you about some of them--they're kind of TV stars, like former DPP Chairmen Shih Ming-teh, or Hsu Hsin-liang, or many stars from the TV talk shows. Because they were not nominated by the political party in Taiwan, I don't think they can get elected this time. But they will take votes from Pan-Blue groups.

MR. BUSH: Dave Brown.

QUESTION: I would like to ask Nat Bellocchi's question again, because I'm not sure he got an answer, maybe. That is, looking at these statistics, it's clear that the PFP support has dropped dramatically since the last election. The PFP has nominated essentially the same number of district candidates as it did before. If it has far less support, many of those people presumably will not lose. But where are their votes going to go? Is the presumption that these are Pan-Blue votes and that therefore they will go to the other big Blue party, the KMT? The KMT has run more candidates than it has won seats this time but substantially fewer candidates in the districts than it ran last time. If there is going to be a portion of the former PFP votes coming over to KMT candidates, it may well be that the KMT emerges as a larger party than it is now.

So the basic question is where are the former PFP voters going to go? Are they going to go for the Blue or the Green?

MS. LIU: I think it's very interesting. Let's go back to the party politics here. The KMT are sick of the PFP because they don't want to be merged together as a big Blue party. I know there are three new Chinese Party members. They are already nominated by the KMT, I mean, because you look at the Central Election Committee, they are KMT-nominated. So basically, those people could get some votes from PFP this time.

The other trouble is that because the PFP asked KMT headquarters to redistribute some votes for the PFP members in some other areas, especially in the central and southern parts of Taiwan. But the KMT thinks it's not so easy. The KMT has lost a lot of its resources, because, you know, it is poorer than before and it is suffering from the departures of career party workers. They

don't want to work for the KMT this time. So it's not so easy to get an effective redistribution of the KMT votes this time.

The PFP has a similar situation here. They are poor. They are poorer than the DPP and the KMT and they don't have a good agenda and they don't have a good strategy for the redistribution of the votes. So I don't think they can get about 45 or 46 seats this time.

QUESTION: But where is their support going to go?

MS. LIU: Okay, the move, right? Probably some voters will move to KMT this time.

MR. BUSH: Mike Fonte.

QUESTION: As the Washington liaison for the DPP, you can guess that I may spin the last election a little bit differently than you, Shelley.

What I think Chen Shui-bian was able to do--or wanted to do, at least, and I think he did effectively in the presidential campaign and I think it's going to play out also in the legislative election--is pin the PFP and the KMT into a corner in which they painted themselves, actually. I don't think it was as much an anti-China campaign in 2004, in the presidential campaign, as it was pro-Taiwan. I mean, I think that big hands-across-the-nation rally really said that. It's protect Taiwan, love Taiwan. In good campaign manner, they positioned the DPP and the Green people as the ones who love Taiwan, and guess who didn't love Taiwan. Right?

That's why I think the election or the fight in the LY about the budget, the special budget, might not play quite as positively as you indicated for the Blue. Again, they're positioning themselves as people who don't seem--this is the way they're being positioned by the DPP, as people who really love Taiwan but not willing to spend the money to protect Taiwan. So I think that's going to play out.

I think the other part to this is the kind of positive identification of Taiwanese identity--which creates problems for the United States, of course. But I think where the positive Taiwanese identity plays out is it has begun to break the *guanxi* that a lot of people had with the KMT. I think that's when you see the Hakka vote shift in the presidential election, where the DPP did not gain a majority, I don't think, in Taoyuan, Hsinchu, Miaoli, but they gained between 10 and 12 percent more of the Hakka vote, or at least in those areas. So I think you see a positive shift towards this Taiwanese identity which is going to play itself out to a certain measure within the LY election.

MS. RIGGER: Yeah, I think that's right. And that's what I mean when I say that Chen shifted the center of gravity, so that positions that in the past many Taiwanese voters felt uncomfortable with and uncomfortable taking and uncomfortable supporting, now they don't. And you can look at polls on things like unification versus independence and so on. There's a very interesting poll, the Taiwan National Security Survey, that's being conducted by a group of Taiwanese-American academics. It's a good survey, and they've done it a couple of years in a row. And the difference between their findings in the summer of 2003 and their findings from the summer of

2004 is modest but significant, and cannot be ignored. There has definitely been a shift toward the Green position on issues.

I guess the reason I wanted to emphasize the ways in which the Blues have been able to use the arms procurement debate is simply to sort of provide some context for people who may be thinking, okay, Chen Shui-bian has won, the *Lien He Bao* [*United Daily News*] is reporting that support for Taiwan independence is twice as high as it's ever been before. You know, clearly the Greens are going to clean up in this legislative election. And of course, the fact that the Blue leadership has been in such bad condition since the presidential election is another reason many people have seized upon to infer that the DPP and the TSU are going to do really well in December.

My point is simply that the Blues managed to find something, at least Blue legislators managed to find something that could sort of stem the blood flow. While it certainly doesn't persuade everybody, and the DPP is certainly using it against the Blues to the extent it can, it's more of a sort of two-sided debate than I think many people expected it would be.

So I think you've just provided a useful corrective to my tendency to lean the other way in my presentation because I was addressing what I think are the expectations many people have.

MR. BUSH: Larry.

QUESTION: I have a question for Mr. Tkacik. Just now you seemed to indicate that the reasons for the lack of moderation on the part of Chen Shui-bian and the lack of dialogue across the Taiwan Strait in general over the past few years lies principally with Beijing's unreasonable insistence, or intransigent insistence, on one precondition for such dialogue; that is, any such dialogue must only take place within the framework of one China. That means, certainly, that Taiwan cannot participate in such dialogue as a sovereign nation on a par with the People's Republic.

But my feeling is that that position, that Chinese position, is not that inconsistent with the long-term policy of the United States toward one China. That is, if we take the U.S. agreements at face value, it does not support Taiwan independence or it does not support a two-Chinas--or one China/one Taiwan, and it does not support Taiwanese participation in international organizations that require statehood. Then, by logical extension, don't you feel that the United States also refrains from support of Taiwan's participation in cross-Taiwan Strait dialogue as a sovereign nation?

So in that sense, don't you think Washington has also inadvertently contributed to Beijing's insistence on the one-China framework?

MR. TKACIK: I think that's a very good question, and maybe I should turn it over to Mike Meserve...

[Laughter.]



MR. TKACIK: But I'm not telling you my position, I'm telling you the State Department's position. The State Department's position is that there should be a dialogue as soon as possible with no preconditions and on an equal basis.

Now, if you say doesn't that violate the one-China policy, I would say what is the one-China policy? You can ask the assistant secretary of state for East Asian and Pacific affairs what is the one-China policy, and he will tell you, well, it would take too long to go into at this point and I'm not really sure if I could really explain it, but I can tell you what it isn't. It isn't the one-China principle that Beijing espouses.

Now, if you really want to know what the one-China policy is, you should read my forthcoming book, "Rethinking One China." But you need only go to Dr. Condoleezza Rice's article in the January-February 2000 edition of the Foreign Affairs magazine, where she says America's one-China policy, comma, which puts off to a future date the resolution of differences between Taipei and Beijing, comma--that is the one-China policy. You will not get anybody in this town on the record to tell you what the one-China policy is, except me. I'll tell you what it is. The one-China policy is that the United States only recognizes one government of China at a time, and anything else we're agnostic on. I certainly will not put Dr. Meserve in a terrible position by asking him to stand up and say, yes, John's right, because-- He knows I'm right.

I can talk about this all day, because I've written on it, but I'll just say one more thing. As far as the three communiques are concerned, I think it's an established fact-- No, excuse me. As far as the three communiques are concerned, it is an established fact that they are agnostic on the issue of whether Taiwan is Chinese territory. As far as the Taiwan Relations Act is concerned, Taiwan is a separate country for the purposes of American law. Whenever American law refers to a

state, a nation, a country, an independent government, such terms shall be deemed to apply to Taiwan. If you look at the way the United States deals with Taiwan, it deals with Taiwan as though Taiwan were an independent sovereign nation. We have an embassy there.

The British have an embassy, the Canadians have an embassy, the Japanese have an embassy. You can tell it's an embassy because they all have their e-mail addresses at either state.gov or dfait.gov. And even the British Representative Office in Taipei, if you go to its Web site, says britishembassy.gov.uk. Now, if it looks like a duck and it walks like a duck and it quacks like a duck, I think it passes the duck test. I think Taiwan does. I'm just being a polemicist here, I'm sorry. Okay, you got me there. You pressed my button.

MR. BUSH: Let's go back to Dave Brown.

QUESTION: I'd like to make a comment about the KMT's and PFP's views on the defense procurement budget, which I don't see quite the same way as John Tkacik describes it. I think the KMT does support a strong defense for Taiwan but that they just don't believe that this particular package is the right way to do it. As part of their election strategy, they want for the time being to emphasize, as Shelley said, butter over guns. My expectation, and I think many people's expectation, is that when the LY election is over and the existing LY comes back, they will probably pass some kind of defense budget with the support of the KMT--maybe not of the PFP, but with the support of the KMT.

Those are just my views. They may be accurate, they may be not. I just wanted to state them as a different way of looking at the KMT from what John described.

My question is to Liu Shyh-Fang. I'd like your comments on Shelley Rigger's description of how this issue is playing in the campaign. Yes, there's been a big national debate on this and, yes, at the national level all the things that Shelley said are true. But to what extent is this an issue in individual constituencies? Are candidates talking about this a lot? From the perspective here in Washington, where you don't get much news on what's going on constituency-by-constituency, I have no sense of how big an issue this is in races in Taiwan.

MS. LIU: I don't think they talk about this kind of national-level issue a lot. But if you take a look at the party leaders, like Chen Shui-bian, or the opposition party leader, I think people will focus on the opposition party leaders, on Wang Jin-pyng and Ma Ying-jeou. I think the media has a similar situation. They don't take orders from Lien Chan and Soong Chu-yu this time. They want to see what Wang Jin-pyng said and they want to know what Ma Ying-jeou said at the national level here this time.

So if you look at it, I think it's very interesting. I think it's kind of a, how do you say, "show" for these five or six political leaders for the next presidency.

MS. RIGGER: I would just comment on that, that it's always important to ask that question, what is the relationship between any national-level issue and legislative elections in Taiwan. Because these connections are always attenuated in any system, or at least any non-parliamentary system where, you know, you just get what you get voting for a party. But they're especially



attenuated in Taiwan, where the electoral system pits members of the same party in the same district against one another. So running on party identification or partisan issues or issues that are defined at the national level does you no good.

So candidates win by having networks of supporters, by having good constituent service, by pork barreling for their districts, and they also win with very small percentages of the votes. The largest district in this election is going to send up 13 members. There are a number of districts with 10. Which means that folks are going to get elected to the legislature with well under 10 percent of the vote in their districts. So the fact that the PFP is not very popular nationally doesn't necessarily mean that it won't win at least a substantial number of its reelection races, because those guys, if they've got their supporters squared away, can win regardless of the national party popularity.

So that's why I emphasize incumbency advantage in this system and why I think that it will be very difficult for the Greens to peel away a significant number of seats from the existing incumbents--not because the Blues are necessarily winning the sort of cosmic battle at the national level, but because that's not where it's being fought. And where it's being fought, it's much harder to take votes away from, especially, incumbent candidates.

QUESTION: One clarification from Shyh-Fang and one question.

In 2004, in the sheet that you handed out, you have 100 and [95+], and so forth down the line. So I was just wondering what does that mean? I didn't quite get you.

MS. LIU: Okay, when you look at the sheet here, you see the number of DPP seats after 2001 is 87, right? And the number predicted by the DPP after 2004 is 100. But I would assume the 95 seats is being confirmed by different polling investigations. So if you look at it, it would be 95 plus maybe one or two. And the same for the KMT. It would be 50 plus something, two or three. Because the very last row here, the New Party has been merged into KMT, so I just left it alone, just left it open there.

QUESTION: The presenters all focus on the national level, and essentially the Legislative Yuan election is at the sort of local level. You touched on the difference between the two. So what are the hot-button issues at these local levels? If I recall, in 2001 bad governance and corruption and so forth were key issues in that particular election. So here, in your presentation you talk about good governance, constitutional reform, and cross-strait relations. Is that the order in which the issues have significance, or are there other issues that are of significance at this level?

MS. LIU: I would assume that in the LY election, those three issues are very important.

QUESTION: What are the issues in the campaign, the local campaign?

MS. LIU: Right. In the local campaigns good governance is very important. Because so far as I know, if you look at the domination from KMT as an example, there are fewer of the incumbent candidates nominated at this time because some of them are involved in bribery scandals. But

still, some of them are nominated. So the DPP, I mean, they'll think about the bribery issue still going on in the local level here.

There is talk about good governance because people all know that the LY is a very strange political entity – it doesn't function very well. People are tired of malfunctioning or any kind of talk from LY. I mean, its image is very bad. Less than 30 percent of the people agree that the LY has performed very well for the last three years. So we assume that good governance includes some people who have to do something good at the administrative level and also at the legislative level.

QUESTION: I have a question that bears on something Shelley was just saying. As I remember in the last legislative election, one of the reasons that people gave for the DPP's gains and the sharp KMT losses was that the DPP was just more organized and disciplined with its voters in getting them to vote for the right candidates so that the maximum number could gain the number of votes needed to get in. I was just wondering what you think--do you think this is going to play the same role this time? I don't even know if the rules have been changed since then, but if they haven't, do you think that this is going to play the same role in determining elections?

MS. RIGGER: Well, I would let Shyh-Fang talk about specific strategies for dividing the votes. But I would just observe that the low number of open seats and the very low number of nominations for those open seats suggests that vote allocation may be less important this time around. Because the parties have been pretty conservative in their nominations, so there's less risk this time of dividing the votes among too many people and having candidates lose. You know, you lose two seats instead of gaining one because you divided your vote among two. All the major parties have been very careful not to over-nominate and create that possibility.

On the other hand, there's one fascinating wild card in this picture. I have here before me the list of candidates. There are 14 pages of people running for 172 seats--because the Aboriginal candidates are on here, too. There are a huge number of trivial, non-serious, wild-card candidates on this list, and it's very hard to know how they will affect the election--because they will all get a few hundred to a couple of thousand votes. And then, when you're looking at candidates who are trying to get only, you know, 7 or 8 percent in order to win, you've got all these weird names on the list. I can't imagine being a voter in, you know, Taipei District 1, and my ballot will have all the names from this page on it, and I'm supposed to pick one.

There is a little bit of uncertainty here, but the parties have tried to minimize their uncertainty by nominating conservatively.

But what do you think about *peipao* this time?

MS. LIU: Well, voting redistribution we call "*peipao*." *Peipao* was originated by the KMT, because the KMT has their responsibility districts, which are handled by the professional KMT members, I mean, way back about 15, 20 years. *Peipao* was very successful was because the KMT is a rich party. So they have lots of political resources. It doesn't matter if it's money or any kind of political organization, including social gatherings and parties.

But after the KMT lost its majority in the LY, they don't use *peipao* as their strategy. But the DPP is well-disciplined--I mean, the members of the DPP are well-disciplined. The DPP has lots of good relationships, no matter if it's at the local level or national level. The big supporters, we call the *zhuanzhang* --how do you describe *zhuanzhang*?

MS. RIGGER: There is no English word for it. Vote captain, maybe? Local boss?

MS. LIU: Something like that, okay.

MS. RIGGER: Ward dealer?

MS. LIU: Oh, okay. We can tell our vote captain that this vote has to go to somebody by their different proportions. So the DPP plays a very important role and asks the vote captains to *peipao*. For the people, if they live in the metropolitan area, they can look at the TV or they can look at newspapers. You know in Taiwan we have our ID card. We ask them, if the last number of your ID card is 0 or 1, your vote goes to candidate number one. If you're 2 or 3, it goes to number two. And so on. This is a different kind of *peipao* totally. So we could defeat the KMT last time, not because we used the same *peipao* strategy in every district; we just calculated which one is the weaker KMT candidate. Then we'll focus on this one and ask some people to defeat this KMT member.

So this time I think DPP will play a similar role. We will ask the people who live specifically in the central Taiwan area to do it for us. The KMT wants to play a similar role as the DPP, and I don't know if it will be a success or not. I wonder. Okay, but let's just wait and see.

QUESTION: Norman Fu of the China Times. I think, based on the polls Taiwan and also Secretary General Liu Shyh-Fang's predictions, it's quite possible that the DPP will probably have a majority after the election, especially forming a coalition with the TSU. Assuming that's going to happen, don't you think after the election President Chen, under the pressure of the TSU people--people like Lee Teng-hui, the die-hard Taiwan independence adherents-- will push even more aggressively for independence? That in turn could touch off another, you know, confrontation with the Mainland as well as, perhaps, the United States.

I'd like to ask the panelists to speculate about this, and also whether the new team at the State Department, to be headed by Condoleezza Rice, will be less friendly toward Taiwan or more friendly? I don't think she's going to be more friendly, in the sense that she doesn't seem to know much about Taiwan.

So will the U.S., sensing some kind of a crisis coming, try to make even a greater effort to rein in Taiwan? You know, Alan Romberg wrote that famous book comparing Taiwan to a galloping horse at the precipice, so you have to do something to rein this galloping horse in. So that's my question.

MR. BUSH: I'll ask each of the panelists to give a quick answer to the first question, would a Pan-Green majority lead to a rush to independence.

MS. RIGGER: I think what Chen can do in that direction with a divided legislature is probably pretty much what he's doing now and what he would continue to do. The things that are really most disconcerting to officials in the U.S. government and officials in Beijing I think would require a larger social consensus and a larger legislative majority than he is likely to get. So I don't see this, you know, the small shift of seats that we're anticipating opening the door to a major race to the brink.

MS. LIU: I disagree with Norman's comment about Lee Teng-hui because the TSU only has about 13 to 15 seats at this time. As a leader in Taiwan, Chen Shui-bian has to listen to the major voices. It's very important for us to understand what the international community voices will be at this time. At this particular season, because Chen Shui-bian wants to create more space to talk to Chinese leaders, I don't think the independence announcement immediately would be good for Taiwan right now.

QUESTION: [Off microphone, inaudible.]

MS. LIU: No, I disagree with you. He didn't call China an enemy. I think it's a different kind of description. I would describe it in Chinese. Chen Shui-bian talked to the Taiwan Association of University Professors. He's trying to criticize somebody. He says, "*Bu yao ba di guo dang zu guo*," but he didn't say that China is an enemy country.

QUESTION: [Off microphone, inaudible.]

MR. TKACIK: Norman, how do you consider China regards Taiwan? I mean, if China is building up a threat to invade Taiwan, and it's got 675 missiles aimed at Taiwan, would you call it a friend of Taiwan?

MR. BUSH: Why don't you continue that conversation afterwards?

QUESTION: One last question. Perhaps all of you could comment on something that I think has been puzzling me. We've noticed that in Taiwan, we simply can't find any tax-and-spend Democrats there to get into the LY. As a matter of fact, over the last 10 years, whether it's the KMT or whether it's the Greens, the budgets have dropped every year. Taiwan's now down to around 14 percent of per capita GDP in total government spending, they're under 3 percent for defense. It's dropped every single year. I know now, in the characterization of the special budget and a lot of the debate on defense, it's becoming partisan politics. The Blues are supposed to be less apt to invest in defense; the Greens now have been re-characterized as the party that loves Taiwan and wants to invest in defense.

But how do you aggregate this? In Taiwan's democracy, there is an enormous lack of propensity to invest in government spending overall and in defense spending. Is that really what we're seeing here? Is it something larger than simply partisan politics?

MS. RIGGER: I think the former secretary general of the Executive Yuan might know.

QUESTION: Can you get people to spend money in Taiwan?

MS. LIU: I have to look at the different budget systems here, because when you talk about how the defense budget dropped a lot, it's because maybe the budgetary system has changed. Because as far as I know, we still have to pay some money for the Lafayette warship and the [inaudible] at this time but it is not included in the defense budget. Okay? So for this special budget, if it includes a defense budget at all--I think it is separate. So I have to look at it, and I'll give you the answer right after I find it out.

MR. BUSH: Well, thank you all for coming. Thank you very much to Shelley and to John and Shyh-Fang for an outstanding presentation and a lively discussion.

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