

Cable

PREC: IMMEDIATE
 CLASS: ~~CONFIDENTIAL~~
 LINE1: OAACZYUW RUEHINA1018 0670952-CCCC--RHEHAAX.
 LINE2: ZNY CCCCC ZZH
 LINE3: O 070952Z MAR 96
 LINE4: FM AIT TAIPEI
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 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 4606
 INFO: RUEHBJ/AMEMBASSY BEIJING PRIORITY 6037
 RUEHKO/AMEMBASSY TOKYO 3877
 SUBJ: MARCH 7 MEETING WITH TAIWAN'S MOFA ON THE PRC
 MISSILE EXERCISE

DECLASSIFIED
 PER E.O. 13526
 2015-0686-m (1.02)
 KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ TAIPEI 001018

EXDIS

E.O. 12958: DECL: 03/07/16
 TAGS: PREL, EAIR, EWWT, MOPS, TW, CH
 SUBJECT: MARCH 7 MEETING WITH TAIWAN'S MOFA ON THE PRC
 MISSILE EXERCISE

REFS: A. TAIPEI 985; B. STATE 46372

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (A,B,D); 1.6 (X6)

2. (C) IN THE ABSENCE OF FOREIGN MINISTER FRED CHIEN AND VICE MINISTER STEVE CHEN, AIT/T DIRECTOR CALLED ON VICE MINISTER FANG CHIN-YEN TO PRESENT POINTS CONTAINED REF B. (HE PROVIDED FANG A NON-PAPER WITH THE POINTS.) THE DIRECTOR ALSO NOTED THAT WE WANTED TO COORDINATE CLOSELY WITH TAIWAN AT THIS CRITICAL TIME AND THAT HE WAS AVAILABLE FOR DISCUSSIONS AT ANY TIME. FANG WAS ACCOMPANIED BY MOFA NORTH AMERICAN DEPARTMENT ACTING DIRECTOR C.K. LIU.

3. (C) FANG EXPRESSED TAIWAN'S GREAT APPRECIATION FOR THE EFFORTS THE U.S. HAD TAKEN TO DEAL WITH THE PRC THREATS AND THE PUBLIC AND PRIVATE POSITIONS WE HAD TAKEN. HE SAID TAIWAN HAD WORKED VERY HARD TO REDUCE TENSIONS AND ITS RESPONSE TO THE MISSILE TESTS HAD BEEN QUITE SUBDUED. FANG SAID THAT IF ONE LOOKS AT THE PRC BEHAVIOR, IT IS CLEAR THAT IT IS NOT BEING PROVOKED BY TAIWAN. THE CHINESE COMPLAIN ABOUT THE PRESIDENTIAL ELECTION WHICH THEY MISCONSTRUE COMPLETELY AS AN EFFORT TO DEVIATE FROM "ONE CHINA," BUT THE ELECTION, OF COURSE, WAS MERELY THE CULMINATION OF THE SOCIO-

ECONOMIC DEVELOPMENT OF TAIWAN.

4. (C) FANG SAID THAT IF THIS WERE A MATTER OF RELATIONS BETWEEN TWO COUNTRIES, CARRYING OUT MISSILE EXERCISES SO NEAR ANOTHER'S TERRITORY WOULD BE CONSIDERED AN ACT OF WAR. BUT TAIWAN HAD REACTED CALMLY, AND PRESIDENT LEE HAD MADE THE GOVERNMENT'S POSITION ON REUNIFICATION CLEAR REPEATEDLY IN HIS PRESS CONFERENCE AND IN HIS CAMPAIGN SPEECHES.

5. (C) CONTINUING, FANG SAID TAIWAN UNDERSTANDS FULLWELL THE U.S. NEED TO KEEP ITS POSITION ON NEXT STEPS AMBIGUOUS IN PUBLIC, BUT HE HOPED THAT IN OUR PRIVATE SESSIONS WITH THE PRC WE WERE BEING CLEAR THAT IF THEY KEPT UP THEIR PROVOCATIVE BEHAVIOR, THE U.S. MIGHT HAVE TO HELP TAIWAN WITH DEFENSIVE MEASURES IN ACCORDANCE WITH THE TRA. HIS CONCERN, HE ADDED, WAS TO KEEP THE PRC FROM MAKING ANY MISTAKES. HE ADDED THAT WHILE TAIWAN'S POPULATION WAS MANAGING WELL IN THE FACE OF TEMPORARY DISRUPTION OF ITS AIR AND SEA COMMUNICATIONS, IF THE PRC BELIEVES IT CAN GET BY WITH REPEATING THEIR ACTION AT WILL, IT COULD SERIOUSLY AFFECT TAIWAN'S ECONOMIC ORDER.

6. (C) THE DIRECTOR POINTED AGAIN TO THE TALKING POINTS AND SAID WE HAD DELIVERED A VERY TOUGH MESSAGE TO THE PRC IN WASHINGTON AND BEIJING. THE MESSAGE WAS CLEAR AND SHOULD NOT BE MISUNDERSTOOD BY BEIJING'S LEADERSHIP. HE NOTED THAT WHILE WE HAD A STRONG OBLIGATION TO ENSURE OUR POINTS WERE UNDERSTOOD, IT WAS EQUALLY IMPORTANT TO DO IT WITHOUT PROVOKING THE RESULT BOTH OF US WANTED TO AVOID.

7. (C) FANG SAID HE AGREED COMPLETELY AND THAT THEY TOO WERE DOING EVERYTHING POSSIBLE TO AVOID WORSENING THE SITUATION. HE NOTED LIU HUAQIU'S UPCOMING TRIP TO WASHINGTON AND ASKED FOR ANY READOUT WE COULD PROVIDE. THE DIRECTOR TOLD FANG HE COULD REST ASSURED THAT WE WOULD ALSO DELIVER OUR STRONG MESSAGE TO MR. LIU, AND AS ALWAYS, WE WOULD KEEP TAIWAN INFORMED OF IMPORTANT DEVELOPMENTS THAT CONCERNED ITS SECURITY.

8. (C) AS THE MEETING WAS BREAKING UP, K.C. LIU ASKED THE DIRECTOR WHAT THEY COULD TELL THE PRESS ABOUT THE MEETING. THE DIRECTOR SAID THAT TO ENSURE CONTINUED CLOSE COORDINATION, THEY SHOULD AVOID TELLING THE PRESS EACH TIME WE MET OR DIVULGING ANY OF THE CONTENT OF THE MEETINGS. HE SUGGESTED MOFA LIMIT ITS COMMENTS TO NOTING THAT MOFA CONTINUES TO BE IN CLOSE CONTACT WITH AIT ON THESE ISSUES.

PASCOE
BT
#1018

NNNN

SECT: SECTION: 01 OF 01

SSN: 1018

TOR: 960307074240 M2117795

DIST:

PRT: BASS BERGER DOHSE FUERTH HARMON LAKE SENS SIT SODERBERG

SIT: HARMON KRISTOFF LAKEA NSC SUETTINGER SUM SUM2

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PREC: IMMEDIATE
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 SUBJ: TAIWAN: REACTION TO IMPENDING MISSILE
 TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 05 TAIPEI 001021
 DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON
 E.O. 12958: DECL: 02/15/06
 TAGS: PGOV, PREL, ECON, EFIN, TW, CH
 SUBJECT: TAIWAN: REACTION TO IMPENDING MISSILE
 - EXERCISES

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.03)
 KBH 6/12/2019

REF: A) TAIPEI 1000, B) TAIPEI 812

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR AIT/T.
 REASON: 1.5 (B) AND (D).

2. ~~(C)~~ SUMMARY: ALTHOUGH TENSIONS HAVE UNDERSTANDABLY
 RISEN, TAIWAN APPEARS TO BE WEATHERING THE LATEST
 ANNOUNCEMENT BY THE PRC OF MISSILE EXERCISES WITH SOME
 EQUANIMITY. ENTHS TO ASSURE THE PUBLIC THAT THE MISSILE EXERCISES
 POSE NO DIRECT THREAT TO SECURITY AND HAVE MOVED
 EFFECTIVELY TO MINIMIZE THE SHORT-TERM IMPACT OF THE
 LATEST ANNOUNCEMENT ON STOCK AND CURRENCY MARKETS.
 NONETHELESS, MUCH OF THE INTERNATIONAL COMMUNITY IN
 TAIWAN IS CLEARLY SPOOKED, AND AIT IS SPENDING
 CONSIDERABLE EFFORT IN CALMING NERVOUS AMCITS. AS FOR
 TAIWAN CITIZENS HERE, THE LATEST ANNOUNCEMENT HAS

REINFORCED THE FEARS OF THOSE WHO WERE ALREADY SHAKEN BY THE EARLIER EXERCISES; HOWEVER, THE MAJORITY -- PARTICULARLY OUTSIDE TAIPEI -- DOES NOT YET SEEM INTIMIDATED. INDEED, MOST OF OUR INTERLOCUTORS BELIEVE THAT THE PLA'S THREATS ARE ONLY HELPING ENSURE PRESIDENT LEE'S REELECTION IN THE MARCH 23 POLLS. END SUMMARY.

3. (U) AS REPORTED REF A, PREMIER LIEN CHAN ISSUED A DIRECTIVE ON MARCH 5 SPELLING OUT TAIWAN'S RESPONSE TO BEIJING'S DECISION TO CONDUCT MISSILE EXERCISES IN TWO AREAS ON THE HIGH SEAS VERY CLOSE TO TAIWAN. IN ADDITION TO CONDEMNING THE PLANNED MARCH 8-15 EXERCISE, THE DIRECTIVE SOUGHT TO REASSURE THE TAIWAN PUBLIC THAT THE AUTHORITIES HAD THE SITUATION UNDER CONTROL AND THAT THERE WAS LITTLE DANGER OF DIRECT HOSTILITIES. (LIEN CHAN ALSO REITERATED THE COMMITMENT OF THE TAIWAN AUTHORITIES TO REUNIFICATION.)

NOTHING TO FEAR FROM PLA MISSILE TESTS

4. (U) IN THE DAYS SINCE, THE GOVERNMENT HAS AMPLIFIED ON LIEN CHAN'S COMMENTS. THE CHAIRMAN OF THE CENTRAL ELECTION COMMISSION HAS REITERATED THAT THE PRESIDENTIAL AND NATIONAL ASSEMBLY ELECTIONS WILL GO AHEAD AS SCHEDULED. FOR HIS PART, MINISTER OF DEFENSE CHIANG CHUNG-LING HAS STRESSED FOR THE PUBLIC HERE THE ACCURACY OF THE MISSILES THAT THE PLA WILL TEST, POINTING OUT THAT THE PLA WILL DOUBTLESS DESTROY ANY MISSILE THAT STRAYS THREATENINGLY OFF COURSE. (CHIANG HAS ALSO STRONGLY REFUTED REPORTS THAT HE HAD SAID TAIWAN WOULD RETALIATE IF A PLA MISSILE LANDED ON TAIWAN'S SOIL OR WATERS; INSTEAD, THE DEFENCE MINISTER SAID, HE HAD MERELY ASSERTED THAT TAIWAN WOULD RESPOND APPROPRIATELY.)

ECONOMIC REACTION MIXED

5. (C) TAIWAN'S STOCK MARKET HAS REACTED MILDLY TO THE PRC MISSILE TEST ANNOUNCEMENT, FALLING BY 1.3 PCT ON MARCH 5 AND ANOTHER 1.4 PERCENT ON MARCH 6, MUCH LESS THAN IN RESPONSE TO EARLIER SHOCKS DURING THE PAST EIGHT MONTHS. ONE FACTOR IS CLEARLY THE IMPACT OF THE TAIWAN AUTHORITIES' STOCK MARKET STABILIZATION FUND (SEE REF B) LAST MONTH, WHICH PURCHASED NEARLY NTD 4 BILLION (APPROXIMATELY USD 145 MILLION) IN EQUITIES ON MARCH 6. THE STABILIZATION FUND PARTICIPANTS, MAINLY STATE-OWNED BANKS, HAD BEEN INSTRUCTED BY FINANCE MINISTER LIN CHEN-KUO TO BUY AND NOT TO SELL. OTHER FACTORS INCLUDE HEAVY BUYING BY FOREIGNERS (QUALIFIED FOREIGN INSTITUTIONAL INVESTORS REPORTED NET PURCHASES OF ALMOST NTD ONE BILLION ON MARCH 6). LOCAL SECURITIES INVESTMENT TRUST COMPANIES ALSO HAD NET PURCHASES OF NTD 573 MILLION THAT SAME DAY. MANY LOCAL INVESTORS BELIEVE THAT, AFTER THE MARCH 23 ELECTION, THERE WILL BE A BOUNCE IN CONFIDENCE AND THAT TAIWAN

EQUITIES, NOW SERIOUSLY UNDERVALUED DUE TO POLITICAL UNCERTAINTIES, WILL DRAMATICALLY REBOUND. THUS, THERE
~~C O N F I D E N T I A L~~ SECTION 02 OF 05 TAIPEI 001021

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 02/15/06

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- EXERCISES

MAY BE LESS SELLING PRESSURE THAN DURING EARLIER ROUNDS OF PRC SABER-RATTLING, AS THE REMAINING PLAYERS HOLD ON IN ANTICIPATION OF PROFITS.

6. ~~(C)~~ TAIWAN'S CENTRAL BANK OF CHINA (CBC) HAS ALREADY MADE PUBLIC ITS INTENTION TO PREVENT DEPRECIATION BEYOND NTD 27.5 TO THE U.S. DOLLAR. TRADING VOLUMES HAVE BEEN HIGH THIS WEEK, SURGING FROM THE USUAL LEVELS OF USD 100-200 MILLION TO OVER USD 500 MILLION PER DAY -- THE HIGHEST LEVEL SINCE THE SECOND PRC MISSILE TEST ANNOUNCEMENT ON AUGUST 16. (HOWEVER, THIS LEVEL IS BY NO MEANS A TAIWAN RECORD, HAVING BEEN EXCEEDED MORE THAN 30 TIMES IN THE PAST NINE YEARS, ACCORDING TO A CBC OFFICIAL.) GOVERNOR SHEU INSISTS THAT HE WILL KEEP TAIWAN'S FOREIGN EXCHANGE MARKET OPEN THROUGH THE MARCH 23 PRESIDENTIAL ELECTION. HE INTENDS= TO PUT A FLOOR UNDER THE EXCHANGE RATE AT NTD 27.5 TO THE U.S. DOLLAR, OFFERING U.S. DOLLARS AT THAT PRICE TO ANY BANK WHICH WANTS THEM. GOVERNOR SHEU HAS ALSO SAID, PERHAPS HYPERBOLICALLY, THAT HE IS WILLING TO LET HIS FOREX RESERVES FALL FROM THEIR PRESENT LEVEL OF USD 90 BILLION TO USD 50 BILLION, IF NECESSARY TO MAINTAIN THE NTD'S VALUE.

DOLLARS GLITTER MORE THAN GOLD

7. ~~(C)~~ AMONG THE GENERAL PUBLIC, THERE HAS BEEN A RUSH TO OBTAIN U.S. DOLLARS IN CASH. SOME BANKS HAVE EVEN RUN OUT OF U.S. BANKNOTES OR FEAR THAT THEY WILL SOON. ONE FOREX CLERK AT THE CHIAO TUNG BANK TOLD US THAT SHE HAD HEARD THAT MANY OF TAIPEI'S BANKS RAN OUT OF US. DOLLARS DURING THE MORNING ON MARCH 7. CITIBANK TOLD AIT THAT IT HAS LIMITED THE AMOUNT OF U.S. BANKNOTES EACH CUSTOMER CAN PURCHASE. OTHER BANKS, HOWEVER, ARE NOT APPLYING ANY RESTRICTIONS. THE STATE-OWNED BANK OF TAIWAN (BOT) HAS BEEN CHANGING NTD TO U.S. DOLLAR BANKNOTES WITHOUT LIMITS, AND TOLD US THAT SOME CUSTOMERS HAVE CHANGED AS MUCH AS USD 100,000 AT A TIME. SALES OF U.S. DOLLAR DENOMINATED TRAVELLERS CHECKS ARE ALSO UP.

8. ~~(C)~~ DESPITE THIS STRONG DEMAND FOR EASILY TRANSPORTABLE CONVERTABLE ASSETS, THE PRICE OF GOLD IN TAIWAN'S JEWELRY STORES HAS NOT RISEN. IN FACT, IT FELL SLIGHTLY FROM NTD 13,380 PER TAIWAN HECTOGRAM ON MARCH 4 TO NTD 13,220 ON MARCH 6. VOLUMES, HOWEVER,

WERE UP. JEWELRY STORES ALSO ACT AS UNREGULATED MONEY-CHANGERS, BUT THEIR BUYING AND SELLING RATES HAVE NOT CHANGED FROM PREVIOUS LEVELS OF NTD 27.3 AND NTD 27.7 PER DOLLAR, RESPECTIVELY.

9. (S) WE SUSPECT THAT THE SURGE IN DEMAND FOR U.S. DOLLAR CASH, AS WELL AS THE INCREASE IN GOLD PURCHASES, REPRESENT TRADITIONAL CHINESE CAUTION, RATHER THAN A WAVE OF PANIC AMONG THE PUBLIC. WE HAVE NO REASON TO DOUBT THE TAIWAN AUTHORITIES' DETERMINATION AND ABILITY TO KEEP FINANCIAL MARKETS OPEN, BUT THE MAN IN THE STREET FEELS A LITTLE BETTER WITH THE INSURANCE OF SOME U.S. DOLLARS IN HIS POCKET. FURTHERMORE, THE PRESIDENTIAL ELECTION HAS LONG BEEN A SET MARKER, AND WE SUSPECT THAT THE MOST PESSIMISTIC HAVE LONG SINCE MADE THEIR ASSETS LIQUID AND SHIFTED THEM TO WHAT THEY PERCEIVE AS SAFER HAVENS.

NO ONE GOES HUNGRY

10. (S) A SPATE OF RECENT NEWSPAPER ARTICLES HAVE APPEARED TO ASSURE THE TAIWAN CITIZENS THAT THEIR BASIC FOOD SUPPLY IS SECURE. FOR INSTANCE, THE AUTHORITIES HAVE TOLD THE PRESS THAT "THERE IS A SEVEN MONTH SUPPLY OF RICE IN STOCK," AND ALSO CONFIRMED THIS TO AIT'S AGR SECTION. FURTHERMORE, RICE PRICES HAVE NOT INCREASED IN RECENT DAYS, ALTHOUGH PURCHASES -- BASED ON ANECDOTAL EVIDENCE -- HAVE BEEN CLIMBING. (NOTE: THE LOCAL RICE MARKET, AS IS THE CASE IN MOST EAST ASIAN ~~C O N F I D E N T I A L~~ SECTION 03 OF 05 TAIPEI 001021

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 02/15/06
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EXERCISES

SOCIETIES, IS TIGHTLY MANAGED AT ALL TIMES BY THE AUTHORITIES. END NOTE.)

EFFECT ON CROSS-STRAIT INVESTMENT

11. (SBU) IT IS TOO EARLY TO TELL WHETHER THE REPORTS OF MISSILE TESTS SPECIFICALLY HAVE AFFECTED TAIWAN COMPANIES' LEVEL OF INVESTMENT IN THE MAINLAND, ALTHOUGH INVESTMENTS HAVE BEEN FALLING OFF SINCE THE END OF LAST YEAR DUE IN PART TO CROSS-STRAIT TENSIONS. ACCORDING TO HUNG CHIN-TAN, DEPUTY EXECUTIVE SECRETARY OF THE MINISTRY OF ECONOMIC AFFAIRS' (MOEA) INVESTMENT COMMISSION, APPLICATIONS BY TAIWAN COMPANIES TO THE MOEA FOR MAINLAND INVESTMENTS DROPPED BY 27 PERCENT IN JANUARY 1996 FROM THE PREVIOUS YEAR'S LEVELS, TO USD 69 MILLION. TWENTY-FIVE FIRMS HAVE NOTIFIED MOEA THAT THEY HAVE WITHDRAWN THEIR MAINLAND INVESTMENTS (WITH A TOTAL VALUE OF USD 12 MILLION). ONE HUNDRED TWENTY-

ONE OTHER FIRMS HAVE APPLIED TO MOEA FOR POSTPONEMENT OF THEIR ALREADY-APPROVED INVESTMENTS. VICE MINISTER FOR ECONOMIC AFFAIRS K.S. SHEU HAS CONFIRMED THESE NUMBERS TO DEPUTY DIRECTOR AND ECON CHIEF; HE SAID THE INVESTMENT COMMISSION IS CONTACTING THE INVESTORS INVOLVED IN ORDER TO DETERMINE WHY THEY ARE BACKING OFF OF THEIR INVESTMENTS -- E.G., WHETHER BECAUSE OF BUSINESS DIFFICULTIES OR CROSS-STRAIT TENSIONS.

NERVOUSNESS AMONG THE FOREIGN COMMUNITY

12. (S) WHILE AT LEAST SOME SECTORS OF THE TAIWAN PUBLIC SEEM TO BE TAKING THE MISSILE EXERCISE ANNOUNCEMENT IN STRIDE, THE VOLUME AND URGENCY OF INQUIRIES BEING FIELDIED BY AIT'S TRAVEL SERVICES SECTION'S AMERICAN CITIZEN SERVICES (ACS) STAFF CLEARLY DEMONSTRATE HEIGHTENED ANXIETY AMONG AMCITS RESIDENT HERE. OVER THE PAST SEVERAL WEEKS, ACS HAS BEEN INUNDATED BY CALLS ON A DAILY BASIS FROM AMERICAN CITIZENS REACTING TO THE LATEST FALSE RUMOR ABOUT AN IMMINENT EVACUATION OR OTHER DIRE EVENT.

13. (S) AMERICAN CITIZEN REGISTRATIONS ARE AVERAGING ALMOST 100 A DAY (VICE 10-12 A DAY IN NORMAL TIMES). AMERICANS ARE ALSO COMING IN DROVES FOR PASSPORT RENEWALS, PAGE ADDITIONS, AND OTHER SERVICES WHICH HAVE BEEN LONG-DELAYED, TO ENSURE THEIR TRAVEL DOCUMENTS ARE IN ORDER "JUST IN CASE." TWENTY NEW WARDENS HAVE VOLUNTEERED FOR THE WARDEN SYSTEM (INCREASING THE TOTAL NUMBER TO 90). ACS HAS ALSO RECEIVED NUMEROUS INQUIRIES ABOUT "CONTINGENCY PLANNING" FROM REPRESENTATIVE OFFICES OF SEERAL FRIENDLY COUNTRIES AND FROM LOCAL GOVERNMENT OFFICES. REASSURING THE PUBLIC ALONG THE LINES OF OFFICIAL USG PRONOUNCEMENTS AND LIMITING THE SPREAD OF WILD SUPPOSITIONS AMONG THE AMERICAN COMMUNITY HAS BECOME A MAJOR AIT ENDEAVOR. BY OUR DAILY TELEPHONE EFFORTS, WITH CAREFULLY MEASURED PUBLIC STATEMENTS, AND BY WORKING CLOSELY WITH OUR WARDENS AND OTHER LONG-TERM AMERICAN RESIDENTS HERE, WE HAVE SO FAR MANAGED TO MAINTAIN A REASONABLE LEVEL OF CALM IN THE CIRCUMSTANCES.

INCREASE IN INTEREST IN EMIGRATION

14. (SBU) NONIMMIGRANT VISA APPLICATIONS HAVE NOT BEEN AFFECTED IN ANY NOTABLE WAY BY RECENT EVENTS. APPLICATION NUMBERS ARE NORMAL FOR THIS TIME OF YEAR, AND INTERVIEWING OFFICERS HAVE NOTED NO ABNORMAL PROFILE AMONG THE APPLICANTS OR UNDUE URGENCY IN THE PURSUIT OF VISITOR VISAS. OUR TRAVEL INDUSTRY CONTACTS ALSO REPORT NOTHING UNUSUAL AT THIS POINT AMONG THEIR CLIENTS. AT A TRVEL INDUSTRY RECEPTION SEVERAL DAYS AGO, THE HOTTOPIC WAS A NEW PACKAGE DEAL TO DISNEYLAND BEING OFFERED TO HIGH-VOLUME TRAVEL AGENCIES, NOT A RUS TO LEAE THE ISLAND. (AIRLINE BOOKINGS HAVE, HWEVER, SOARED. AFTER A LONG PERIOD OF FLYING HALF

~~C O N F I D E N T I A L~~ SECTION 04 OF05 TAIPEI 001021

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

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SUBJECT: TAIWAN: REACTION TO IMPENDING MISSILE

- EXERCISES

FULL, NOT ONLY NORTHWEST PLANES -- REF B -- BUT OTHERS AS WELL ARE FULLY BOOKED FOR FLIGHTS DEPARTING AFTER MARCH 23. SOME OF THIS IS REPORTEDLY DUE TO FOREIGN COMPANIES BUYING BLOCS OF SEATS.)

15. (C) IMMIGRANT VISA NUMBERS ARE, OF COURSE, NOT IMMEDIATELY AFFECTED BY RECENT EVENTS BECAUSE OF THE TIME INVOLVED IN THE PETITION AND APPLICATION PROCESS. A CLEAR LONG-TERM TREND IS APPARENT, HOWEVER, SINCE THE HEIGHTENING OF CROSS-STRAIT TENSIONS LAST SUMMER. SINCE AUGUST 1995, IMMIGRANT VISA ISSUANCES HAVE JUMPED ROUND 30 PERCENT OVER THE SAME PERIOD THE PREVIOUS YEAR. MOREOVER, THE NUMBER OF NEW PETITIONS RECEIVED HERE, INDICATING INTEREST IN FUTURE IMMIGRATION, IS ALMOST DOUBLE OVER THE SAME PERIOD. IMMIGRANT VISA ISSUANCE HAD DECLINED STEADILY SINCE A 1991 PEAK, LARGELY DUE TO ECONOMIC FACTORS; IF PRESENT IMMIGRANT VISA ISSUANCE RATES CONTINUE THIS YEAR, HOWEVER, AIT'S 1991 ISSUANCE TOTAL MAY BE AGAIN WITHIN REACH. OTHER ENGLISH-SPEAKING COUNTRIES WITH MORE LIBERALIZED IMMIGRATION POLICIES THAN IN THE PAST -- CANADA, AUSTRALIA, NEW ZEALAND -- ARE ALSO EXPERIENCING INCREASES IN IMMIGRATION FROM TAIWAN.

THE PRESIDENTIAL CAMPAIGN

16. (C) THE ANNOUNCEMENT OF IMPENDING MISSILE EXERCISES HAS ONCE AGAIN MADE CROSS-STRAIT RELATIONS THE NUMBER ONE ISSUE IN THE PRESIDENTIAL RACE HERE. IN A SERIES OF RALLIES BEFORE ENTHUSIASTIC CROWDS IN TAINAN AND CHIA-I, PRESIDENT LEE HAS CALLED FOR NATIONAL UNITY, STATING THAT IN ORDER TO COUNTER THE THREATS FROM THE CHINESE COMMUNISTS, THE PEOPLE OF TAIWAN SHOULD GIVE HIM AN OVERWHELMING MANDATE. HE HAS REPEATEDLY URGED THE PEOPLE OF TAIWAN NOT TO FEAR THE CHINESE THREATS. FROM ALL ACCOUNTS, PRESIDENT LEE SEEMS INVIGORATED BY THE ANNOUNCEMENT OF THE MISSILE EXERCISES -- AND BY THE WARM WELCOME HE IS GETTING IN THE SOUTH.

17. (C) IN CONTRAST, THE IMPENDING MISSILE EXERCISES APPEAR TO HAVE THROWN THE OTHER CANDIDATES INTO A STATE OF CONFUSION. THE CAMPAIGN OF LIN YANG-KANG -- THE CANDIDATE WHO HAS MOST FREQUENTLY CALLED FOR RECONCILIATION WITH THE MAINLAND -- HAS, IN PARTICULAR, BEEN TRIPPED UP BY THE PRC'S TOUGH LINE. SHORTLY BEFORE THE PRC'S ANNOUNCEMENT, LIN CHENG-CHIEH TOLD THE LOCAL PRESS THAT HE WAS RESIGNING FROM HIS POSITION AS

A KEY AIDE IN LIN YANG-KANG'S IN ORDER TO TRAVEL TO THE PRC TO TRY TO RELIEVE CROSS-STRAIT TENSIONS. ON THE SAME DAY THAT BEIJING ANNOUNCED THE MISSILE EXERCISES, THE PRC REFUSED TO ALLOW THE WOULD-BE PEACE ENVOY INTO THE COUNTRY.

18. (C) ALTHOUGH LIN YANG-KANG DISASSOCIATED HIMSELF FROM HIS FORMER CAMPAIGN ADVISOR'S PEACE MISSION, HE HAS CLEARLY BEEN PUT ON THE DEFENSIVE BY THE PRC'S THREATENING STANCE. BOTH HE AND THE OTHER INDEPENDENT CANDIDATE, CHEN LI-AN, HAVE BEEN REDUCED TO CONDEMNING THE IMPENDING MISSILE TESTS WHILE ASSERTING THAT LEE TENG-HUI IS MOSTLY TO BLAME FOR THE DETERIORATION IN CROSS-STRAIT RELATIONS. HOWEVER, THE PRC'S REFUSAL TO ENTER INTO DISCUSSIONS WITH LIN YANG-KANG'S ERVTWHILE CAMPAIGN AIDE HAS UNDERCUT THE CANDIDATE'S ASSERTION THAT HE WOULD BE MORE CAPABLE OF HANDLING CROSS-STRAIT RELATIONS THAN PRESIDENT LEE.

19. (U) PENG MING-MIN, THE OPENLY PRO-INDEPENDENCE CANDIDATE OF THE OPPOSITION DPP, CRITICIZED THE PRC'S PLANS FOR MISSILE EXERCISES SO CLOSE TO THE TAIWAN COAST AS "UNCIVILIZED AND SAVAGE." PENG DECLARED THAT TAIWAN SHOULD IMMEDIATELY DECLARE INDEPENDENCE IF IT IS ACTUALLY ATTACKED BY THE PRC. LIKE LEE, PENG CALLED FOR UNITY IN THE FACE OF THE MAINLAND'S THREATS AND PROCLAIMED THAT THE MARCH 23 PRESIDENTIAL ELECTION WOULD PROVE THE INDEPENDENT AND SOVEREIGN STATUS OF
~~C O N F I D E N T I A L~~ SECTION 05 OF 05 TAIPEI 001021

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

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EXERCISES

TAIWAN. CURIOUSLY, HOWEVER, PENG'S VICE PRESIDENTIAL CANDIDATE HAS TAKEN A STANCE SIMILAR TO THAT OF THE TWO INDEPENDENT PRESIDENTIAL CANDIDATES, ASSERTING THAT PRESIDENT LEE HAS UNNECESSARILY PROVOKED BEIJING.

COMMENT

20. (C) BUFFETED BY EIGHT MONTHS OF VITRIOL AND THREATS BY THE MAINLAND, THE TAIWAN PUBLIC IS UNDERSTANDABLY NERVOUS. RESPONDING TO TIMES OF INCREASED UNCERTAINTY, MANY PEOPLE HERE ARE TRYING TO KEEP OPTIONS OPEN AND PREPARE FOR THE WORST. TO PUT THINGS IN PERSPECTIVE, HOWEVER, THE PEOPLE OF TAIWAN APPEAR, IF ANYTHING, SLIGHTLY LESS AGITATED BY THE ANNOUNCEMENT OF IMPENDING MISSILE EXERCISES THAN THEY WERE A MONTH AGO, FOLLOWING HONG KONG PRESS REPORTS OF MASSIVE MILITARY EXERCISES AND THE NEW YORK TIMES STORY ANNOUNCING THAT THE PLA HAD PLANS TO LAUNCH ONE MISSILE A DAY AGAINST THE ISLAND FOR A MONTH. IN PART, THIS IS DOUBTLESS DUE TO GOVERNMENT EFFORTS TO REASSURE THE

PUBLIC AND TO KEEP CONFIDENCE IN THE ECONOMY FROM NOSEDIVING. IN PART, WE MAY BE SEEING AN INCREASE IN THE LEVEL OF INTIMIDATION THAT PEOPLE HERE CAN SHRUG OFF.

21. ~~(S)~~ MOST OBSERVERS HERE CONTINUE TO BELIEVE THAT THE MISSILE EXERCISES ARE NOT A PRECURSOR TO AN INVASION BUT RATHER ARE PRIMARILY DESIGNED TO DECREASE PRESIDENT LEE'S SUPPORT IN THE UPCOMING MARCH 23 PRESIDENTIAL ELECTION. SO FAR, HOWEVER, THE THREATS APPEAR TO BE HAVING THE OPPOSITE EFFECT. THE DPP IS CLEARLY WORRIED THAT MANY OF THE PARTY'S TRADITIONAL VOTERS ARE PREPARING TO CAST THEIR VOTES FOR LEE, IN ORDER TO ENSURE THAT THE PRC DOES NOT DETERMINE THE OUTCOME OF THE ELECTION. PERHAPS ALMOST AS IMPORTANT, PRC ACTIONS TO DATE APPEAR TO BE UNDERMINING LEE'S SECOND MOST IMPORTANT CHALLENGER, LIN YANG-KANG. LIN, AN ETHNIC TAIWANESE, INCREASINGLY FINDS HIMSELF BEING PAINTED AS THE PUPPET OF A REGIME THAT IS BENT ON BULLYING THE PEOPLE OF TAIWAN. THE ONE VARIABLE THAT MIGHT ALTER THE CURRENT ELECTORAL EQUATION IS WHETHER THE PRC WILL DECIDE THAT IT MUST RATCHET UP THE PRESSURE EVEN FURTHER TO ACHIEVE ITS GOALS. PASCOE
BT
#1021

NNNN

SECT: SECTION: 01 OF 05
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SSN: 1021
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DIST: SIT: KRISTOFF NSC SUETTINGER
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Cable

PREC: ROUTINE
 CLASS: ~~CONFIDENTIAL~~
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 LINE2: ZNY CCCCC ZZH
 LINE3: R 080927Z MAR 96
 LINE4: FM AIT TAIPEI
 OSRI: RUEHIN
 DTG: 080927Z MAR 96
 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC 4644
 INFO: RUEHBJ/AMEMBASSY BEIJING 6064
 SUBJ: TAIWAN [redacted] EO 13526 3.3(b)(6) CROSS-STRAITS
 POLICY

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.04]
 KBH 6/12/2019

TEXT:
~~CONFIDENTIAL~~ TAIPEI 001041

EXDIS

FOR EAP AND EAP/RSP/TC

E.O. 12958: DECL: 3/7/06
 TAGS: PREL, TW, CH, US
 SUBJECT: TAIWAN [redacted] EO 13526 3.3(b)(6) CROSS-STRAITS
 POLICY

1. CLASSIFIED BY: B. LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (D)

2. (S) SUMMARY: [redacted] EO 13526 3.3(b)(6)

[redacted] PRESIDENT LEE AND THE RULING KMT
 COULD GUARANTEE BEIJING THAT, WHILE THEY REMAINED IN
 POWER, TAIWAN WOULD NEVER SEEK INDEPENDENCE. [redacted]
 [redacted] THE U.S. WOULD REASSURE BEIJING OF LEE'S
 SINCERITY, AS WELL AS OF THE U.S.' OWN OPPOSITION TO
 TAIWAN INDEPENDENCE. FOLLOWING LEE'S PRESUMED RE-
 ELECTION, [redacted] THE PRESIDENT WOULD LAUNCH AN
 INITIATIVE TO IMPROVE RELATIONS WITH THE MAINLAND. THE
 KEY PROPOSAL INITIALLY WOULD BE A "PEACE AGREEMENT,"
 WHICH WAS INTENDED TO BE A DIRECT RESPONSE TO JIANG
 ZEMIN'S CALL (IN HIS "EIGHT POINTS" OF JAN 1994) FOR A
 "FORMAL CESSATION OF HOSTILITIES" BETWEEN THE TWO
 SIDES. HOWEVER, [redacted] WHETHER THE UNCERTAIN
 LEADERSHIP IN BEIJING WOULD BE PREPARED TO RESPOND EVEN
 IF LEE ACCEPTED ONE OF THEIR OWN PROPOSALS. END
 SUMMARY.

3. (S) [redacted] EO 13526 3.3(b)(6)
 CONFIDENCE THAT THE MAINLAND'S CURRENT MILITARY
 PRESSURE ON TAIWAN WOULD NOT HARM PRESIDENT LEE'S

SHOWING IN THE MAR 23 ELECTIONS; WHILE SOME ON TAIWAN MIGHT BE INTIMIDATED BY EO 13526 3.3(b)(6)N BALANCE THE MISSILE TESTS WOULD ACTUALLY INCREASE SUPPORT FOR THE PRESIDENT. NEVERTHELESS, [REDACTED] CONCERN OVER THE LONG-TERM BUILD-UP BY THE PRC MILITARY. [REDACTED] HAD BEEN STUDYING THIS CLOSELY FOR SEVERAL YEARS AND BELIEVED THAT WITH EVERY EXERCISE, THE PRC MILITARY WAS MOVING CLOSER TO ITS OBJECTIVE OF ACHIEVING THE CAPABILITY OF WINNING A HIGH-TECH, LIMITED WAR -- ON THE MODEL OF THE U.S. WAR WITH IRAQ -- AGAINST TAIWAN. THIS WAS CLEARLY A LONG-TERM CONCERN FOR TAIWAN, WHICH PRESENTLY LACKED ANY EFFECTIVE DEFENSE AGAINST MISSILES OR ANY CAPABILITY TO DETER SUCH ATTACK BY COUNTER-ATTACK.

4. (e) [REDACTED] EO 13526 3.3(b)(6) WHILE TAIWAN WAS HARDLY DEFENSELESS, IT WAS ALSO TRUE THAT ITS BEST DEFENSE WOULD BE DIPLOMATIC, NOT MILITARY. TAIWAN NEEDED TO TAKE ADVANTAGE OF THE STRONG POSITION ITS POLITICAL LEADERSHIP WOULD ENJOY FOLLOWING THE VICTORY BY PRESIDENT LEE THAT VIRTUALLY ALL POLITICAL OBSERVERS ON TAIWAN WERE PREDICTING. WITH THIS VICTORY, LEE WOULD DEMONSTRATE THE MAINLAND'S EFFORT TO INTIMIDATE TAIWAN MILITARILY HAD FAILED; HE WOULD ALSO HAVE GAINED A CLEAR-CUT MANDATE FOR THE POLICY TOWARD THE MAINLAND HE HAD ENUNCIATED IN HIS CAMPAIGN. HIS COUNTERPARTS IN THE MAINLAND WOULD CLEARLY HAVE LESS ROOM FOR MANEUVER, BUT IF TAIWAN TOOK THE INITIATIVE, AND AVOIDED GLOATING OVER LEE'S VICTORY, THOSE ON THE MAINLAND WHO FAVORED A RETURN TO DIALOGUE MIGHT HAVE A FRESH OPPORTUNITY TO SHIFT TAIWAN POLICY IN MORE PEACEFUL DIRECTIONS. THE KEY QUESTION WAS HOW TO RESTORE CONFIDENCE ON BOTH SIDES THAT PEACEFUL EVOLUTION OF RELATIONS SERVED BOTH SIDES' LONG-TERM INTERESTS.

5. (e) [REDACTED] EO 13526 3.3(b)(6) EVEN WITH A POPULAR MANDATE, PRESIDENT LEE COULD NOT SIMPLY DICTATE MAINLAND POLICY. NO TAIWAN PRESIDENT COULD CONCEDE TAIWAN'S BASIC POSITION THAT THERE EXISTED TWO CO-EQUAL POLITICAL ENTITIES IN CHINA. THE KEY PROBLEM WAS THAT BEIJING INSISTED THAT ONLY THE PRC EXISTED, AND THAT TAIWAN WAS NO MORE THAN A PROVINCE OF THE PRC. BEIJING WOULD HAVE TO ACCEPT THE "ROC" AS A POLITICAL EQUAL. NEVERTHELESS, [REDACTED] LEE HAD ALREADY MADE CLEAR HE INTENDED TO SET FORTH AFTER THE ELECTIONS A ROADMAP FOR IMPROVING CROSS-STRAITS RELATIONS. THIS POLICY WOULD EMPHASIZE THE COMMON INTERESTS OF THE TWO SIDES IN COOPERATING ECONOMICALLY AND SOCIALLY, AND SET FORTH RE-UNIFICATION AS TAIWAN'S EVENTUAL GOAL. [REDACTED] UNDERLINED THE IMPORTANCE OF LEAVING THE EXACT TIMETABLE FOR ACHIEVING UNIFICATION UNDEFINED. THIS WAS THE ONLY WAY SUCH A POLICY COULD WIN SUPPORT ON TAIWAN. IF THE MAINLAND INSISTED ON SETTING UNREALISTIC TARGETS -- SUCH AS TEN YEARS FROM NOW OR THE LIKE -- THERE WAS NO POSSIBILITY OF REACHING CONSENSUS.

6. (e) [REDACTED] EO 13526 3.3(b)(6) THE MAINLAND'S LOSS OF

CONFIDENCE IN ITS TAIWAN POLICY WAS AT LEAST PARTLY A PRODUCT OF THE RAPID EXPANSION IN TAIWAN'S INTERNATIONAL "SPACE" OVER THE PAST TWO AND ONE-HALF YEARS, NOTABLY WITH PRESIDENT LEE'S UNPRECEDENTED FOUR OVERSEAS TRIPS. HOWEVER, [EO 13526 3.3(b)(6)] PRESIDENT LEE "STRONGLY OPPOSED INDEPENDENCE." [] SOME PEOPLE

MISINTERPRETED OFF-HAND COMMENTS THE PRESIDENT HAD MADE OVER THE YEARS. HOWEVER, [EO 13526 3.3(b)(6)] "PRESIDENT LEE IS VERY REALISTIC." LEE FULLY UNDERSTOOD THE FACT THAT TAIWAN'S GEOGRAPHY AND THE MAINLAND'S SIZE RENDERED INDEPENDENCE "IMPOSSIBLE." TAIPEI WOULD CERTAINLY TRY TO CONVINCE BEIJING OF THIS. IT COULD ALSO GUARANTEE BEIJING THAT, "AS LONG AS THE KMT REMAINED IN POWER, TAIWAN WOULD NEVER SEEK INDEPENDENCE."

7. (E) [EO 13526 3.3(b)(6)] JUST AS THE MAINLAND MISUNDERSTOOD TAIWAN'S POLICY, SO TOO DID IT MISUNDERSTAND U.S. POLICY. MANY IN BEIJING CLEARLY BELIEVED U.S. POLICY TOWARD TAIWAN WAS PART OF A LARGER U.S. STRATEGY TO CONTAIN CHINA. [] IT WAS UNDERSTOOD IN TAIPEI THAT WASHINGTON OPPOSED TAIWAN INDEPENDENCE. [] THE U.S. WOULD CONTINUE TO WORK TO CONVINCE THE PRC THAT BOTH TAIPEI AND WASHINGTON WERE COMMITTED TO THE ANTI-INDEPENDENCE POSITION.

8. (E) [EO 13526 3.3(b)(6)] IN CONVINCING BEIJING THE PRIMARY RESPONSIBILITY WAS TAIPEI'S. [] A SUMMIT BETWEEN LEE AND PRC PRESIDENT JIANG ZEMIN WAS A POSSIBILITY, BUT WOULD REQUIRE CAREFUL ADVANCE PREPARATION. [] A MEETING WOULD HAVE TO BE STRUCTURED SUCH THAT LEE WOULD BE SEEN TO BE TREATED AS JIANG'S EQUAL; OTHERWISE IT WOULD BE UNACCEPTABLE ON TAIWAN.

9. (E) [EO 13526 3.3(b)(6)] TAIWAN'S GUIDELINES ON NATIONAL UNIFICATION (A POLICY -- ADOPTED BY THE AD HOC NATIONAL UNIFIC-WHICH SETS OUT THE RECIPROCAL STEPS TAIWAN AND THE PRC WOULD NEED TO TAKE TO ACHIEVE RE-UNIFICATION) REMAINED THE BASIS FOR TAIWAN'S CROSS-STRAITS POLICY. IT WAS A FAR-SIGHTED DOCUMENT, [] BECAUSE IT LAID OUT A VARIETY OF STEPS TOWARD CLOSER RELATIONS WITHOUT SPECIFYING PRECISELY WHEN THESE NEEDED TO BE ACHIEVED. THIS APPROACH ENJOYED BROAD SUPPORT AND, HENCE, THE GUIDELINES WOULD NOT BE AMENDED. [] SOME ON TAIWAN ARGUED FOR PASSAGE OF A LAW OR A CONSTITUTIONAL AMENDMENT TO CODIFY TAIWAN'S COMMITMENT TO RE-UNIFICATION, BUT [] DOUBTED THIS WOULD BE POLITICALLY REALISTIC OR NECESSARY.

10. (E) ACCORDING TO THE GUIDELINES [EO 13526 3.3(b)(6)] TAIWAN COULD ONLY AGREE TO OPEN DIRECT CROSS-STRAITS COMMERCE, TRAVEL AND COMMUNICATIONS (ABBREVIATED IN CHINESE AS "SANTONG") AFTER BEIJING HAD ACCEPTED TAIPEI AS A CO-EQUAL POLITICAL ENTITY AND RENOUNCED THE USE OF FORCE AGAINST TAIWAN. HOWEVER, PRESIDENT LEE HAD ALREADY

BROACHED PUBLICLY IN CAMPAIGN SPEECHES A PROPOSAL THAT THE TWO SIDES CONCLUDE A "PEACE AGREEMENT." EO 13526 3.3(b)(6) THIS WAS MEANT TO RESPOND DIRECTLY TO ONE OF THE EIGHT POINTS IN JIANG ZEMIN'S, WHICH [REDACTED]

[REDACTED] CALLED FOR A "FORMAL CESSATION OF HOSTILITIES" BETWEEN THE TWO SIDES. [REDACTED] IF SUCH AN AGREEMENT COULD BE NEGOTIATED, TAIPEI COULD ACCEPT THIS AS MEETING THE REQUIREMENTS OF THE GUIDELINES, AND THE "SANTONG" COULD THEN BE IMPLEMENTED.

11. (C) [REDACTED] EO 13526 3.3(b)(6) LI PENG HAD RECENTLY REITERATED THAT JIANG'S EIGHT POINTS WERE STILL ON THE TABLE. HOWEVER, [REDACTED] QUESTIONED RHETORICALLY WHETHER THE LEADERSHIP IN BEIJING WAS REALLY PREPARED TO RESPOND, EVEN TO WHAT AMOUNTED TO TAIWAN ACCEPTANCE OF JIANG'S OWN PROPOSAL. [REDACTED]

[REDACTED] THE COURSE OF NEGOTIATIONS OVER THE TERMS OF SUCH AN AGREEMENT WERE DIFFICULT TO PREDICT UNTIL REPRESENTATIVES FROM THE TWO SIDES ACTUALLY SAT DOWN TOGETHER. HOWEVER, [REDACTED] EXPECTED MAINLAND OFFICIALS WERE NOW STUDYING LEE'S PROPOSAL.

PASCOE
BT
#1041

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SECT: SECTION: 01 OF 01

SSN: 1041

TOR: 960308063213 M2120027

DIST:

PRT: SIT

SIT: BELL BUJOLD CLARKER KRISTOFF NORRIS NSC PASSDOWN SUETTINGER SUM
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PREC: PRIORITY
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 RUCNDT/USMISSION USUN NEW YORK 0008
 RUEHBJ/AMEMBASSY BEIJING 6635
 SUBJ: SCENESETTER FOR U/S. PETER TARNOFF VISIT TO SINGAPORE

DECLASSIFIED IN PART
 PER E.O. 13526

2015-0686-M [1.09]

KBH 6/12/2019

TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06

TAGS: OVIP (PT), PREL, SN, US

SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

1. CLASSIFIED BY DCM EMIL SKODON. REASON: 1.5(B) AND (D).
2. (U) BELOW IS A SCENESETTER WE HAVE DRAFTED FOR YOUR VISIT TO SINGAPORE. IT LAYS OUT WHAT WE CONSIDER TO BE IMPORTANT OBJECTIVES FOR YOUR VISIT, REVIEWS THE CONTEXT OF BILATERAL AND REGIONAL DEVELOPMENTS, AND FINALLY, SUGGESTS APPROACHES TO EACH OF YOUR MEETINGS WITH SENIOR SINGAPORE OFFICIALS.

 I. U.S. INTERESTS IN SINGAPORE

(G) DESPITE ITS SMALL SIZE, SINGAPORE PLAYS A LARGE ROLE IN AREAS SIGNIFICANT FOR U.S. INTERESTS. IT IS OUR NINTH LARGEST TRADE PARTNER; THE MOST IMPORTANT STRATEGIC CENTER FOR THE U.S. MILITARY IN SOUTHEAST ASIA, THANKS TO THE 1990 ACCESS AGREEMENT FOR U.S. FORCES; AND A FOCAL POINT FOR U.S. EFFORTS TO INTERCEPT INTERNATIONAL CRIMINAL TRAFFIC, MUCH OF WHICH PASSES THROUGH SINGAPORE'S HARBOR AND AIRPORTS. SINGAPORE IS ALSO AN IMPORTANT VOICE IN REGIONAL COUNCILS, BOTH FOR STRATEGIC INTERESTS WE SUPPORT AND FOR "ASIAN VALUES," AN ISSUE WE AND SINGAPORE HAVE DEBATED AT LENGTH.

II. YOUR OBJECTIVES

A. (G) TO EMPHASIZE TO SINGAPORE THE NEED FOR ALL INTERESTED PARTIES TO ENCOURAGE THE PRC AND TAIWAN TO INITIATE A DIALOGUE BETWEEN THEM WHICH WILL REDUCE THE RISK OF CONFLICT AND ENABLE PROGRESS IN RESOLVING THEIR DIFFERENCES.

B. (G) TO STRENGTHEN THE STRATEGIC COOPERATION BETWEEN SINGAPORE AND THE UNITED STATES ON REGIONAL AND GLOBAL SECURITY ISSUES.

C. (G) TO UNDERScore THE DAMAGE DONE TO SINGAPORE IN THE UNITED STATES BY THE PERCEPTION THAT ITS ATTACKS ON THE WEST REFLECT AN UNWILLINGNESS TO TOLERATE DIFFERENCES.

D. (G) TO ASSESS THE DYNAMICS OF THE UPCOMING ELECTION AND LEADERSHIP SUCCESSION WITHIN THE RULING PEOPLE'S ACTION PARTY (PAP) FOUNDED BY LEE KWAN YEW.

III. THE CONTEXT FOR YOUR VISIT

INTRODUCTION

(G) YOUR VISIT WILL LIKELY BE DOMINATED BY THE TENSIONS BETWEEN THE PRC AND TAIWAN AS TAIWAN'S PRESIDENTIAL ELECTIONS APPROACH. SENIOR MINISTER LEE KWAN YEW (LKY) BLAMED TAIWAN AND THE U.S. FOR PROVOKING THE TENSIONS BY HAVING TAIWAN PRESIDENT LEE TENG-HUI VISIT CORNELL LAST JUNE. IN A MORE BALANCED SPEECH MARCH 3, LKY ADDED TO THIS A WARNING THAT CHINA TOO MUST SHOW PATIENCE AND AVOID CONFLICT. HE URGED THE TWO SIDES TO COMPROMISE ON TAIWAN'S SEARCH FOR INTERNATIONAL "SPACE." THE MAINLAND SHOULD OFFER TAIWAN SOME ADDITIONAL UNSPECIFIED INTERNATIONAL ACCESS IN RETURN FOR TAIWAN'S WITHDRAWING ITS U.N. BID. SINCE THIS SPEECH, WHICH MFA CLAIMS WAS MADE IN RESPONSE TO U.S. REQUESTS, MFA HAS SAID THAT ONLY U.S. PRESSURE ON TAIWAN CAN MAKE LKY'S SUGGESTED COMPROMISE POSSIBLE.

(G) SINGAPORE SEES ITSELF AS A STRONG SUPPORTER OF A NUMBER OF OTHER STRATEGIC POLICIES WHICH HAVE BEEN IMPORTANT TO THE UNITED STATES -- INCLUDING IN THE ASEAN REGIONAL FORUM (ARF), THE SOUTHEAST ASIAN NUCLEAR WEAPONS FREE ZONE (SEANWFZ), AND THE NUCLEAR NONPROLIFERATION TREATY. SINGAPORE HAS STRONGLY WELCOMED U.S. COMMITMENTS, EXPRESSED IN THE 1995 EAST ASIA STRATEGY REVIEW, TO REMAIN FORWARD DEPLOYED IN THE PACIFIC, BUT STILL HARBORS A LINGERING SUSPICION THAT IT MUST LOOK TO A TIME IN THE FUTURE WHEN THE U.S. WILL NO LONGER PROVIDE A COUNTERWEIGHT TO CHINA A OF OUR CONCERNS ABOUT CHINA'S WTO ACCESSION AND JAPAN'S TRADE BARRIERS, IT FEARS THAT OUR APPROACHES TO THESE ISSUES ARE ONLY CAUSING CONFRONTATION WITH THESE RISING ASIAN POWERS.

(G) SINGAPORE MUST HOLD PARLIAMENTARY ELECTIONS BEFORE 1997. THE ELECTION CAMPAIGN COULD REINFLAME THE ONE SERIOUS IRRITANT BETWEEN SINGAPORE AND THE U.S. -- THE PERIODIC PENCHANT OF SINGAPORE'S LEADERS TO CRITICIZE THE UNITED STATES AND THE

WESTERN PRESS. THIS IS NOT NEW -- LEE KUAN YEW REPEATEDLY
ATTACKED THE WESTERN MEDIA WHEN HE WAS PM. SINGAPORE'S
CONVICTION LAST YEAR OF THE INTERNATIONAL HERALD TRIBUNE AND
CHRISTOPHER LINGLE RAISED ONCE MORE THE VISIBILITY OF THIS
~~C O N F I D E N T I A L~~ SECTION 02 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06
TAGS: OVIP (PT), PREL, SN, US
SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

CONFLICT BETWEEN US AND DAMAGED SINGAPORE'S REPUTATION WITH
MANY IN THE U.S., INCLUDING IN CONGRESS. THE RULING PEOPLE'S
ACTION PARTY (PAP) HAS ANNOUNCED THAT PART OF ITS CAMPAIGN
STRATEGY WILL BE TO HIGHLIGHT CRITICISMS OF THE WEST TO
ACCENTUATE ITS OWN ACCOMPLISHMENTS. SINGAPORE AND THE PAP MUST
UNDERSTAND THAT SUCH BEHAVIOR HAS ITS COSTS.

SINGAPORE'S VIEW OF THE REGIONAL BALANCE

(G) THE UNITED STATES, CHINA AND JAPAN ARE THE THREE GREAT
POWERS WHICH DOMINATE THEIR REGION, ACCORDING TO SINGAPOREANS.
THEY SEE THE U.S. AS THE MOST RELIABLE AND BENIGN OF THESE
THREE., BY FAR. THEY ATTACH PARTICULAR IMPORTANCE TO HAVING ALL
THREE OF THESE STATES ESTABLISH STABLE RELATIONS WITH EACH
OTHER. AT THE SAME TIME, SINGAPORE'S LEADERS HAVE EXPRESSED
CONCERN THAT RECENT CONFLICTS BETWEEN THE U.S. AND CHINA, AND
THE U.S. AND JAPAN THREATEN TO MAKE THESE RELATIONSHIPS LESS
STABLE. SINGAPORE HAS SUGGESTED THAT THE RESULT OF OUR
DISPUTES WITH THESE TWO RISING POWERS ON TRADE BARRIERS AND WTO
ACCESSION FOR CHINA MAY BE TO INCREASE FRICTION MORE THAN TO
RESOLVE THE PROBLEMS WE ARE SEEKING TO ADDRESS. FOR EXAMPLE,
SINGAPORE'S LEADERS HAVE PUBLICLY CALLED FOR WESTERN COUNTRIES
TO SUPPORT CHINA'S RAPID ENTRY INTO THE WTO OR RISK DAMAGE TO
THE INTERNATIONAL ECONOMIC SYSTEM.

(G) SINCE TAIWAN PRESIDENT LEE TENG-HUI VISITED THE UNITED
STATES LAST JUNE, THERE HAS BEEN A RISING TIDE OF GOS CRITICISM
OF BOTH TAIWAN AND THE UNITED STATES FOR PROVOKING TENSIONS
WITH CHINA. UNDERLYING THIS TIDE HAS BEEN SINGAPORE'S SENSE
THAT CHINA IS AN ENORMOUS AND GROWING POWER WITH AN UNDENIABLE
TENDENCY TOWARD DESTABILIZING ACTIONS WHEN IT SEES ITS
INTERESTS THREATENED. SINGAPOREAN LEADERS CONTEND THAT CHINA
MUST BE SUBTLY CAJOLED TOWARD CONSTRUCTIVE COOPERATION; ANY
CRITICISM OF CHINA WILL ONLY BACKFIRE. CHINA'S RECENT
ESCALATION OF MILITARY EXERCISES IN AND AROUND THE TAIWAN
STRAIT HAS FINALLY PUSHED THE SENIOR MINISTER TO CRITICIZE THE
PRC DIRECTLY, ALTHOUGH MFA CONTINUES TO EMPHASIZE THAT TAIWAN
AND US ARE RESPONSIBLE FOR GOADING BEIJING.

(G) BEFORE THE U.S. PUBLISHED THE EAST ASIA STRATEGY REVIEW
EASR) LAST YEAR, THERE WAS A CHORUS OF VOICES IN SINGAPORE
SAYING THAT WE WOULD INEVITABLY WITHDRAW OUR MILITARY FROM EAST
ASIA AND THE PACIFIC. SINCE THE EASR, THESE VOICES HAVE BEEN
MUTED, BUT NOT STILLED. WHILE SINGAPOREANS ACKNOWLEDGE AND
WELCOME THE CONSENSUS OF U.S. STRATEGIC POLICY MAKERS THAT A

PRESENCE IN ASIA IS THE NECESSARY COMPLEMENT TO OUR ACTIVE ECONOMIC ROLE HERE, THEY ALSO POINT OUT THAT THERE IS A STRONG TENDENCY IN THE U.S., STARKLY EVIDENT IN CANDIDATES' PRIMARY CAMPAIGN SPEECHES, TO REDUCE GOVERNMENT BUDGETS AND OVERSEAS COMMITMENTS. THEY NOTE THAT ALMOST HALF OF OUR PRESENCE IN THE REGION IS KEYED DIRECTLY OR INDIRECTLY TO KOREA. THEY SUSPECT WE WILL REDUCE OUR MILITARY PRESENCE IN THE REGION ABRUPTLY ONCE KOREA IS UNIFIED, JUST AS WE WITHDREW FROM EUROPE AFTER THE END OF THE COLD WAR.

STRATEGIC PARTNER

(C) AS A SMALL, PREDOMINANTLY CHINESE STATE FLANKED BY TWO LARGE ISLAMIC STATES, SINGAPORE HAS ALWAYS BEEN CONSCIOUS OF ITS PRECARIOUS STRATEGIC POSITION. IT HAS BEEN OUTSPOKEN AND PRAGMATIC IN PURSUING STEPS WHICH IT BELIEVES WILL ENHANCE ITS SECURITY.

(C) FOR THAT REASON, IT HAS LONG SUPPORTED THE U.S. MILITARY PRESENCE IN SOUTHEAST ASIA. IT OFFERED FACILITIES TO OUR MILITARY FACILITIES WHEN WE LEFT THE PHILIPPINES, AND IT HAS REPEATEDLY AND PUBLICLY ADVOCATED OUR CONTINUED PRESENCE, EVEN THOUGH ITS TWO LARGEST NEIGHBORS -- MALAYSIA AND INDONESIA -- HAVE BEEN AT TIMES FAR LESS ENTHUSIASTIC.

(C) SINGAPORE SPOKE OUT IN SUPPORT OF THE INDEFINITE EXTENSION OF THE NPT. IT FOUGHT AGAINST THE EFFORTS OF SOME NAM STATES, INCLUDING INDONESIA, TO SEEK A CONDITIONAL EXTENSION OF THE NPT.

(C) IT AGREED LAST YEAR TO CONTRIBUTE TO KEDO, ALTHOUGH IT HAS HESITATED TO "JOIN" KEDO, FEARING THAT MIGHT DEMAND MORE EXPERTISE THAN IT IS READY OR ABLE TO OFFER. IT HAS SHOWN LITTLE INTEREST IN SUPPORTING KEDO IN RECENT ASEAN OR ASEM MEETINGS.

(C) SINGAPORE HAS TAKEN AN ACTIVE ROLE IN MAKING THE ARF A MORE ACTIVIST ORGANIZATION WHILE MAINTAINING AN ASEAN CONSENSUS THAT WILL ENSURE THE ARF'S SURVIVAL. SINGAPORE HAS BEEN RECEPTIVE TO U.S. PROPOSALS TO DIRECT ARF TOWARD A MORE CONCRETE AGENDA.
~~C O N F I D E N T I A L~~ SECTION 03 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06

TAGS: OVIP (PT), PREL, SN, US

SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

SINGAPORE AND THE US CO-CHAIR THE RECENT ARF INTER-SESSIONAL MEETING (ISM) ON MARITIME SEARCH AND RESCUE (SAR).

(C) SINGAPORE HAS TAKEN A LEADING ROLE IN CONSTRUCTING THE SEAN POSITION ON ARF MEMBERSHIP. IT IS STRUGGLING TO BALANCE THE PRINCIPLE OF ARF-WIDE CONSENSUS AGAINST ASEAN'S DESIRE, AS THE "CORE" OF THE ARF, TO SEE ITS NEW FULL DIALOGUE PARTNER, INDIA, ACCEPTED AS AN ARF MEMBER.

(G) SINCE A NUMBER OF ASEAN STATES REVIVED THE LONG-DORMANT PROPOSAL FOR A SOUTHEAST ASIAN NUCLEAR WEAPONS FREE ZONE (SEANWFZ) IN ORDER TO MAKE ITS SIGNING A CENTERPIECE OF THE ASEAN SUMMIT IN BANGKOK LAST DECEMBER, SINGAPORE WORKED CLOSELY WITH US TO MEET OUR CONCERNS. IT BELIEVES THAT SEANWFZ IS MEANINGLESS WITHOUT THE NUCLEAR POWERS SIGNING THE SEANWFZ PROTOCOL. WHILE SINGAPORE IS WILLING TO CONSIDER CHANGES TO THE SEANWFZ TREATY, IT BELIEVES THAT THE OPPOSITION OF OTHER ASEAN MEMBERS, PARTICULARLY MALAYSIA, MAKES SUCH CHANGES HIGHLY UNLOELY IN THE SHORT TERM. IT HAS URGED US TO CONSIDER SOME COMBINATION OF CHANGES TO THE PROTOCOL AND A BINDING INTERPRETATIVE STATEMENT FROM ASEAN.

ECONOMIC SITUATION

(G) SINGAPORE IS AN ECONOMIC POWERHOUSE SITTING ASTRIDE OF THE WORLD'S MAJOR SEA LANES. IT IS A REGIONAL TRADING AND FINANCIAL CENTER WHICH ATTRACTED NEARLY \$5 BILLION IN FOREIGN INVESTMENTS LAST YEAR, OF WHICH \$1.5 BILLION WERE FROM THE U.S. THE CITY-STATE'S 3 MILLION POPULATION ENJOYS ONE OF THE HIGHEST LIVING STANDARDS IN ASIA WITH OVER \$18,000 IN PER CAPITA GNP. UNEMPLOYMENT IS CONSISTENTLY BELOW 3 PERCENT, AND A LABOR SHORTAGE HAS MEANT RELIANCE ON FOREIGN LABOR FOR 29 PERCENT OF THE WORKFORCE. SINGAPORE'S ECONOMIC PHILOSOPHY IS FOUNDED ON FREE MARKET PRINCIPLES AND FISCAL CONSERVATISM. IT HAS EXTERNAL RESERVES OF OVER \$69 BILLION AND A BUDGET SURPLUS OVER \$5 BILLION.

(G) THERE ARE ABOUT 1000 U.S. COMPANIES LOCATED HERE, MANY OF THEM LARGE MULTINATIONALS THAT BASE THEIR REGIONAL HEADQUARTERS IN THE CITY. MULTINATIONAL COMPANIES BASED HERE INDICATE THAT THE ADVANTAGES OF SINGAPORE'S EXCELLENT INFRASTRUCTUR AND SAFETY OUTWEIGH ITS RISING COSTS OF DOING BUSINESS. U.S. CUMULATIVE INVESTMENT IN SINGAPORE TOTALS OVER \$14 BILLION. OUR COMPANIES ARE CONCENTRATED IN THE MANUFACTURING SECTOR, MOSTLY HIGH-TECH ELECTRONICS AND COMPUTER PERIPHERALS, AND FINANCIAL SERVICES. IN 1995 SINGAPORE WAS OUR NINTH LARGEST TRADING PARTNER, TAKING IN ABOUT \$15 BILLION OF U.S. EXPORTS AND SENDING SOME \$18.5 BILLION IN PRODUCTS TO THE U.S.

(G) REALIZING THE LIMITATIONS OF ITS SMALL SIZE, BUT INTENT ON STAYING COMPETITIVE, SINGAPORE HAS LAUNCHED A "REGIONALIZATION" CAMPAIGN ENCOURAGING ITS COMPANIES TO INVEST AND EXTEND BUSINESS ACTIVITIES THROUGHOUT SOUTHEAST ASIA AND NEIGHBORING REAS. IN A DEPARTURE FROM THE GOS' NORMAL PRACTICE OF LETTING COMMERCIAL CONSIDERATIONS DICTATE INVESTMENT DECISIONS, LEE KUAN YEW HAS PUSHED GOVERNMENT TO GOVERNMENT INVOLVEMENT IN THE SUZHOU INDUSTRIAL PARK DEVELOPMENT IN A BID TO STRENGTHEN POLITICAL AS WELL AS ECONOMIC TIES WITH CHINA.

(G) CHALLENGES SINGAPORE WILL FACE IN THE COMING DECADES ARE A LABOR SHORTAGE, AN AGING WORKFORCE, AND THE NEED TO UPGRADE ITS WORKFORCE TO REMAIN COMPETITIVE AS IT COMPLETES THE TRANSFORMATION OF ITS ECONOMY TO A DEVELOPED COUNTRY.

BILATERAL IRRITANTS

(C) THERE IS ONE CONTINUING BILATERAL PROBLEM BETWEEN SINGAPORE AND THE U.S. IT IS SINGAPORE'S PERIODIC HABIT OF PROVOKING CONFRONTATION OVER ISSUES WHICH IT PERCEIVES AFFECT ITS "SOVEREIGNTY." THIS IS NEITHER A RECENT PROBLEM (WITNESS THE GAZETTING OF THE FAR EASTERN ECONOMIC REVIEW IN 1987 AND THE PNG'ING OF THE US EMBASSY POLITICAL OFFICER HANK HENDRICKSON IN 1988 WHEN LEE KUAN YEW WAS PM) NOR IS IT ONE LIMITED TO THE U.S. (WITNESS SINGAPORE'S REJECTION OF FILIPINO PRESIDENT RAMOS' APPEAL IN THE MURDER CONVICTION OF A FILIPINO MAID WORKING IN SINGAPORE LAST YEAR).

(C) IN SEPTEMBER 1994, SINGAPORE TOOK UMBRAGE AT CHRISTOPHER LINGLE'S SUGGESTION IN THE INTERNATIONAL HERALD TRIBUNE THAT SOME ASIAN REGIMES RELY ON A "COMPLIANT JUDICIARY."

EO 13526 3.3(b)(6)

(C) IN A NOVEMBER 1995 PARLIAMENTARY DEBATE WHICH RESULTED IN ~~C O N F I D E N T I A L~~ SECTION 04 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06
TAGS: OVIP (PT), PREL, SN, US
SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

THE CENSURE OF OPPOSITION POLITICIAN CHEE SOON JUAN, LEE KUAN YEW ALLEGED A "CONSPIRACY" AMONG LIBERAL WESTERN HUMAN RIGHTS ORGANIZATIONS, THE MEDIA, THE NEW YORK BAR ASSOCIATION AND EVEN HARVARD UNIVERSITY, ALL OF WHICH HE SAID WERE INTENT ON UNDERMINING THE AUTHORITY OF THE RULING PAP PARTY. HE ALSO RAISED THE HENDRICKSON AFFAIR AGAIN AND WARNED THE UNITED STATES NOT TO INTERFERE IN SINGAPORE'S DOMESTIC POLITICS.

(C) LEE KUAN YEW'S PEOPLE'S ACTION PARTY (PAP) RECENTLY PUBLISHED ITS REELECTION STRATEGY, WHICH INCLUDED A PROMISE TO HIGHLIGHT CRITICISMS OF THE WEST IN ORDER TO ACCENTUATE ITS OWN ACCOMPLISHMENTS. WHILE SINGAPOREAN LEADERS MAY CLAIM THAT THIS IS MERELY "POLITICS AS USUAL," THEY AND THE PAP MUST UNDERSTAND THAT SUCH BEHAVIOR HAS ITS COSTS.

IV. YOUR CALLS AND THE ISSUES TO ADDRESS

SENIOR MINISTER LEE KUAN YEW

(C) LKY WILL FOCUS ON BROAD STRATEGIC ISSUES AND SHUN COMMENTS ON PARTICULAR ASPECTS OF SINGAPORE'S CURRENT POLICIES. HE WILL BE MORE LIKELY TO PONTIFICATE THAN TO SOLICIT OPINIONS.

(C) LEE KUAN YEW HAS BEEN THE MAJOR ARCHITECT OF SINGAPORE'S EFFORT TO WIN AN ECONOMIC FOOTHOLD IN CHINA, PARTICULARLY THROUGH THE DEVELOPMENT OF A SINGAPORE ZONE IN SUZHOU.

(G) ISSUES TO ADDRESS INCLUDE:

-- OUR CURRENT ASSESSMENT OF CONDITIONS ACROSS THE TAIWAN STRAIT, FOCUSING PARTICULARLY ON THE ONGOING PRC MILITARY EXERCISES;

-- THE IMPORTANCE OF SINGAPORE URGING BOTH CHINA AND TAIWAN TO ACT ON HIS ADVICE, USING ITS ACCESS TO SENIOR LEADERS IN BOTH CHINA AND TAIWAN. SINGAPORE SHOULD SPEAK OUT NOT AS "FAMILY" BUT AS A FRIEND AND A REGIONAL STATE WHICH WILL SUFFER THE CONSEQUENCES OF A MISSTEP BY EITHER SIDE.

-- JAPAN - U.S. RELATIONS, THE RECENT CONVICTION OF U.S. ARINES ON OKINAWA, THE FUTURE OF THE U.S.-JAPAN SECURITY ALLIANCE, AND CURRENT TRADE DISPUTES;

-- DEVELOPMENTS IN BURMA, CAMBODIA AND VIETNAM.

PRIME MINISTER GOH CHOK TONG

(G) GOH PROPOSED LAST YEAR THAT ASIA HOST AN ASIA-EUROPE LEADERS MEETING (ASEM), WHICH WAS HELD IN FEBRUARY. THIS MEETING SUCCESSFULLY AVOIDED ANGRY CONFRONTATIONS OVER HUMAN RIGHTS. FRANK BILATERAL DISCUSSIONS APPARENTLY AIDED THE ISSUE, AND THE POSSIBLE FUTURE MEMBERSHIP OF AUSTRALIA, NEW ZEALAND, TAIWAN AND HONG KONG.

(G) THE GOS HAS INFORMED US THAT, WHILE AT THE ASEM, GOH RAISED SINGAPORE'S CONCERNS ABOUT RISING TENSION IN THE TAIWAN STRAIT AT A BILATERAL MEETING WITH PRC PREMIER LI PENG. LI REBUFFED THE APPROACH WITH THE USUAL LINE THAT THIS IS AN INTERNAL CHINESE AFFAIR.

(G) THE ASEM WAS PART OF GOH'S RECENT FOREIGN POLICY EFFORTS TO EXPAND SINGAPORE'S ECONOMIC LINKS WITH EUROPE. GOH HOPES THAT LOSER TIES TO EUROPE WILL BALANCE US-ASIA ECONOMIC LINKS AND INCREASE REGIONAL BUSINESS ACTIVITY WHICH WILL COMPENSATE FOR ECONOMIC LIMITATIONS IMPOSED BY SINGAPORE'S SMALL SIZE.

(G) AS THE DESIGNATED LEADER OF THE SECOND GENERATION OF LEADERS IN SINGAPORE (WITH DEPUTY PRIME MINISTER BG LEE, LEE KWAN YEW'S SON, CONSIDERED BY MANY TO BE THE ANOINTED THIRD-GENERATION LEADER), GOH WILL NEED TO CALL GENERAL ELECTIONS SOMETIME IN THE NEXT 14 MONTHS. THERE HAS BEEN SOME FEELING THAT HIS JOB COULD BE IN JEOPARDY IF THE PAP POPULAR VOTE SLIPS BELOW 60 PERCENT.

(G) ISSUES TO ADDRESS INCLUDE:

-- CHINA, FOCUSING PARTICULARLY ON GOH'S BILATERAL CONVERSATIONS WITH LEE PENG AT THE ASEM.

-- EMPHASIZE THE NEED FOR CONTINUED ENCOURAGEMENT FOR PATIENCE ON BOTH SIDES.

~~CONFIDENTIAL~~ SECTION 05 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06
TAGS: OVIP (PT), PREL, SN, US
SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

-- OUR SUPPORT FOR THE ASEM AS A CONTRIBUTION TO INTER-REGIONAL DIALOGUE.

-- GOH'S EXTERNAL ECONOMIC STRATEGY FOR SINGAPORE.

-- GOH'S THOUGHTS ON THE ELECTION AND THE LIKELIHOOD OF OPPOSITION INROADS INTO THE 77 - 4 PARLIAMENTARY MAJORITY HELD BY THE RULING PEOPLE'S ACTION PARTY.

-- THE LIKELIHOOD THAT AN ELECTION CAMPAIGN COULD SEE HEATED RHETORIC ON ALL SIDES, INCLUDING SOME INVOLVING THE U.S.

-- OUR POSITION THAT WE DO NOT WANT TO DEBATE FINE POINTS OF PAST DISAGREEMENTS, BUT TO MOVE ON, FOCUS-ON THE INTERESTS WE SHARE AND AVOID SUCH DISAGREEMENTS IN THE FUTURE. WITH THAT IN MIND, WE MUST EXERCISE RHETORICAL RESTRAINT, WHILE RECOGNIZING THAT PRESS IN BOTH COUNTRIES MAY PUBLISH PROVOCATIVE STORIES.

--KEDO EMPHASIZEING THE WHITE HOUSE INTEREST IN ACTIVE SUPPORT BY STATES IN THE REGION.

DEPUTY PRIME MINISTER BG LEE HSIEN LOONG

(C) DEPUTY PM BG LEE HSIEN LOONG HAS TITULAR RESPONSIBILITY FOR THE DIRECTION OF SINGAPORE'S DOMESTIC ECONOMIC DEVELOPMENT. ALTHOUGH HE IS GENERALLY CONSIDERED TO BE THE HEIR APPARENT,

EO 13526 3.3(b)(6)

(C) LEE TOOK THE LEAD IN DEBATING THE PARLIAMENTARY CENSURE MOTION LAST NOVEMBER OF OPPOSITION POLITICIAN CHEE SOON JUAN, WHO IS NOT A MEMBER OF PARLIAMENT. EO 13526 3.3(b)(6)

EO 13526 3.3(b)(6)

(C) LEE HAS ALSO BEEN A PROMINENT PAP SPOKESMAN ON THE ISSUE OF TECHNOLOGY, ITS CONTRIBUTIONS TO PRODUCTIVITY AND ITS THREAT TO SOCIAL HARMONY, PARTICULARLY THROUGH THE INTERNET.

(C) YOU MIGHT WANT TO DRAW OUT LEE ON THE TOPIC OF SINGAPORE'S DEVELOPMENT PROSPECTS AND CHALLENGES.

FOREIGN MINISTER S. JAYAKUMAR

(C) THIS WOULD BE THE MEETING TO REVIEW THE BROAD RANGE OF OUR FOREIGN POLICY AGENDA WITH SINGAPORE, WHILE STRESSING THE NEED

TO ADDRESS SINGAPORE'S CONTINUING IMAGE PROBLEM IN THE UNITED STATES.

(G) ISSUES TO ADDRESS INCLUDE:

- EXPRESS APPRECIATION FOR SINGAPORE'S URGING RESTRAINT ON BOTH CHINA AND TAIWAN.
- URGE SINGAPORE TO CONTINUE ITS CONTACTS WITH BOTH SIDES.
- THANK SINGAPORE FOR ITS SUPPORT FOR THE CTBT, FOLLOWING ITS SUPPORT LAST YEAR FOR THE INDEFINITE EXTENSION OF THE NPT
- REVIEW DEVELOPMENTS IN U.S./DPRK TALKS AND DISCUSS NEXT STEPS
 - THANK SINGAPORE FOR ITS SUPPORT LAST YEAR, UNDERSCORE OUR BELIEF THAT SINGAPORE MUST TAKE A MORE ACTIVE ROLE IN KEDO, DIRECTLY AND THROUGH ORCHESTRATING ASEAN'S SUPPORT.
- EXPRESS U.S. APPRECIATION FOR SINGAPORE'S CO-CHAIRING THE ARF SAR ISM.
 - WHERE DO WE GO FROM HERE, WHAT ARE OUR OBJECTIVES FOR THE ARF THIS YEAR?
- REVIEW BRIEFLY U.S. CONCERNS WITH THE SEANWFZ AND OUR COMMITMENT TO SIGN THE SEANWFZ PROTOCOL, PROVIDED OUR
1
ESSENTIAL CONCERNS CAN BE MET.
- REVIEW DEVELOPMENTS IN THE SPRATLYS AND THE ROLE OF ASEAN AND THE ARF.
- REITERATE OUR DETERMINATION TO REMAIN FORWARD DEPLOYED.

~~C O N F I D E N T I A L~~ SECTION 06 OF 06 SINGAPORE 001074

STATE ALSO FOR P - DANNY RUSSEL, EAP/PIMBS

E.O. 12958: 03/08/06

TAGS: OVIP (PT), PREL, SN, US

SUBJECT: SCENESETTER FOR U/S PETER TARNOFF VISIT TO SINGAPORE

- THE EAST ASIAN STRATEGY REVIEW IS NOT A FORGOTTEN PRESS RELEASE; IT IS THE BLUEPRINT FOR OUR SECURITY COMMITMENTS IN THE ASIA PACIFIC REGION.
- EXPRESS OUR APPRECIATION FOR CONTINUED ACCESS TO SINGAPORE'S SUPPORT FACILITIES FOR THE U.S. MILITARY
- DISCUSS CONTINUING IMAGE PROBLEM OF SINGAPORE IN THE U.S.
- STRESS OUR CONCERN THAT SUCH CONTINUED PROBLEMS ARE AFFECTING OTHER AREAS OF OUR RELATIONSHIP.

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#1074

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SECT: SECTION: 01 OF 06
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 RUESLE/AMCONSUL SHANGHAI 4581
 RUEHHK/AMCONSUL HONG KONG 7598
 RUEHBJ/AMEMBASSY BEIJING 6081
 RUEHGZ/AMCONSUL GUANGZHOU 6435
 RUEHKO/AMEMBASSY TOKYO 3905
 RUEHGP/AMEMBASSY SINGAPORE 5508
 RUEHUL/AMEMBASSY SEOUL 7536
 RUEHML/AMEMBASSY MANILA 3526
 SUBJ: CROSS-STRAIT RELATIONS AND THE PRESIDENTIAL
 - CAMPAIGN IN CENTRAL TAIWAN

**DECLASSIFIED
 PER E.O. 13526**
 2015-0686-M (1.10)
 KBH 6/12/2019

PRESIDENT LEE WOULD NOT WIN BY AT LEAST A PLURALITY IN
 THE UPCOMING MARCH 23 ELECTION. NANTOU IS THE HOME OF

TEXT:

////////////////// INCOMPLETE MESSAGE //////////////////////

~~CONFIDENTIAL~~ SECTION 02 OF 02 TAIPEI 001066

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/10/06
 TAGS: PGOV, PREL, TW, CH
 SUBJECT: CROSS-STRAIT RELATIONS AND THE PRESIDENTIAL
 - CAMPAIGN IN CENTRAL TAIWAN

PRESIDENT LEE WOULD NOT WIN BY AT LEAST A PLURALITY IN
 THE UPCOMING MARCH 23 ELECTION. NANTOU IS THE HOME OF
 INDEPENDENT PRESIDENTIAL HOPEFUL LIN YANG-KANG, WHO HAD
 SERVED AS COUNTY MAGISTRATE THERE FOR A NUMBER OF
 YEARS. AN ETHNIC TAIWANESE, LIN HAD RETAINED CLOSE
 TIES IN THE COUNTY, IN WHICH MOST OF THE PEOPLE ARE
 ETHNIC TAIWANESE. JUST AS IMPORTANT, HIS YOUNGER
 BROTHER, LIN YUAN-LANG, CURRENTLY SERVES AS COUNTY
 MAGISTRATE. EARLY ON, THE YOUNGER LIN MADE IT CLEAR
 THAT HE WOULD THROW HIS FULL WEIGHT BEHIND HIS OLDER
 BROTHER'S CAMPAIGN.

9. (X) NEVERTHELESS, EVEN LIN YANG-KANG'S SUPPORTERS IN NANTOU ACKNOWLEDGE THAT EARLIER PREDICTIONS THAT THEIR STANDARD-BEARER WOULD WIN 70 PERCENT OF THE VOTE IN THE COUNTY NOW APPEAR WILDLY OPTIMISTIC. IN NANTOU, LIN'S CANDIDACY HAS BEEN HURT BY THE DOWN-TURN IN CROSS-STRAIT RELATIONS. THE INCREASE IN TENSIONS ACROSS THE STRAITS HAS EXACERBATED THE FEARS OF MANY ETHNIC TAIWANESE, WHO WERE ALREADY APPALLED BY LIN CHOOSING FORMER GENERAL HAU PEI-TSUN, AN ARCH-CONSERVATIVE MAINLANDER, AS HIS VICE PRESIDENTIAL RUNNING MATE. LIN'S REPEATED CALLS FOR LEE TO AVOID "PROVOKING" THE PRC SOUND DANGEROUSLY CLOSE TO A POLICY OF APPEASEMENT TO THESE ETHNIC TAIWANESE LISTENERS. LIN WAS ALSO CLEARLY HURT BY HIS DEPUTY CAMPAIGN MANAGER'S DECISION TO RESIGN IN ORDER TO MAKE AN ABORTIVE ATTEMPT TO TRAVEL TO THE MAINLAND TO ENGAGE IN PEACE TALKS WITH THE PRC (SEPTEL). FINALLY, LIN'S PROCLAIMING THAT AS MANY MAINLANDERS AS ETHNIC TAIWANESE SUFFERED DURING THE FEBRUARY 28, 1947 INCIDENT HAS COST HIM WITH HIS ETHNIC TAIWANESE SUPPORTERS. LIN'S ACTIVISTS NOW ADMIT THAT IT WILL BE A CLOSE RACE BETWEEN HIM AND PRESIDENT LEE TO SEE WHO GETS THE LARGEST NUMBER OF VOTES IN NANTOU COUNTY.

CROSS-STRAIT RELATIONS AND THE COMMON PERSON

10. (X) WHILE SOME OF THESE COUNTIES ARE COMPARATIVELY ISOLATED AND RURAL, IT WAS CLEAR THAT MOST PEOPLE IN THE REGION WERE WELL AWARE OF THE SHARP DOWNTURN IN CROSS-STRAIT RELATIONS. MOST PEOPLE SEEMED TO KNOW OF SOMEONE WHO WAS TRYING TO FIND A SAFE HAVEN FOR HIS MONEY OR FAMILY. STILL, THE PREDOMINANT FEELING SEEMED TO BE A COMBINATION OF ANGER AT THE PRC AND STOICISM. AS A KMT OFFICIAL IN YUNLIN PUT IT, "THOSE WHO WANT TO FLEE WILL FLEE, BUT MOST OF US WILL JUST STAY HERE. IF THE PRC WANTS TO ATTACK, THEY WILL ATTACK. WE'RE READY FOR IT -- THERE'S NOT MUCH ELSE WE CAN DO."

COMMENT

11. (X) IF THE BEIJING LEADERSHIP HOPES THAT THE CURRENT ROUND OF MISSILE TESTS AND MILITARY EXERCISES WILL CUT INTO LEE'S VOTE TOTAL, THEY APPEAR TO BE SADLY MISTAKEN. INDEED, BY FORCING 'YMT CORRUPTION AND BY ENCOURAGING THE CITIZENS OF TAIWAN TO RALLY AROUND THEIR PRESIDENT, THEY SEEM ONLY TO BE INCREASING SUPPORT FOR LEE.

PASCOE

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#1066

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SECT: SECTION: 02 OF 02

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 SUBJ: FRED CHIEN ON TAIWAN'S CURRENT POSTURE

DECLASSIFIED IN PART
 PER E.O. 13526

2015-0686-M [1.11]
 KBH 6/12/2019

TEXT:
~~SECRET~~ TAIPEI 001100

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E.O. 12958: DECL: 03/12/06
 TAGS: PREL, MOPS, TW, CH, US
 SUBJECT: FRED CHIEN ON TAIWAN'S CURRENT POSTURE

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (D)

2. ~~(S)~~ FOREIGN MINISTER FRED CHIEN CALLED IN AIT/T DIRECTOR ON MARCH 12 TO REVIEW TAIWAN'S CURRENT APPROACH TO THE PRC MILITARY EXERCISES. CHIEN BEGAN BY SAYING HOW APPRECIATIVE THE GOVERNMENT AND PEOPLE OF TAIWAN WERE OVER THE U.S. RESPONSE TO THE PRC ACTIONS. HE SAID THAT IN THEIR PUBLIC STATEMENTS, TAIWAN'S LEADERS ARE BEING CAUTIOUS IN DISCUSSING THE U.S. CARRIER DEPLOYMENTS BECAUSE THEY DO NOT WANT TO GIVE THE PRC ANY PRETEXT FOR SAYING THE U.S. IS INTERFERING AND THEY NEED TO KEEP TAIWAN'S POPULATION CALM, BUT HE WANTED TO BE SURE WE UNDERSTOOD THEY ARE DEEPLY THANKFUL FOR OUR SUPPORT.

3. ~~(S)~~ CHIEN ALSO SAID WE SHOULD KNOW THAT TAIWAN HAD VERY LITTLE ROOM TO MAKE CONCESSIONS IN THE PERIOD BETWEEN NOW AND THE ELECTIONS. EO 13526 3.3(h)(6) WERE URGING A NEW TAIWAN-PRC DIALOGUE AND HAD OFFERED TO MEDIATE, AND LEE KUAN YEW HAD CALLED FOR NEGOTIATIONS PUBLICLY AND PRIVATELY. WITH A GUN POINTED AT ITS HEAD, HOWEVER, THERE WAS NO WAY TAIWAN COULD REALLY RESPOND TO THESE CALLS IN A POSITIVE WAY. IT WOULD FATALY UNDERMINE THEIR POSITION IF THEY APPEARED TO BEND UNDER DURESS. THE DIRECTOR RESPONDED THAT PEOPLE IN THE UNITED STATES WOULD UNDERSTAND THAT TAIWAN COULD NOT PUT FORWARD NEW POSITIONS UNDER PRESSURE IN THE LAST TEN DAYS OF A PRESIDENTIAL ELECTION CAMPAIGN, BUT

AN EXPECTATION HAD BUILT THAT PRESIDENT LEE -- IF HE WINS -- WOULD TAKE SOME POSITIVE STEPS IN THE DAYS FOLLOWING THE ELECTION. PRESUMABLY, TAIWAN WOULD WANT TO STAKE OUT A POSITION ON THE HIGH GROUND OF CROSS-STRAIT ISSUES WHETHER OR NOT IT LED TO AN IMMEDIATE LESSENING OF TENSIONS. CHIEN SAID HE AGREED COMPLETELY, AND THEY WERE, IN FACT, IN THE PROCESS OF DEVELOPING STRATEGY FOR THAT PERIOD AT PRESENT.

4. (S) THE FOREIGN MINISTER'S THIRD POINT WAS TO REASSURE US THAT TAIWAN'S MILITARY IS EXERCISING GREAT RESTRAINT IN THE FACE OF PRC PROVOCATIONS. THE LEADERSHIP HAS DISCUSSED THE MILITARY'S POSTURE IN SEVERAL MEETINGS, AND ORDERS HAD GONE OUT TO THE LOWEST LEVEL COMMANDERS (AND REPEATED SEVERAL TIMES) THAT THEY WERE TO BE EXTREMELY CAUTIOUS AND NOT GIVE THE PLA FORCES ANY EXCUSE TO ACT. FINALLY, CHIEN EMPHASIZED THE NEED FOR CLOSE AND FREQUENT COMMUNICATION BETWEEN OUR TWO SIDES IN THIS PERIOD.

5. (S) COMMENT: CHIEN OBVIOUSLY HOPES TO KEEP THE LINES OF COMMUNICATION OPEN AS TENSIONS INCREASE IN THE AREA. WE WILL CONTINUE TO ENCOURAGE THEM TO BRIEF US REGULARLY AND TO COORDINATE THEIR ACTIONS AND PUBLIC STATEMENTS WITH US TO THE EXTENT POSSIBLE.

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SECT: SECTION: 01 OF 01

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 ZEN/AMCONSUL CHENGDU
 SUBJ: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN

DECLASSIFIED
 PER E.O. 13526

2015-0686-M (1.12)
 KBH 6/12/2019

TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 03 BEIJING 008008

E.O. 12958: DECL: (1.6X6)
 TAGS: PREL, MOPS, MCP, MARR, CH, TW, US
 SUBJECT: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT. CLASSIFIED BY SCOTT S. HALLFORD, DCM. REASON: 1.5(D).
2. SUMMARY: BEIJING HAS CONCLUDED THAT PREVIOUS MISSILE EXERCISES SUCCEEDED IN INFLUENCING TAIWAN POLITICS, BUT THAT A RECALCITRANT LEE TENG-HUI SHOWED NO SIGN OF ABSORBING THE LESSON. THE RESULT, IN ADDITION TO LIVE-FIRE NAVAL AND AIR FORCE EXERCISES IN THE TAIWAN STRAIT, IS A DELIBERATELY PROVOCATIVE SERIES OF MISSILE LAUNCHES TO FURTHER INCREASE PRESSURE ON TAIWAN IN THE RUN-UP TO THE MARCH 23 ELECTIONS. BEIJING PROBABLY BELIEVED THAT U.S. AND OTHER INTERNATIONAL REACTION WOULD BE TOLERABLE BECAUSE CHINA HAD REFRAINED FROM CROSSING THE LINE INTO ACTUAL HOSTILITIES. IN PRIVATE, MFA AND MILITARY OFFICIALS HAVE FLATLY ASSURED US THAT THERE WILL BE NO ATTACK ON TAIWAN, AND THAT THE EXERCISES ARE ONLY A "DEMONSTRATION." THIS IS STILL VERY MUCH A MOVING TARGET, HOWEVER, AND BEIJING IS UNDOUBTEDLY CONTINUALLY REASSESSING ITS POSITION AS U.S. AND OTHER COUNTRIES' REACTIONS BECOME MANIFEST. HOW THE INTERNATIONAL REACTION IS PLAYING INTO THE INTERNAL LEADERSHIP DYNAMIC IS STILL ANOTHER QUESTION MARK, WITH NATIONALISTIC PRESSURES HEIGHTENED BY U.S. NAVAL MOVEMENTS AGAINST THE

BACKDROP OF THE ANNUAL MEETING OF THE NATIONAL PEOPLE'S CONGRESS. IF SENIOR LEADERS CONCLUDE THAT MILITARY PRESSURE IS NOT WORKING AND THEY ARE LOSING FACE, STILL MORE FORCEFUL MEASURES COULD ENSUE.

3. WE THINK CHINA'S GAME PLAN IS STILL TO USE ANY LEVERAGE GAINED FROM INFLUENCING DOWNWARD LEE'S ELECTION MARGIN TO PRESS TAIPEI FOR CONCESSIONS IN CROSS-STRAIT RELATIONS. THIS IS TO BE PARALLELED BY A FOCUS ON DIPLOMATIC EFFORTS WITH THE U.S. AND OTHERS TO BLOCK TAIWAN'S QUEST FOR GREATER DIPLOMATIC RECOGNITION. WE HAVE NO REASON TO BELIEVE THIS PLAN HAS BEEN DISCARDED. NONETHELESS, BEIJING MAY BE TEMPTED TO TURN TO MILITARY PRESSURE AGAIN IN THE FUTURE UNLESS IT IS REASSURED EITHER BY THE OUTCOME OF THE ELECTION OR BY CONCILIATORY STEPS BY LEE TENG-HUI IMMEDIATELY FOLLOWING THE ELECTION. END SUMMARY.

INFLUENCING THE TAIWAN ELECTION

4. THE THREE PRONGS OF BEIJING'S CURRENT CAMPAIGN ARE MISSILE AND OTHER MILITARY EXERCISES; A NOW-DAILY DIET OF PRESS EDITORIALS ON TAIWAN, FOCUSING ON CRITICISM OF LEE TENG-HUI; AND TOUGH RHETORIC ON TAIWAN FROM THE NATIONAL PEOPLE'S CONGRESS (NPC) AND CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE (CPPCC) -- THE OPENING OF WHICH SIGNALLED THE BEGINNING OF THE CURRENT CAMPAIGN. BEIJING IS MAKING A CALCULATED, FINAL PUSH TO WARN LEE TENG-HUI AND INFLUENCE THE PRE-ELECTION POLITICAL ATMOSPHERE IN TAIWAN, HOPING TO SEE REDUCED SUPPORT FOR TAIWAN INDEPENDENCE, INCREASED PRESSURE ON LEE FROM TAIWAN'S BUSINESS COMMUNITY TO COMPROMISE WITH THE MAINLAND, AND, IF POSSIBLE, A REDUCTION IN VOTES FOR LEE. THIS CAMPAIGN WILL CONTINUE AT LEAST UNTIL THE MARCH 23 ELECTION, AFTER WHICH BEIJING WILL RE-EVALUATE THE SITUATION TO DETERMINE ITS APPROACH.

PAST SUCCESSES WITH MISSILE EXERCISES

5. THE CURRENT MISSILE EXERCISES DRAMATIZE THE ISSUE. THEY ARE PROVOCATIVELY CLOSE TO TAIWAN AND INTENDED TO INTIMIDATE. IN PRIVATE, MFA OFFICIALS AND MILITARY OFFICERS HAVE FLATLY ASSURED US THAT THERE WILL BE NO ATTACK ON TAIWAN, AND THAT THE EXERCISES ARE ONLY A "DEMONSTRATION." BEIJING APPEARS INCREASINGLY TO BELIEVE THAT MILITARY PRESSURE MAY BE THE ONLY EFFECTIVE TOOL AMONG ITS OPTIONS. (CHINESE CONTACTS HAVE NOTED TO US THAT THE ARTICLES ON TAIWAN IN PEOPLE'S DAILY ARE NOT WIDELY READ IN TAIWAN.) PREVIOUS MILITARY EXERCISES, AND PARTICULARLY MISSILE EXERCISES, CAUGHT THE ATTENTION OF THE PEOPLE OF TAIWAN IN A WAY THAT NO AMOUNT OF PRESS INVECTIVE AGAINST LEE TENG-HUI EVER COULD. CHINESE LEADERS WERE DELIGHTED TO SEE EXTREME TAIWAN INDEPENDENCE SUPPORTERS GO DOWN IN DEFEAT DURING THE LEGISLATIVE YUAN ELECTIONS LAST DECEMBER, AND, WILLING TO OVERLOOK THE DROP IN SUPPORT FOR UNIFICATION, THEY WERE ALSO DELIGHTED

TO SEE THAT POLLS IN TAIWAN AT THE TIME INDICATED A
REDUCTION IN SUPPORT FOR TAIWAN INDEPENDENCE.

A CONTROLLED ESCALATION

~~C O N F I D E N T I A L~~ SECTION 02 OF 03 BEIJING 008008

E.O. 12958: DECL: (1.6X6)
TAGS: PREL, MOPS, MCAP, MARR, CH, TW, US
SUBJECT: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN

6. BELIEVING THAT LEE TENG-HUI HAD SHOWN NO SIGNS OF
BACKING DOWN AND, IN PARTICULAR, NO SIGNS OF TEMPERING
HIS ASPIRATIONS FOR GREATER INTERNATIONAL RECOGNITION FOR
TAIWAN, CHINESE LEADERS DECIDED TO ESCALATE THE PRESSURE
ON TAIWAN IN THE DAYS BEFORE THE PRESIDENTIAL ELECTION.
THEY SELECTED WHAT IN THEIR VIEW WAS A FORCEFUL BUT STILL
MEASURED OPTION TO APPLY PRESSURE, MISSILE EXERCISES, A
STEP SURE TO CATCH ATTENTION BUT STOPPING SHORT OF
HOSTILITIES. IN THE PRESENT CHARGED ENVIRONMENT, IT IS
UNLIKELY THAT ANYONE WITHIN THE CONSENSUS LEADERSHIP EVEN
SERIOUSLY CONSIDERED OTHER, LESS FORCEFUL OPTIONS. IN
THE RUN-UP TO THE 1997 PARTY CONGRESS, THE NEED FELT BY
ALL LEADERS NOT TO APPEAR WEAK AND NOT TO BE HELD
ACCOUNTABLE LATER FOR A MISTAKE RESULTING FROM WEAKNESS
PROPELLED THE CONSENSUS IN A HARD-LINE DIRECTION.

BEIJING'S CALCULATIONS

7. FEAR OF ADVERSE INTERNATIONAL CONSEQUENCES,
ESPECIALLY U.S. REACTION, BUT ALSO POTENTIAL LOSS OF
CONTROL OVER THE SITUATION WERE FACTORS MILITATING
AGAINST ANY RESORT TO STRONGER OPTIONS AGAINST TAIWAN,
SUCH AS ACTUAL HOSTILITIES] AGAINST VULNERABLE COASTAL
ISLANDS. NONETHELESS, FOR CONTINGENCY PURPOSES, THE
LEADERSHIP IN BEIJING WILL CONTINUE TO CONSIDER FURTHER
ESCALATIONS OF MILITARY PRESSURE. IN THIS PROCESS, WHILE
BEIJING PREFERS LIMITED, CONTROLLED ACTIONS THAT MINIMIZE
POTENTIAL PROBLEMS WITH THE UNITED STATES, JAPAN, OR
OTHER COUNTRIES, HARD-LINE MILITARY LEADERS, PUSHED BY
NATIONALISTIC YOUNGER OFFICERS, ARE APPARENTLY REACTING
STRONGLY AGAINST U.S. NAVAL MOVEMENTS. IF CURRENT
MILITARY PRESSURE APPEARS NOT TO BE WORKING, I.E., IF LEE
TENG-HUI'S POSITION IS STRENGTHENING, AND SENIOR LEADERS
APPEAR TO BE LOSING FACE, MORE FORCEFUL ACTIONS COULD
WELL ENSUE. AT THIS POINT, HOWEVER, ALL EVIDENCE
INDICATES THAT THE TROOPS CURRENTLY DEPLOYED TO FUJIAN
ARE PREPARING FOR NOTHING MORE THAN A LARGE-SCALE
EXERCISE.

8. CHINESE LEADERS ARE ALSO CAPTIVE TO THEIR APPROACH.
ESCALATION REQUIRES SUCCESSIVELY GREATER MILITARY
PRESSURE, IF THE LAST ESCALATION WAS NOT EFFECTIVE.
BEIJING UNDOUBTEDLY HOPES THAT THE LAST STEP WILL BE
SUFFICIENT, BUT IN ADOPTING A STRATEGY OF ESCALATION,
BEIJING MUST CONVINCING TAIPEI THAT IT IS NOT BLUFFING AND

THAT IT IS WILLING TO GO STILL FURTHER. IN CONDUCTING MISSILE EXERCISES CLOSE TO TAIWAN, BEIJING HAS ALSO REMINDED TAIPEI THAT IT CAN HARASS TAIWAN'S TRANSPORTATION ROUTES ON BOTH THE WEST AND EAST COASTS IN A QUASI-BLOCKADE WHENEVER IT WISHES.

9. SO FAR, BEIJING HAS CHOSEN OPTIONS THAT ARE ESSENTIALLY SYMBOLIC AND DO NOT INVOLVE ACTUAL HOSTILITIES AGAINST TAIWAN. BECAUSE IT HAS NOT CROSSED THE LINE OF HOSTILITIES, BEIJING APPARENTLY BELIEVES THAT U.S. AND OTHER INTERNATIONAL REACTION CAN BE CONTAINED WITHIN A TOLERABLE LEVEL. IT PROBABLY ALSO EXPECTS THE INTERNATIONAL OUTCRY TO QUIET QUICKLY FOLLOWING THE END OF THE ONE-WEEK EXERCISE.

GESTURES TO THE UNITED STATES

10. TO ALLEVIATE PRESSURE FROM THE UNITED STATES RESULTING FROM ITS CAMPAIGN AGAINST TAIWAN, BEIJING TOOK A SERIES OF TACTICAL STEPS TO CREATE AN IMPRESSION OF BUSINESS AS USUAL AND A DESIRE TO IMPROVE RELATIONS WITH THE UNITED STATES. THESE INCLUDED RESPONDING QUICKLY TO PRESIDENT CLINTON'S LETTER AND ON THE RING MAGNET ISSUE, SENDING STATE COUNCIL FOREIGN AFFAIRS OFFICE DIRECTOR LIU

HUAQIU TO WASHINGTON, HOSTING A SERIES OF U.S. MILITARY VISITS, AND MIX OF POSITIVE AS WELL AS NEGATIVE PRESS STATEMENTS ON U.S.-CHINA RELATIONS. MORE RECENTLY, HOWEVER, THE CHINESE HAVE BEGUN TO REACT -- THOUGH STILL WITH RELATIVE RESTRAINT IN PUBLIC -- TO THE DEPLOYMENT OF TWO U.S. CARRIER BATTLE GROUPS IN INTERNATIONAL WATERS OFF TAIWAN, FEARING THAT PERCEIVED U.S. "INTERFERENCE" WILL BOLSTER LEE'S ELECTION CAMPAIGN AND THE "TAIWAN INDEPENDENCE FORCS."

A LIMITED CAMPAIGN

~~C O N F I D E N T I A L~~ SECTION 03 OF 03 BEIJING 008008

E.O. 12958: DECL: (1.6X6)
TAGS: PREL, MOPS, MCAP, MARR, CH, TW, US
SUBJECT: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN

11. FROM THE BEGINNING, BEIJING'S CAMPAIGN HAS BEEN LINKED TO THE TAIWAN PRESIDENTIAL ELECTION, AND, FOLLOWING THE ELECTION, BEIJING WILL ALMOST CERTAINLY EVALUATE THE SITUATION CAREFULLY BEFORE DECIDING ITS NEXT MOVES. AT NTINUE A CAMPAIGN OF MILITARY PRESSURE AFTER THE MARCH 23 ELECTION, ALTHOUGH THERE ARE RUMORS TO THAT EFFECT. THE CAMPAIGN WILL ALREADY HAVE SERVED ITS PURPOSE OF IMPRESSING THE PEOPLE OF TAIWAN WITH THE DOWNSIDE OF PUSHING TAIWAN INDEPENDENCE. FURTHER MISSILE FIRINGS, IN PARTICULAR, WOULD BE COSTLY, OF DECLINING UTILITY, AND WOULD RISK SERIOUS DAMAGE TO CHINA'S RELATIONS WITH OTHER COUNTRIES, PARTICULARLY JAPAN AND THE UNITED STATES.

12. IN EVALUATING THE POST-ELECTION SITUATION, BEIJING WILL CONSIDER CAREFULLY THE INITIATIVES IT EXPECTS TO RECEIVE FROM TAIWAN TO IMPROVE CROSS-STRAIT RELATIONS. DESPITE LASTING SUSPICIONS OF LEE, BEIJING MAY TAKE ADVANTAGE OF THESE INITIATIVES, DEPENDING UPON THEIR NATURE AND WHETHER LEE IS PERCEIVED AS SERIOUS. BEIJING MAY SETTLE ON A TWO-TRACK STRATEGY OF TAKING ADVANTAGE OF OPPORTUNITIES WHILE STEPPING UP DIPLOMATIC EFFORTS TO BLOCK LEE'S EXPECTED INTERNATIONAL INITIATIVES. NONETHELESS, IF IT BECOMES UNHAPPY WITH THE DIRECTION OF DEVELOPMENTS ON TAIWAN, BEIJING MAY FEEL THAT IT HAS FEW OTHER OPTIONS THAN TO RESORT TO MILITARY PRESSURE AGAIN.

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 RHHMSCC/JICPAC HONOLULU HI
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 RUEHML/AMEMBASSY MANILA 3531
 RUEHJA/AMEMBASSY JAKARTA 1449
 RUEHKL/AMEMBASSY KUALA LUMPUR 0167
 SUBJ: TAIWAN: U.S. NAVAL ACTIVITY WELCOMED
 TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 04 TAIPEI 001183

DECLASSIFIED
 PER E.O. 13526

2015-0686-m(1.13)
 KBH 6/12/2019

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/13/06

TAGS: PGOV, PREL, MOPS, TW, CH, US

SUBJECT: TAIWAN: U.S. NAVAL ACTIVITY WELCOMED

1. CLASSIFIED BY B.LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (B) AND (D).

2. ~~(S)~~ SUMMARY: THE U.S. DECISION TO DEPLOY THE NIMITZ AND INDEPENDENCE IN THE REGION HAS BEEN GREETED WITH A SIGH OF RELIEF BY MOST OF THE PUBLIC AND BY THE AUTHORITIES HERE. THOUGHTFUL OBSERVERS POINT OUT THAT, IN ADDITION TO RELIEVING FEARS OF AN ATTACK BY THE PRC, THE DEPLOYMENT INCREASES HOPE THAT CROSS-STRAIT TENSIONS MIGHT RELAX FOLLOWING THE MARCH 23 ELECTION HERE. HOWEVER, IN LIGHT OF THE FACT THAT THESE DEVELOPMENTS WILL FURTHER BOOST PRESIDENT LEE'S REELECTION PROSPECTS, TWO OF HIS OPPONENTS HAVE COME OUT AGAINST THE DEPLOYMENT, AS HAVE SOME OF THEIR SUPPORTERS. IN ADDITION, SENIOR TAIWAN

CLINTON LIBRARY PHOTOCOPY

LEADERS, SENSITIVE TO THE PRC'S REACTION SHOULD THEY APPEAR TO GLOAT, HAVE ADOPTED A LOW-KEY POSTURE IN PUBLIC, WHILE EXPRESSING IN PRIVATE THEIR GRATITUDE TO THE U.S. FOR THE DEPLOYMENT. END SUMMARY.

3. (S) THE ANNOUNCEMENT THAT THE TWO U.S. AIRCRAFT CARRIERS AND THEIR ESCORT VESSELS WOULD BE CRUISING THE WATERS OFF TAIWAN IN THE COMING WEEKS HAS BEEN WARMLY WELCOMED BY MOST OF THE TAIWAN PUBLIC. WHILE MANY TAIWAN RESIDENTS -- PARTICULARLY SOUTH OF TAIPEI -- APPEARED TO DISCOUNT THE POSSIBILITY OF ACTUAL HOSTILITIES WITH THE PRC, THE MONTHS OF PRESSURE FROM BEIJING CULMINATING IN THE PAST WEEK'S DISPLAY OF THE PLA'S MILITARY MUSCLE HAS UNDENIABLY TAKEN A TOLL ON PUBLIC MORALE HERE. THE SUDDEN REMINDER THAT THERE WAS A BIGGER MUSCLE IN THE AREA THAT THE PLA COULD NOT IGNORE HAS BOTH DELIGHTED AND SURPRISED THE PEOPLE OF TAIWAN. THE BULK OF THE EVENING NEWS BROADCASTS MARCH 13 WAS DEVOTED TO REPORTS ON STATEMENTS BY THE WHITE HOUSE SPOKESMAN, A/S LORD, THE STATE AN DOD SPOKESMEN, AND OTHER U.S. OFFICIALS ON THE U.S. RESPONSE TO BEIJING'S EXERCISES.

SOME SERIOUS ANALYSIS -- AND THANKS

4. (S) WHILE MUCH OF THE REACTION WE HAVE GOTTEN TO DATE HAS NOT GONE BEYOND THE "AMERICA NUMBER ONE" REMARKS OF LOCAL CAB DRIVERS, A ROUND OF CALLS ON MARCH 13 AMPLIFIED THE GENUINE GRATITUDE WITH WHICH MOST OF THE PUBLIC HERE HAS GREETED THE U.S. MOVE. HUANG HUI-CHEN, EXECUTIVE DIRECTOR OF AN INFLUENTIAL PRO-LEE TENG-HUI THINK TANK INSISTED ON BEGINNING OUR MEETING WITH A FORMAL, EFFUSIVE EXPRESSION OF PERSONAL GRATITUDE. ECHOING WORDS THAT WE HAVE HEARD FREQUENTLY IN THE LAST FEW DAYS, HUANG SAID THAT THE "BOLD AND UNEXPECTED" U.S. MOVE WOULD FORCE THE PRC TO ACT MORE RATIONALLY IN THE COMING WEEKS.

5. (S) KMT LAWMAKER AND HEAD OF THE PARTY'S YOUTH ORGANIZATION TING SHOU-CHUNG ECHOED HUANG'S GRATITUDE AND NOTED THAT THE U.S. MOVE WOULD HELP DISCREDIT THE HARD-LINE THAT BEIJING HAD ADOPTED IN RECENT MONTHS. BOTH HUANG AND TING MAINTAINED THAT, BY SO DOING, THE U.S. MOVE HAD INCREASED THE POSSIBILITY THAT CROSS-STRAIT RELATIONS MIGHT IMPROVE IN THE COMING MONTHS. BOTH OF THESE PRO-LEE TENG-HUI SOURCES STRESSED, HOWEVER, THAT THE U.S. SHOULD CONTINUE TO EMPHASIZE ITS ONE-CHINA POLICY, IN ORDER NOT ONLY TO GIVE BEIJING FACE BUT ALSO TO DISCOURAGE PRO-INDEPENDENCE FEELING WITHIN TAIWAN.

6. (S) BOTH HUANG AND TING EMPHASIZED THAT

GRATITUDE FOR THE U.S. MOVE EXTENDED BEYOND ETHNIC
TAIWANESE AND INCLUDED LARGE NUMBERS OF
MAINLANDERS. "AFTER ALL, THE MAINLANDERS HERE ARE
~~C O N F I D E N T I A L~~ SECTION 02 OF 04 TAIPEI 001183

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/13/06

TAGS: PGOV, PRELS MOPS, TW, CH, US

SUBJECT: TAIWAN: U.S. NAVAL ACTIVITY WELCOMED

AMONG THE MOST FERVENT ANTI-COMMUNISTS IN THE
COUNTRY," TING POINTED OUT. ANTONIO CHIANG, THE
EDITOR OF TAIWAN'S MOST INFLUENTIAL NEWSWEEKLY
(AND A FREQUENT CRITIC OF LEE TENG-HUI), AGREED
WITH THIS ANALYSIS, ADDING THAT BEIJING'S
PROVOCATIONS HAD FORCED THE U.S. TO REACT. IF THE
U.S. HAD NOT TAKEN SUCH ACTION NOW, "ALL OF EAST
ASIA WOULD EVENTUALLY HAVE HAD TO RECOGNIZE
BEIJING'S HEGEMONY." AS TING PUT IT, "BEIJING WAS
TESTING YOU -- AND ALL OF TAIWAN IS GLAD THAT YOU
PASSED THE TEST."

OFFICIAL REACTION

7. (S) GIVEN THEIR CONCERN NOT TO PROVOKE
BEIJING, HOWEVER, THE AUTHORITIES HERE HAVE
CLEARLY DECIDED TO TONE DOWN THEIR PUBLIC
EXPRESSIONS OF GRATITUDE FOR THE THE U.S.
DEPLOYMENTS. BEIJING HAS REFUSED TO ABANDON THE
USE OF FORCE SHOULD IT DETERMINE THAT A FOREIGN
POWER HAS BECOME INVOLVED IN RESOLUTION OF THE
CROSS-STRAIT PROBLEM. TO DEMONSTRATE TAIPEI WAS
ADDRESSING THIS QUESTION, PREMIER LIEN CHAN
CONVENED A MEETING OF THE EXECUTIVE YUAN (EY)
POLICY-MAKING TASK FORCE MARCH 11 TO DISCUSS
WHETHER THE ENTRANCE OF THE TASK DORCE LED BY THE
U.S.S. INDEPENDENCE INTO THE REGION MIGHT BE
REGARDED BY THE PRC AS A "FOREIGN POWER'S
INTERVENTION."

8. (U) AFTER THE EY MEETING, GIO DIRECTOR-
GENERAL/GOVERNMENT SPOKESMAN JASON HU, IN AN
INTERVIEW WITH CNN, CBS, AND NBC, STATED THAT THE
U.S. MILITARY DEPLOYMENT WAS TO MAINTAIN PEACE
INSTEAD OF INTERVENING IN ANY OTHER COUNTRY'S
INTERNAL AFFAIRS. HU TERMED THE DEPLOYMENTS
HELPFUL AND STABILIZING AND SAID HE BELIEVED THEY
WOULD BE WELCOMED BY ALL ASIAN-PACIFIC PEACE-
LOVING COUNTRIES. MOFA AND THE MAINLAND AFFAIRS
COUNCIL (MAC) BOTH TOLD THE PRESS MARCH 11 THAT
THE U.S. AND ANY OTHER FOREIGN COUNTRY HAD THE
RIGHT TO EXPRESS CONCERN ABOUT ASIAN-PACIFIC
SECURITY AND THAT THIS CONCERN COULD NOT BE
INTERPRETED AS FOREIGN INTERVENTION. (WE NOTE
THAT PRC VICE PREMIER AND FOREIGN MINISTER QIAN
QICHEN HAS GONE OUT OF HIS WAY TO CHARACTERIZE THE
U.S. DEPLOYMENTS AS NORMAL NAVAL EXERCISES RATHER

THAN FOREIGN INTERVENTION IN THE TAIWAN QUESTION.)

9. (S) IN A PRIVATE MARCH 12 CONVERSATION WITH THE DIRECTOR, FOREIGN MINISTER FRED CHIEN STRESSED THAT TAIWAN IS EXTREMELY GRATEFUL FOR THE STRONG U.S. RESPONSE TO THE PRC THREATS. HE NOTED THAT THE LOW-KEY PUBLIC REACTION TO THE U.S. MOVES BY TAIWAN OFFICIALS WAS A DELIBERATE POLICY DESIGNED TO AVOID PROVOKING BEIJING AND TO MAKE RESUMPTION OF THE CROSS-STRAIT DIALOG AS EASY AS POSSIBLE FOLLOWING TAIWAN'S PRESIDENTIAL ELECTION.

POLITICS REARS ITS UGLY HEAD

10. (S) INEVITABLY, AS TAIWAN COUNTS DOWN TO THE MARCH 23 PRESIDENTIAL ELECTION HERE, THE U.S. DEPLOYMENT HAS GOTTEN ENTANGLED WITH LOCAL POLITICS. MOST TAIWAN OBSERVERS BELIEVE THAT THE U.S. MOVES WILL PROVIDE A BOOST TO LEE TENG-HUI, FURTHER ENHANCING THE IMPRESSION THAT LEE IS COMPEENTLY HANDLING THE CAMPAIGN'S MAJOR ISSUE -- CROSS-STRAIT RELATIONS. ACCORDINGLY, LEE'S TWO CONSERVATIVE OPPONENTS, INDEPENDENTS LIN YANG-KANG AND CHEN LI-AN, APPEAR OBVIOUSLY DISCOMFORTED BY THE DEPLOYMENTS.

11. (S) INITIALLY, BOTH REACTED CAUTIOUSLY, SAYING ON MARCH 11 THAT THEY APPRECIATED U.S. ~~C O N F I D E N T I A L~~ SECTION 03 OF 04 TAIPEI 001183

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/13/06
TAGS: PGOV, PREL, MOPS, W, CH, US
SUBJECT: TAIWAN: U.S. NAVAL ACTIVITY WLCOMED

CONCERN BUT THAT IF THE U.S. BECAME TOO INVOLVED, "IT WOULD NOT BE GOOD." LIN LATER TOUGHNE HIS STANCE AND URGED WASHINGTON TO "STAY OUT OF THE ESCALATING CROSS-STRAIT TENSIONS TO AVOI PROMPTING "A THIRD WORLD WAR." ACCORDING TO LI, "CHINESE PEOPLE SHOULD IRONmOUT FOREIGN INTERVENTION WHICH WILL ONLY LEAD TO MUTUAL DISTRUST ACROSS THE STRAIT." LIN'S RUNNING MATE, FORMER GENERAL HAU PEI-TSUN, CALLED THE U.S. MOVE "INDISCREET." HAU SAID THE MOST URGENT THING IS TO COOL DOWN THE CROSS-STRAIT TENSION; HE SAID THE HEIGHTENED CRISIS RESULTED FROM "A FEW PEOPLE IN TAIWAN" WHO ARE WORKING TO BRING THE TAIWAN ISSUE INTO THE INTERNATIONAL ARENA "TO SERVE THEIR OWN MOTIVES." (THE KMT'S TING MADE IT CLEAR THAT HE WAS DELIGHTED BY THE STATEMENTS OF LIN AND HAU ON THE DEPLOYMENT. TING -- A MAINLANDER HIMSELF -- CLAIMED THAT LIN WAS NOT ONLY SCARING AWAY POTENTIAL SUPPORTERS AMONG ETHNIC TAIWANESE VOTERS, BUT WAS ALSO ALIENATING THE "MAJORITY OF

MAINLANDERS" WHO WELCOMED THE U.S. MOVES.)

12. (U) MEANWHILE, CHEN LI-AN ALSO REFINED HIS MESSAGE REGARDING THE DEPLOYMENTS, CLAIMING ON MARCH 12 THAT "THE U.S. ACTIONS ARE CARRIED OUT TO SAFEGUARD ITS INTERESTS, NOT TAIWAN'S." HE URGED THE PEOPLE NOT TO DEPEND ON FOREIGN INTERFERENCE TO SOLVE THE MILITARY THREAT FROM BEIJING.

13. (U) ON THE OTHER END OF THE IDEOLOGICAL SPECTRUM, THE PRO-INDEPENDENCE DPP'S VICE PRESIDENTIAL CANDIDATE, FRANK HSIEH, WELCOMED THE U.S. MILITARY MOVEMENTS: "IF THE U.S. DID NOT RESPOND IN SUCH A FASHION, THE PRC WOULD HAVE NO RESPECT FOR THEM; INDEED, THE U.S. WOULD HAVE LOST RESPECT IN THE ENTIRE INTERNATIONAL COMMUNITY." HOWEVER, HSIEH ADDED: "WE ARE NOT ASKING FOR U.S. PROTECTION, ONLY FOR THE CONCERN OF THE INTERNATIONAL COMMUNITY."

14. (U) FOR HIS PART, PRESIDENT LEE -- APPARENTLY FOLLOWING THE STRATEGY OUTLINED ABOVE BY FOREIGN MINISTER CHIEN -- HAS STUDIOUSLY AVOIDED ANYTHING THAT COULD BE INTERPRETED BY BEIJING AS GLOATING OVER THE ARRIVAL OF THE CAVALRY (IN THE GUISE OF THE US NAVY). HE HAS, HOWEVER, UNDERLINED THAT BEIJING'S ACTIONS HAVE HEIGHTENED CONCERNS ACROSS THE GLOBE OVER THE CROSS-STRAIT SITUATION. HE HAS ALSO SEIZED THE OPPORTUNITY TO GET IN SOME GOOD SHOTS AT HIS INDEPENDENT OPPONENTS. IN A MARCH 12 SPEECH, LEE ATTACKED THOSE CANDIDATES "COWERING" AT THE THREAT OF PRC MILITARY FORCE. LEE ASSERTED THAT SUCH CANDIDATES DO NOT DESERVE THE SUPPORT OF THE VOTERS AND CALLED UPON THE PEOPLE OF TAIWAN TO TRUST HIM IN DEFENDING TAIWAN'S SECURITY.

THE POLLS

15. (U) LOCAL POLLS -- ALTHOUGH ALWAYS SOMEWHAT SUSPECT -- HAVE CLEARLY CHRONICLED BOTH A HARDENING OF LOCAL ATTITUDES TOWARDS THE MAINLAND AND AN APPARENT FEELING THAT THE U.S. PRESENCE PLAYED A HELPFUL ROLE IN THIS AREA. IN A MARCH 8-9 CHINA TIMES POLL OF 1098 PEOPLE FOUND THAT 55.7 PERCENT BELIEVED THE PRC HAD THE ABILITY TO ATTACK TAIWAN, BUT 64 PERCENT SAID THEY WERE NOT WORRIED WAR WOULD ACTUALLY BREAK OUT. 56 PERCENT SAID THE U.S. WOULD HELP TAIWAN IF THE PRC ATTACKED.

16. (U) ACCORDING TO A MARCH 11 SURVEY BY THE OPPOSITION DEMOCRATIC PROGRESSIVE PARTY (DPP), 60 PERCENT OF THE SURVEYED SAID THAT THE PRC MILITARY EXERCISES WOULD DECREASE TAIWAN PEOPLE'S WILLINGNESS TO REUNIFY WITH MAINLAND CHINA, AND OVER 70 PERCENT SUPPORTED STANDING UP TO THE PRC THREATS AND PROTECTING TAIWAN TO THE END. IN THE
~~C O N F I D E N T I A L~~ SECTION 04 OF 04 TAIPEI 001183

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/13/06

TAGS: PGOV, PREL, MOPS, TW, CH, US

SUBJECT: TAIWAN: U.S. NAVAL ACTIVITY WELCOMED

SURVEY, 34 PERCENT APPROVED TAIWAN'S ULTIMATE INDEPENDENCE AND 32.6 PERCENT APPROVED REUNIFICATION. HOWEVER, ONLY 4 PERCENT SAID THEY WOULD ACCEPT THE TAIWAN GOVERNMENT AS A LOCAL GOVERNMENT UNDER THE PRC.

COMMENT

17. (C) SENIOR TAIWAN OFFICIALS CLEARLY ARE MAKING A CONCERTED EFFORT TO REACT IN PUBLIC TO THE U.S. NAVAL DEPLOYMENT IN A WAY THEY THINK WILL HELP MAXIMIZE CHANCES FOR RESUMPTION OF CROSS-STRAIT DIALOG, BUT THERE IS NO DOUBT THEY ARE RELIEVED. ON THE OTHER HAND, THE CRITICISM OF THE DEPLOYMENT FROM THE TWO INDEPENDENT PRESIDENTIAL CANDIDATES REVEALS THEIR CONCERN THAT THE MOVE WILL WEAKEN THE IMPACT OF THE MAINLAND'S THREATS ON THE TAIWAN VOTERS, WHICH IS THEIR SOLE HOPE FOR REVIVING THEIR FLAGGING CAMPAIGNS AGAINST PRESIDENT LEE. THEIR CONCERNS ARE OBVIOUSLY WELL-PLACED. MOST PEOPLE HERE HAVE WARMLY WELCOMED THE U.S. DEPLOYMENTS, AND PUBLIC MORALE APPEARS TO BE AT LEAST SOMEWHAT ON THE REBOUND -- FOR EXAMPLE, THE TAIWAN PUBLIC APPEARS TO HAVE SHRUGGED OFF THE MARCH 13 TESTING OF A FOURTH PLA MISSILE IN THE WATERS OFF KAOHSIUNG. INDEED, FOR THOSE WHO ATTACH IMPORTANCE TO WHAT WE CONSIDER AN ERRATIC INDICATOR OF PUBLIC CONFIDENCE, THE LOCAL STOCK MARKET ACTUALLY GAINED MORE THAN 50 POINTS THE DAY OF THE TEST. PASCOE

BT

#1183

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SECT: SECTION: 01 OF 04

<^SECT>SECTION: 02 OF 04

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SSN: 1183

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 RUEHBJ/AMEMBASSY BEIJING 6100
 RUEKJCS/DIA WASHDC
 SUBJ: TAIWAN'S ELECTION: THE CENTRAL REGION

DECLASSIFIED IN PART
 PER E.O. 13526

2015-0686-M [1.14]

KBH 6/12/2019

TEXT:

~~C O N F I D E N T I A L~~ SECTION 01 OF 03 TAIPEI 001158

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/10/01

TAGS: PGOV, PREL, MARR, CH, TW, US

SUBJECT: TAIWAN'S ELECTION: THE CENTRAL REGION

1. (U) CLASSIFIED BY B. LYNN PASCOE, AIT DIRECTOR,
 REASON 1.5, B AND D.

2. (C) SUMMARY: A MARCH 6-8 VISIT BY AITOFF TO THREE
 COUNTIES IN THE CENTRAL REGION OF TAIWAN PROVIDED
 FURTHER INDICATION THAT PRESIDENT LEE IS CRUISING
 COMFORTABLY TOWARD REELECTION. RECENT BULLYING BY THE
 PRC, INCLUDING THE FIRING OF MISSILES INTO WATERS JUST
 OFF KEELUNG AND KAOHSIUNG HARBORS, HAS NOT INTIMIDATED
 PEOPLE IN TAIWAN'S CENTER; INDEED, THESE PRC ACTIONS
 HAVE, IF ANYTHING, ONLY STRENGTHENED SUPPORT FOR LEE.
 IN NANTOU, LIN YANG-KANG'S HOME COUNTY AND WHERE HIS
 YOUNGER BROTHER IS NOW THE COUNTY MAGISTRATE, LEE AND
 LIN ARE RUNNING NECK TO NECK. IN THE OTHER TWO
 COUNTIES, LEE WILL ALMOST CERTAINLY GET AN ABSOLUTE
 MAJORITY -- AND PERHAPS AS MUCH AS 60 PERCENT -- OF THE
 TOTAL VOTE. THE DPP IN THE CENTRAL REGION IS SUFFERING
 INTERNAL PROBLEMS AND MORALE OF PARTY WORKERS IS LOW,
 WHILE CHEN LI-AN DOES NOT EVEN APPEAR ON THE RADAR
 SCREENS OF THE VOTERS IN THIS CONSERVATIVE, ETHNIC

TAIWANESE-DOMINATED AREA. END SUMMARY.

3. (C) AITOFF AND SENIOR LOCAL NATIONAL POLITICAL SPECIALIST VISITED YUNLIN, CHANGHUA, AND NANTOU COUNTIES FROM MARCH 6 TO 8 ON A PRE-ELECTION SURVEY. THE PEOPLE IN THESE COUNTIES ARE PREDOMINANTLY ETHNIC TAIWANESE. KMT FACTIONS HAVE TRADITIONALLY DOMINATED THE LOCAL POLITICS IN THIS AREA, AND CHANGHUA AND YUNLIN, IN PARTICULAR, ARE INFAMOUS FOR BEING THE HOMES OF SOME OF THE MOST NOTORIOUS CRIMINALS IN TAIWAN. THE DPP HAS HAD SOME ELECTORAL SUCCESSES IN BOTH CHANGHUA AND YUNLIN, BUT THE NEW PARTY HAS HAD VERY LITTLE INFLUENCE IN THE AREA. DURING THE TRIP, WE FOUND CONSIDERABLE CONSISTENCY AMONG THE ELECTION FORECASTS OF COUNTY MAGISTRATES, KMT COUNTY CHAIRMEN, DPP COUNTY CHAIRMEN, AND KNOWLEDGEABLE INDEPENDENT POLITICAL FIGURES. EXCEPT IN NANTOU, WHICH AS LIN YANG)KANG'S HOME COUNTY IS A VERY SPECIAL CASE, EVERYONE INTERVIEWED PREDICTED A STRONG VICTORY FOR LEE TENG-HUI AND HIS RUNNING MATE, LIEN CHAN.

YUNLIN COUNTY

4. (C) IN YUNLIN COUNTY, ALL OUR INTERLOCUTORS, EO 13526 3.3(b)(6) AGREED THAT THE LEE/LIEN TICKET WOULD RECEIVE FROM 50-60

OF THE VOTE IN THE PRESIDENTIAL ELECTION. SEVERAL PEOPLE RAISED THE CASE OF THE LIN/HAU DEPUTY CAMPAIGN MANAGER WHO HAD SOUGHT UNSUCCESSFULLY TO GO THE PRC FOR PEACE TALKS WITH JIANG ZEMIN (SEPTEL). ACCORDING TO SOME OF OUR CONTACTS, THIS WAS AT A MINIMUM A LOSS OF FACE FOR THE LIN/HAU CAMPAIGN; OTHERS MAINTAINED THAT VOTERS VIEWED THE ATTEMPT AS A BETRAYAL OF TAIWAN.

CHANGHUA COUNTY

5. (C) IN CHANGHUA COUNTY, JUST SOUTH OF TAICHUNG, AIT VISITORS SPOKE WITH THE COUNTY MAGISTRATE, THE KMT AND DPP COUNTY CHAIRS, AND A DPP PROVINCIAL ASSEMBLY MEMBER AND HER HUSBAND, A FORMER DPP LEGISLATOR WHO WAS DEFEATED IN THE 1995 ELECTION. MOST OF THESE INTERLOCUTORS AGREED THAT LEE WOULD WIN A MAJORITY OF CHANGHUA'S VOTES IN THE PRESIDENTIAL ELECTION. THE KMT COUNTY CHAIRMAN WENT SO FAR AS TO PREDICT THAT LEE COULD WELL END UP WITH OVER 60 PERCENT OF THE VOTES IN THIS MIXED AGRICULTURAL AND INDUSTRIAL COUNTY. (NOTE: IN MANY PARTS OF THE ISLAND, KMT LEADERS -- REPORTEDLY UNDER ORDERS FROM THE CENTRAL LEADERSHIP -- ARE DOWNPLAYING PRESIDENT LEE'S PROSPECTS. WHILE LEE HIMSELF TELLS VISITORS THAT HE THINKS HE WILL HAVE LITTLE TROUBLE OBTAINING 50 PERCENT OF THE VOTE, LOCAL OFFICIALS HAVE BEEN INSTRUCTED TO CONTINUE TO ACT AS THOUGH THE 50 PERCENT HURDLE WILL BE DIFFICULT OR IMPOSSIBLE TO CLEAR.)

NANTOU COUNTY

6. (C) NANTOU COUNTY IS A DECIDED ANOMALY IN THAT IT

IS LIN YANG-KANG'S HOME COUNTY AND LIN'S YOUNGER BROTHER, LIN YUAN-LANG, IS THE COUNTY MAGISTRATE. LIN YUAN-LANG, A KMT MEMBER, HAS CAMPAIGNED VIGOROUSLY FOR HIS OLDER BROTHER. INDEED, AIT VISITORS OBSERVED THE YOUNGER LIN IN AN OPEN CAR LEADING A NEW PARTY MOTORCADE AND USING A LOUD-SPEAKER TO URGE VOTERS TO
C O N F I D E N T I A L SECTION 02 OF 03 TAIPEI 001158

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/10/01

TAGS: PGOV, PREL, MARR, CH, TW, US

SUBJECT: TAIWAN'S ELECTION: THE CENTRAL REGION

SUPPORT THE LIN/HAU TICKET. (KMT LEADERS WE SPOKE TO DECLINED TO CRITICIZE LIN'S APPARENT LACK OF PARTY LOYALTY, INDICATING THAT CHINESE CULTURE DEMANDED THAT LOYALTY TO ONES' FAMILY COME BEFORE LOYALTY TO A POLITICAL PARTY.) LIN YANG-KANG HIMSELF BUILT UP CONSIDERABLE GOODWILL IN THE COUNTY NOT ONLY DURING HIS TENURE AS MAGISTRATE BUT ALSO DURING HIS SERVICE AS PROVINCIAL GOVERNOR, MINISTER OF INTERIOR, AND JUDICIAL YUAN PRESIDENT. IN EACH OF THESE POSTS, HE WAS IN AQSSIST A NUMBER OF NANTO OF WHOM ARE PAYING HIM BACK WITH ELECTORAL SUPPORT.

7. (C) AS NOTED SEPTTEL, HOWEVER, LIN'S BASE OF SUPPORT IN THE COUNTY APPEARS TO BE SHRINKING FOR A NUMBER OF REASONS, INCLUDING HIS SELECTION OF ARCH-CONSERVATIVE MAINLANDER HAU PEI-TSUN AS HIS RUNNING MATE AND REPEATED COMMENTS THAT SEEM TO FAVOR ETHNIC MAINLANDERS AND SLIGHT NATIVE TAIWANESE. (LIN HIMSELF IS ETHNIC TAIWANESE, AS ARE MOST RESIDENTS OF NANTOU.) NOW, LEE AND LIN APPEAR TO BE RUNNING NECK AND NECK, WITH EACH LIKELY TO GET SOMETHING AROUND 40 PERCENT OF THE VOTE IN NANTOU. DPP HOPEFUL PENG MING-MIN WILL LIKELY COME IN A DISTANT THIRD AT ABOUT 15 PERCENT.

DPP TROUBLES

8. (C) NONE OF THE DPP LEADERS WE SPOKE TO IN THE THREE COUNTIES EXHIBITED CONFIDENCE IN THEIR PARTY'S PROSPECTS IN THE COMING ELECTION. SEVERAL SAID THAT ATTEMPTS BY THE PARTY'S LEGISLATIVE CAUCUS TO COOPERATE WITH THE NEW PARTY IN A "GRAND ALLIANCE" HAD HURT THE DPP BADLY. THIS COOPERATION WITH A PARTY WITH DIAMETRICALLY OPPOSITE VIEWS ON CROSS-STRAIT ISSUES HAD DRAMATICALLY REDUCED SUPPORT FOR THE DPP AMONG RURAL GRASS-ROOTS VOTERS. BEYOND THIS, PENG MING-MIN'S PERSONAL STYLE WAS REPORTEDLY CREATING PROBLEMS WITHIN THE PARTY. PENG WAS HAPPY TO MEET WITH SENIOR PEOPLE, BUT SHOWED NO CONCERN FOR OR WILLINGNESS TO TALK TO HIS SUPPORTERS OR CAMPAIGN WORKERS.

9. (C) PROVINCIAL ASSEMBLY MEMBER FROM CHANGHUA, CHOU CHING-YU, A DPP STALWART WHO HAS BEEN A PRINCIPAL ORGANIZER OF SUPPORT FOR PENG, TOLD AIT VISITORS THAT PENG WOULD SOMETIMES ARRIVE IN CHANGHUA WITHOUT HAVING INFORMED HER IN ADVANCE. HAVING MADE HIS OWN

APPOINTMENTS, HE WOULD PASS UP THE OPPORTUNITY TO MEET WITH THE MANY OTHER PEOPLE WHO MIGHT HAVE BEEN WILLING TO CAMPAIGN OR TO VOTE FOR HIM. MS. CHOU NOTED THAT GOVERNING WAS EXPONENTIALLY MORE DIFFICULT THAN CAMPAIGNING; IF PENG COULD NOT COORDINATE A CAMPAIGN, SHE WONDERED, HOW COULD HE POSSIBLY BECOME AN EFFECTIVE PRESIDENT?

THE CHEN)LI-AN CAMPAIGN

10. (G) NOBODY AIT REPRESENTATIVES TALKED TO THOUGHT CHEN LI-AN WOULD RECEIVE MUCH MORE THAN 5 PERCENT OF THE VOTE, AND SEVERAL SAID HE WAS COMPLETELY OFF THEIR PERSONAL RADAR SCOPES. CHEN HAS SOUGHT TO APPEAL TO BUDDHISTS, AND THERE ARE A LOT OF BUDDHISTS IN RURAL TAIWAN. HOWEVER, IT APPEARS THAT A SIGNIFICANT NUMBER OF BUDDHISTS REJECT THE MIXING OF RELIGION AND POLITICS AND WILL NOT VOTE FOR A CANDIDATE WHO SEEKS TO APPEAL PRIMARILY TO THEIR RELIGIOUS SENTIMENT.

PRC THREATS NOT EFFECTIVE HERE

11. (G) OUR INTERLOCUTORS GENERALLY APPEARED TO DISCOUNT THE THREAT FROM THE PRC, DESPITE THE MISSILE TESTS THAT HAD BEEN ANNOUNCED EARLIER IN THE WEEK. (WHILE TRAVELLING TO THE AREA BY TRAIN ON MARCH 6, AITOFF NOTICED THAT OVER HALF OF HIS FELLOW PASSENGERS WERE READING NEWSPAPERS -- BUT NONE APPEARED TO BE READING THE FRONT-PAGE ARTICLES ON THE IMPENDING MISSILE TESTS.) OUR INTERLOCUTORS, FOR THE MOST PART, DID NOT BELIEVE THE PRC WOULD DIRECTLY HARM TAIWAN. THERE WAS, IN A FEW INTERVIEWS, AN UNDERLYING SENSE OF FATALISM -- THE IDEA, NOT FULLY OR CLEARLY EXPRESSED, THAT SHOULD A DISASTER TAKE PLACE, THERE WAS NOTHING THAT INDIVIDUALS COULD DO ABOUT IT. BUT THIS SENTIMENT DID NOT PREDOMINATE. MORE COMMON WAS AN ARTICULATE CONFIDENCE THAT TAIWAN COULD STAND UP TO WHATEVER THREAT THE PRC BRANDISHED.

~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TAIPEI 001158

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/10/01

TAGS: PGOV, PREL, MARR, CH, TW, US

SUBJECT: TAIWAN'S ELECTION: THE CENTRAL REGION

PASCOE

BT

#1158

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SECT: SECTION: 01 OF 03

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DECLASSIFIED
 PER E.O. 13526

2015-0626-17 (1.14)
 KBH 6/12/2019

TO: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
 RUEHIN/AIT TAIPEI 0000
 RUEHLO/AMEMBASSY LONDON 0000
 RUEHRO/AMEMBASSY ROME 0000
 RUESLE/AMCONSUL SHANGHAI 0000
 RUEHGZ/AMCONSUL GUANGZHOU 0000
 RUEHMO/AMEMBASSY MOSCOW 0000
 RHMMUNA/USCINCPAC HONOLULU

INFO: ///

SUBJ: // INR ASSESSMENT // - ~~(S)~~ CHINA: POLITICS OF
 CONFRONTATION (96-14 3/13/96)

DOD/ISA/AP FOR EIKENBERRY, NSC FOR KRISTOFF/SUETTINGER,
 NSA FOR (b)(3) DIA FOR (b)(3) CIA RUEAIIA, ROME PLEASE

TEXT:

~~SECRET~~ STATE 052532

USTR FOR SANDS/LEHR

E.O. 12958: DECL: 03/13/06 1.6X1

TAGS: CH, PINR, PGOV

SUBJECT: // INR ASSESSMENT // - ~~(S)~~ CHINA: POLITICS OF
 CONFRONTATION (96-14 3/13/96)

DOD/ISA/AP FOR EIKENBERRY, NSC FOR KRISTOFF/SUETTINGER,
 NSA FOR (b)(3) DIA FOR (b)(3) CIA RUEAIIA, ROME PLEASE
 PASS TO EMBASSY VACATION, LONDON FOR HALL, EAP/K FOR
 BROWN

THE FOLLOWING INR ASSESSMENT WAS PRODUCED BY THE OFFICE
 OF EAST ASIA AND PACIFIC ANALYSIS AND IS PROVIDED FOR
 YOUR INFORMATION AND COMMENT.

1. CLASSIFIED BY PAULA CAUSEY, ACTING OFFICE DIRECTOR
 INR/EAP. REASON 1.5(B)

2. (SUMMARY) ~~(S)~~ CHINESE LEADERS DESIGNED THE CURRENT
 MUSCLE-FLEXING IN THE TAIWAN STRAIT AS PART OF A
 CONSENSUS STRATEGY OF PROTRACTED "CONFRONTATION WITHOUT
 CONFLICT" TO INTIMIDATE TAIWAN, SHOW GREATER -
 ASSERTIVENESS TOWARD THE UNITED STATES, AND BOLSTER
 INTERNAL CONTROL. BUT COMPETITION IN THE LEADERSHIP OVER

MANAGING THE FAST-EVOLVING SITUATION IS PRODUCING AD HOC DECISIONS AND MIXED SIGNALS; FEAR OF THE CONSEQUENCES OF FAILURE, COMBINED WITH A SHORTAGE OF FACE-SAVING OPTIONS, COULD RESULT IN SEEMINGLY IRRATIONAL BEHAVIOR.

3. (S) WITH NO CLEAR PROCESS FOR DETERMINING POLITICAL INFLUENCE IN THE POST-DENG ERA, AMBITIOUS TOP LEADERS, MOST NOTABLY JIANG ZEMIN AND QIAO SHI, ARE TRYING TO OUTDO EACH OTHER BY PLAYING TO THE FEW REMAINING ELDERS, CURRENT MILITARY OFFICIALS, AND SUCH IMPORTANT ELITE CONSTITUENCIES AS THE NATIONAL PEOPLE'S CONGRESS NOW IN SESSION.

-- GROUP THINK

4. (S) LEADERS HOPE TO HARNESS NATIONALIST SENTIMENT TO OFFSET THEIR WEAK LEGITIMACY AND POOR PERFORMANCE ON SUCH CORE ISSUES AS CRIME, CORRUPTION, AND ECONOMIC EQUITY. TAIWAN IS PERHAPS THE ONLY ISSUE THAT CAN UNITE, AT LEAST TEMPORARILY, COMPETING FACTIONS AND THEIR INTELLECTUAL AND SOCIETAL CRITICS. THE TAIWAN ISSUE ALLOWS THE LEADERSHIP TO SHIFT THE BLAME FOR PROBLEMS FROM THEMSELVES TO THE UNITED STATES AND, BY PORTRAYING THE TAIWAN PROBLEM AS A MATTER OF NATIONALISM RATHER THAN A CLASH OF SYSTEMS, TO AVERT DOMESTIC DEMANDS FOR DEMOCRATIZATION WHILE JUSTIFYING STRONG-ARM TACTICS AGAINST HONG KONG AND TAIWAN. THE LEADERS APPEAR TO HAVE CONVINCED THEMSELVES THAT US INTERVENTION CAN BE PREVENTED OR CONTAINED.

-- DOUBLE-EDGED SWORD

5. (S) THE CAMPAIGN TO RALLY PATRIOTIC SUPPORT FOR THE LEADERSHIP AS IT FACES OFF AGAINST TAIWAN "TRAITORS" AND US HEGEMONISTS INHIBITS EXPRESSION OF DISSENTING OR CRITICAL VIEWS AND JUSTIFIES REPRESSION OF SUSPECT ELEMENTS IN SOCIETY. BUT HAVING COMMITTED REPUTATION AND RESOURCES TO A STRATEGY OF ESCALATING INTIMIDATION, LEADERS MUST SHOW EVIDENCE OF VICTORY - SOME GUARANTEE AGAINST TAIWAN INDEPENDENCE - BEFORE BACKING OFF. LI PENG AND QIAN QICHEN HAVE HINTED THAT A WITHDRAWAL OF TAIWAN'S UN BID MIGHT SUFFICE TO LOWER TENSIONS.

6. (S) 50 FAR, HOWEVER, THE EXERCISES HAVE BEEN LARGELY COUNTERPRODUCTIVE: PRESIDENT LEE TENG-HUI'S ADMINISTRATION HAS GIVEN NO SIGN OF CONCILIATION, POLLS SHOW MORE POPULAR SUPPORT ON TAIWAN FOR INDEPENDENCE THAN FOR REUNIFICATION, AND US SHIP MOVEMENTS HAVE STRENGTHENED THE VIEW IN BEIJING THAT WASHINGTON INTENDS TO SUPPORT RATHER THAN OPPOSE TAIWAN INDEPENDENCE. INTERNATIONAL CRITICISM AND TAIWAN'S SEEMING APLOMB MAY

FORCE PRC LEADERS TO CONTINUE TRYING TO OUTBID EACH OTHER IN DEMONSTRATING TOUGHNESS AND PROMISING SUCCESS, WITH NO STRONG ADVOCATE FOR COOLER THINKING.

-- FULL PLATTER

7. (S) THE LEADERSHIP'S KEY CHALLENGE IS BALANCING SHORT-TERM POLITICAL INTERESTS WITH LONG-TERM NATIONAL INTERESTS; LEADERS APPEAR TO DIFFER OVER HOW TO MANAGE THE COMPLEX AND EVOLVING SITUATION. MILITARY LEADERS REPORTEDLY ARE UPSET WITH LEE BUT BLAME THE UNITED STATES FOR THE PROBLEM OF TAIWAN INDEPENDENCE; JIANG ZEMIN IS UPSET WITH THE UNITED STATES BUT BLAMES LEE FOR THE PROBLEM. HARD-LINERS ARGUE IT IS URGENT TO STOP TAIWAN'S "SLIDE TO INDEPENDENCE" BY FORCING LEE TO SHOW HIS HAND BEFORE THE ELECTION; RESULTING TENSIONS WITH WASHINGTON CAN BE ADDQBR SIGNS FROM LEE AFTER THE ELECTION AND BELIEVE LONG-TERM COOPERATION WITH THE UNITED STATES IS ESSENTIAL, NOT LEAST FOR RESTRAINING TAIWAN, ARE ON THE DEFENSIVE.

-- TENSE SPRING

8. (S) LATENT FACTIONAL COMPETITION COULD INTENSIFY QUICKLY AND WITH LITTLE WARNING IF THE LEADERSHIP'S APPROACH TO THE TAIWAN STRAIT CONFRONTATION FAILS IN THE EYES OF KEY POLITICAL PLAYERS AND CONSTITUENCIES. THE RESULTANT SCAPEGOATING PROBABLY WOULD PIT THE RUMP REFORM WING OF THE PARTY - WHICH ON TAIWAN HAS TAKEN A HARD-LINE STANCE - AGAINST JIANG ZEMIN AND LI PENG. BOTH SIDES WOULD APPEAL TO MILITARY LEADERS, ACTIVE OR RETIRED, RAISING THE SPECTER OF A SPLIT PLA.

9. (S) WITH NO COURT OF FINAL APPEAL AND A RELATIVE BALANCE OF POWER BETWEEN COMPETING FACTIONS, LEADERS ALSO MAY SEEK TO BOLSTER THEIR POSITIONS BY REACHING OUT TO NOW-MARGINAL POLITICAL FORCES, INCLUDING PURGED PARTY REFORMERS, THE CHILDREN OF DENG AND OTHER ELDERS, AND THE AMBITIOUS AND IMPATIENT RISING GENERATION OF FORMER RED GUARDS. IN AN EERIE ECHO OF THE CONFLUENCE OF EVENTS IN 1989, TOP LEADERS MUST BE LOSING SLEEP OVER THE PROSPECT OF DENG'S DEATH ALIGNING WITH CONTINUED TENSIONS OVER TAIWAN AND KEY IMPENDING ANNIVERSARIES, SUCH AS THE APRIL 1976 ANTI-MAO DEMONSTRATIONS AND THE MAY 1956 AND MAY 1966 ANTI-PARTY MASS MOVEMENTS. (CHAMRIN)

TARNOFF

BT

#2532

NNNN

SECT: SECTION: 01 OF 01

SSN: 2532

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RUEHSH/AMCONSUL SHENYANG 4119
RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE
RUEKJCS/SECDEF WASHDC
RUEHHI/AMEMBASSY HANOI 0144
RUEHIN/AIT TAIPEI 0164
ZEN/AMCONSUL CHENGDU
SUBJ: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN
REDUCTION IN SUPPORT FOR TAIWAN INDEPENDENCE.
A CONTROLLED ESCALATION

DECLASSIFIED
PER E.O. 13526
2015-0686-M (1.20)
KBH 6/12/2019

TEXT:

////////////////// INCOMPLETE MESSAGE //////////////////

~~CONFIDENTIAL~~ SECTION 02 OF 03 BEIJING 008152

THIS IS A REPEAT OF BEIJING 8008 -- ADDING ADDRESSEES.

E.O. 12958: DECL: (1.6X6)
TAGS: PREL, MOPS, MCAP, MARR, CH, TW, US
SUBJECT: BEIJING OPTS TO SEND TOUGH MESSAGE TO TAIWAN

REDUCTION IN SUPPORT FOR TAIWAN INDEPENDENCE.

A CONTROLLED ESCALATION

6. BELIEVING THAT LEE TENG-HUI HAD SHOWN NO SIGNS OF BACKING DOWN AND, IN PARTICULAR, NO SIGNS OF TEMPERING HIS ASPIRATIONS FOR GREATER INTERNATIONAL RECOGNITION FOR TAIWAN, CHINESE LEADERS DECIDED TO ESCALATE THE PRESSURE ON TAIWAN IN THE DAYS BEFORE THE PRESIDENTIAL ELECTION. THEY SELECTED WHAT IN THEIR VIEW WAS A FORCEFUL BUT STILL MEASURED OPTION TO APPLY PRESSURE, MISSILE EXERCISES, A STEP SURE TO CATCH ATTENTION BUT STOPPING SHORT OF HOSTILITIES. IN THE PRESENT CHARGED ENVIRONMENT, IT IS

UNLIKELY THAT ANYONE WITHIN THE CONSENSUS LEADERSHIP EVEN SERIOUSLY CONSIDERED OTHER, LESS FORCEFUL OPTIONS. IN THE RUN-UP TO THE 1997 PARTY CONGRESS, THE NEED FELT BY ALL LEADERS NOT TO APPEAR WEAK AND NOT TO BE HELD ACCOUNTABLE LATER FOR A MISTAKE RESULTING FROM WEAKNESS PROPELLED THE CONSENSUS IN A HARD-LINE DIRECTION.

BEIJING'S CALCULATIONS

7. FEAR OF ADVERSE INTERNATIONAL CONSEQUENCES, ESPECIALLY U.S. REACTION, BUT ALSO POTENTIAL LOSS OF CONTROL OVER THE SITUATION WERE FACTORS MILITATING AGAINST ANY RESORT TO STRONGER OPTIONS AGAINST TAIWAN, SUCH AS ACTUAL HOSTILITIES AGAINST VULNERABLE COASTAL ISLANDS. NONETHELESS, FOR CONTINGENCY PURPOSES, THE LEADERSHIP IN BEIJING WILL CONTINUE TO CONSIDER FURTHER ESCALATIONS OF MILITARY PRESSURE. IN THIS PROCESS, WHILE BEIJING PREFERS LIMITED, CONTROLLED ACTIONS THAT MINIMIZE POTENTIAL PROBLEMS WITH THE UNITED STATES, JAPAN, OR OTHER COUNTRIES, HARD-LINE MILITARY LEADERS, PUSHED BY NATIONALISTIC YOUNGER OFFICERS, ARE APPARENTLY REACTING STRONGLY AGAINST U.S. NAVAL MOVEMENTS. IF CURRENT MILITARY PRESSURE APPEARS NOT TO BE WORKING, I.E., IF LEE TENG-HUI'S POSITION IS STRENGTHENING, AND SENIOR LEADERS APPEAR TO BE LOSING FACE, MORE FORCEFUL ACTIONS COULD WELL ENSUE. AT THIS POINT, HOWEVER, ALL EVIDENCE INDICATES THAT THE TROOPS CURRENTLY DEPLOYED TO FUJIAN ARE PREPARING FOR NOTHING MORE THAN A LARGE-SCALE EXERCISE.

8. CHINESE LEADERS ARE ALSO CAPTIVE TO THEIR APPROACH. ESCALATION REQUIRES SUCCESSIVELY GREATER MILITARY PRESSURE, IF THE LAST ESCALATION WAS NOT EFFECTIVE. BEIJING UNDOUBTEDLY HOPES THAT THE LAST STEP WILL BE SUFFICIENT, BUT IN ADOPTING A STRATEGY OF ESCALATION, BEIJING MUST CONVINCING TAIPEI THAT IT IS NOT BLUFFING AND THAT IT IS WILLING TO GO STILL FURTHER. IN CONDUCTING MISSILE EXERCISES CLOSE TO TAIWAN, BEIJING HAS ALSO REMINDED TAIPEI THAT IT CAN HARASS TAIWAN'S TRANSPORTATION ROUTES ON BOTH THE WEST AND EAST COASTS IN A QUASI-BLOCKADE WHENEVER IT WISHES.

9. SO FAR, BEIJING HAS CHOSEN OPTIONS THAT ARE ESSENTIALLY SYMBOLIC AND DO NOT INVOLVE ACTUAL HOSTILITIES AGAINST TAIWAN. BECAUSE IT HAS NOT CROSSED THE LINE OF HOSTILITIES, BEIJING APPARENTLY BELIEVES THAT U.S. AND OTHER INTERNATIONAL REACTION CAN BE CONTAINED WITHIN A TOLERABLE LEVEL. IT PROBABLY ALSO EXPECTS THE INTERNATIONAL OUTCRY TO QUIET QUICKLY FOLLOWING THE END OF THE ONE-WEEK EXERCISE.

GESTURES TO THE UNITED STATES

10. TO ALLEVIATE PRESSURE FROM THE UNITED STATES RESULTING FROM ITS CAMPAIGN AGAINST TAIWAN, BEIJING TOOK A SERIES OF TACTICAL STEPS TO CREATE AN IMPRESSION OF

BUSINESS AS USUAL AND A DESIRE TO IMPROVE RELATIONS WITH THE UNITED STATES. THESE INCLUDED RESPONDING QUICKLY TO PRESIDENT CLINTON'S LETTER AND ON THE RING MAGNET ISSUE, SENDING STATE COUNCIL FOREIGN AFFAIRS OFFICE DIRECTOR LIU HUAQIU TO WASHINGTON, HOSTING A SERIES OF U.S. MILITARY VISITS, AND MIX OF POSITIVE AS WELL AS NEGATIVE PRESS STATEMENTS ON U.S.-CHINA RELATIONS. MORE RECENTLY, HOWEVER, THE CHINESE HAVE BEGUN TO REACT -- THOUGH STILL WITH RELATIVE RESTRAINT IN PUBLIC -- TO THE DEPLOYMENT OF TWO U.S. CARRIER BATTLE GROUPS IN INTERNATIONAL WATERS
BT
#8152

NNNN

SECT: SECTION: 02 OF 03

SSN: 8152

TOR: 960314072717 M2129787

DIST:

SIT: NODIST NSC

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Cable

PREC: PRIORITY

CLASS: ~~CONFIDENTIAL~~

LINE1: PAACZYUW RUEHGPA1167 0740823-CCCC--RHEHAAX.

LINE2: ZNY CCCCC ZZH

LINE3: P 140823Z MAR 96

LINE4: FM AMEMBASSY SINGAPORE

OSRI: RUEHGP

DTG: 140823Z MAR 96

ORIG: AMEMBASSY SINGAPORE

TO: RUEHC/SECSTATE WASHDC PRIORITY 2337

INFO: RHHMUNA/USCINCPAC HONOLULU HI//FPA/J-5//

RUEHIN/AIT TAIPEI 3320

RUEHGZ/AMCONSUL GUANGZHOU 0009

RUEHHK/AMCONSUL HONG KONG 0080

RUESLE/AMCONSUL SHANGHAI 0495

RUEHZA/ASEAN COLLECTIVE

RUEHBJ/AMEMBASSY BEIJING 6663

SUBJ: SENIOR MINISTER PESSIMISTIC ABOUT CROSS STRAIT
RELATIONS AFTER ELECTION

TEXT:

~~CONFIDENTIAL~~ SINGAPORE 001167

E.O. 12958: DECL: 03/14/16

TAGS: PREL, PINR, CH, SN, US

SUBJECT: SENIOR MINISTER PESSIMISTIC ABOUT CROSS STRAIT
RELATIONS AFTER ELECTION

REF: (A) SINGAPORE 1035

1. CLASSIFIED BY AMB. CHORBA REASON: 1.5 (B).

2. ~~(S)~~ I SAT WITH SENIOR MINISTER LEE KUAN YEW DURING A DINNER MARCH 13. I ASKED IF HE THOUGHT RELATIONS BETWEEN CHINA AND TAIWAN WOULD EASE AFTER TAIWAN'S PRESIDENTIAL ELECTIONS. HE REPLIED THAT RELATIONS ARE NOT GOING TO GET BETTER. CHINA WON'T LET UP EVEN AFTER THE MARCH 23 ELECTIONS. THERE IS A NEW BUNCH IN CHARGE IN BEIJING AND THEY HAVE TO PROVE THEMSELVES. (COMMENT: WHILE LKY DID NOT EXPLAIN WHOM HE MEANT BY THE TERM "NEW BUNCH," HE GAVE NO INDICATION THAT HE BELIEVED ANYONE BESIDES JIANG ZEMIN AND LI PENG ARE IN CHARGE IN BEIJING. END COMMENT.)

3. ~~(S)~~ CHINA CAN WRECK TAIWAN'S ECONOMY THROUGH MILITARY PRESSURE, ACCORDING TO THE SENIOR MINISTER, AND IT IS READY TO DO SO BECAUSE IT PERCEIVES THAT TAIWAN PRESIDENT LEE *xG A CHINESE MOVE AGAINST TAIWAN WOULD WRECK PROSPECTS FOR CONTINUED ECONOMIC GROWTH ALONG THE FUJIAN COAST, BUT THE BEIJING LEADERSHIP IS WILLING TO SACRIFICE FUJIAN JUST AS IT SACRIFICED THE ECONOMY ALONG CHINA'S VIETNAM BORDER

DECLASSIFIED
PER E.O. 135262015-0684-M (1.23)
KBH 6/12/2019

WHEN CHINA ATTACKED VIETNAM IN FEBRUARY 1979 TO TEACH IT A LESSON.

4. (S) LEE TENG HUI WILL NOT BACK DOWN FROM A CONFLICT. LEE TENG HUI IS A FIGHTER, LKY SAID, AND HE HAS A SAMURAI ENTALITY. LKY NOTED THAT THE LOCAL CHINESE PAPER, LIANHE ZAobao HAD CARRIED A REPORT EARLIER THIS WEEK THAT THE TAIWAN PRESIDENT HAD USED A JAPANESE EPITHET MEANING "BLOCKHEADS" OR "IDIOTS" TO DESCRIBE THE CHINESE LEADERS.

5. (S) SINGAPORE HAS ALREADY SEEN EVIDENCE THAT CHINESE PRESSURE IS HURTING TAIWAN. WITHIN THE LAST TWO WEEKS PHILIPS ELECTRONICS AND TEXAS INSTRUMENTS HAVE BOTH SHELVED PLANS TO LOCATE REGIONAL HEADQUARTERS IN TAIPEI. THEY HAVE INDICATED THEY WILL LOCATE IN SINGAPORE INSTEAD.

6. (S) COMMENT. LKY'S COMMENTS TO ME WERE MUCH MORE PESSIMISTIC THAN HIS RECENT SPEECH ON CHINA-TAIWAN RELATIONS (REPORTED REFTEL). WHILE THE SENIOR MINISTER'S SPEECH SUGGESTED THAT PROGRESS IS POSSIBLE AFTER THE ELECTION IF BOTH SIDES ARE PATIENT AND TAIWAN RENOUNCES ITS U.N. BID, HE BEGAN HIS COMMENTS TO ME BY REJECTING HOPE FOR EASED TENSIONS AFTER THE ELECTION. THE JAPANESE AMBASSADOR TOLD ME MARCH 14 THAT THE SENIOR MINISTER OFFERED HIM AN EQUALLY PESSIMISTIC APPRAISAL ABOUT A WEEK AGO, SUGGESTING THAT LKY IS CONSCIOUSLY MORE OPTIMISTIC IN PUBLIC THAN HE IS IN PRIVATE CANDOR. I WILL SEEK TO FOLLOW UP ON CHINA WITH THE SENIOR MINISTER, IF NOT DURING U/S TARNOFF'S UPCOMING VISIT, THEN AFTER HE IS RELEASED FROM THE HOSPITAL AFTER HIS FOLLOW-UP ANGIOPLASTY AND STENT INSERTION SCHEDULED FOR THIS WEEKEND (DETAILS REPORTED SEPTTEL). CHORBA

BT
#1167

NNNN

SECT: SECTION: 01 OF 01
SSN: 1167
TOR: 960314043158 M2129512
DIST:
SIT: NSC
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Cable

PREC: PRIORITY
CLASS: ~~CONFIDENTIAL~~
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LINE2: ZNY CCCCC ZZH
LINE3: P 150407Z MAR 96
LINE4: FM SECSTATE WASHDC
OSRI: RUEHC
DTG: 150407Z MAR 96
ORIG: SECSTATE WASHDC
TO:

DECLASSIFIED IN PART
 PER E.O. 13526

2015-0686-M [1.24]
 KBH 6/12/2019

EO 13526 3.3(b)(6)

INFO: RUEHIN/AIT TAIPEI PRIORITY 0000
 RUEHBJ/AMEMBASSY BEIJING 0000
 RUEHHK/AMCONSUL HONG KONG 0000
 RUEHGZ/AMCONSUL GUANGZHOU 0000
 RUESLE/AMCONSUL SHANGHAI 0000
 RUEHSH/AMCONSUL SHENYANG 0000

SUBJ: BRIEFING ON SITUATION IN TAIWAN STRAIT

TEXT:

~~C O N F I D E N T I A L~~ STATE 053173

E.O. 12958: 3/10/06

TAGS: PREL, CH, TW

SUBJECT: BRIEFING ON SITUATION IN TAIWAN STRAIT

REF: STATE 29556

1. CLASSIFIED BY HOWARD LANGE, DIRECTOR, TAIWAN COORDINATION STAFF, EAP. REASON: 1.5(D).

2. ~~(C)~~ SUMMARY. EMBASSIES OF ADDRESSEE COUNTRIES WERE BRIEFED ON PRC MILITARY EXERCISES IN THE VICINITY OF TAIWAN AND ON USG ACTIONS IN RESPONSE TO INCREASED TENSIONS IN THE AREA. THEY WERE ASKED TO INVITE LIKE-MINDED CAPITALS TO EXPRESS THEIR CONCERNS TO BEIJING. END SUMMARY.

3. (G) ADDRESSEE COUNTRY EMBASSIES WERE INVITED TO THE DEPARTMENT ON MARCH 6 TO RECEIVE A BRIEFING ON PRC MILITARY EXERCISES IN THE TAIWAN STRAIT AREA, AND PARTICULARLY THE ANNOUNCED INTENTION TO CONDUCT MISSILE FIRINGS IN THE VICINITY OF TAIWAN. THE BRIEFING WAS CONDUCTED BY HOWARD LANGE, DIRECTOR OF THE TAIWAN COORDINATION STAFF, AND JEFFREY BADER, DIRECTOR OF CHINESE AND MONGOLIAN AFFAIRS.

4. (G) THE BRIEFING COVERED OUR KNOWLEDGE AT THAT TIME ABOUT THE EXERCISES THEN UNDER WAY, AND PARTICULARLY ABOUT THE MISSILE FIRINGS, WITH IMPACT AREAS EAST OF THE PORT OF KEELUNG AND WEST OF THE PORT OF KAOHSIUNG. THE MISSILE FIRINGS, IT WAS NOTED, THOUGH RECKLESS AND EXTREMELY PROVOCATIVE, WERE NOT EXPECTED TO HAVE A SIGNIFICANT EFFECT ON SHIPPING OR AIR TRANSPORTATION. LANGE DESCRIBED THE GENERALLY CAUTIOUS AND PRUDENT RESPONSE OF THE AUTHORITIES ON TAIWAN, WHICH SEEMED DESIGNED TO CALM EMOTIONS AND AVOID FURTHER INFLAMING THE SITUATION. HE NOTED A MIXED REACTION AMONG THE POPULACE, WITH SOME SIGNS IN THE FINANCIAL MARKETS AND AMONG RESIDENT FOREIGNERS OF A HIGH LEVEL OF CONCERN, BUT AN OVERALL PATTERN OF RESOLVE TO WEATHER THE STORM.

5. (G) WITH RESPECT TO PRC OBJECTIVES, LANGE DISCUSSED THE EVIDENCE, WHICH DOES NOT POINT TOWARD INTENTION TO USE FORCE AGAINST TAIWAN. THE EVIDENT GOAL OF BEIJING IS TO INFLUENCE THE RESULTS OF THE MARCH 23 PRESIDENTIAL ELECTION AND TAIWAN'S POST-ELECTION BEHAVIOR. THE PRC WISHES TO WEAKEN SUPPORT FOR INCUMBENT PRESIDENT LEE TENG-HUI AND ARREST WHAT IT SEES AS TAIWAN'S DRIFT TOWARD PERMANENT SEPARATION FROM THE MAINLAND. RESPONDING TO QUESTIONS, LANGE AND BADER SPECULATED THAT THE PRC BELIEVES THAT ITS PRESSURE IS EFFECTIVE, BUT NOTED THAT THERE IS SOME CONTRARY EVIDENCE EMERGING -- THE MISSILE TESTS MAY BE STRENGTHENING SUPPORT FOR LEE.

6. (G) MR. BADER DESCRIBED DEMARCHES THE U.S. HAD MADE TO THE PRC ON THESE EXERCISES. IN WASHINGTON, UNDER SECRETARY TARNOFF HAD CALLED IN THE CHINESE AMBASSADOR TO EXPRESS OUR DEEP CONCERN OVER THESE PROVOCATIVE EXERCISES, WHICH WOULD FURTHER RAISE TENSIONS IN THE TAIWAN STRAIT AREA, AND TO POINT OUT THAT THERE WOULD BE GRAVE CONSEQUENCES IF THERE WERE MILITARY ACTION AGAINST TAIWAN. U/S TARNOFF WARNED OF THE DANGERS OF ACCIDENT OR MISCALCULATION FROM AN EXERCISE SO CLOSE TO TAWAN. A SIMILAR MESSAGE WAS CONVEYED BY AMBASSADOR SASSER IN BEIJING, AND THE MESSAGE WOULD FURTHER BE CONVEYED AT A HIGH LEVEL DURING AN IMMINENT VISIT TO WASHINGTON BY THE DIRECTOR OF FOREIGN AFFAIRS OF THE PRC STATE COUNCIL. BADER SAID THAT THE PRC RESPONSE WAS TO ASSERT THAT THIS IS AN INTERNAL CHINESE AFFAIR, THAT THE EXERCISES ARE NEITHER DANGEROUS NOR MILITARY ACTION AGAINST TAIWAN, AND TO INSIST THAT ANY TENSIONS IN THE STRAIT AREA ARE THE FAULT OF THE AUTHORITIES ON TAIWAN.

7. (G) BRIEFING ATTENDEES ASKED ABOUT POSSIBLE U.S.

ACTIONS IN VARIOUS SCENARIOS, AND LANGE AND BADER DISCUSSED U.S. POLICY EMBODIED IN THE TAIWAN RELATIONS ACT (TRA) ALONG THE LINES OF AMBASSADOR LORD'S FEBRUARY 7 TESTIMONY (REFTEL).

8. (G) THE BRIEFING PARTICIPANTS WERE ENCOURAGED IN REPORTING TO THEIR CAPITALS TO CONVEY OUR VIEW THAT LIKE-MINDED GOVERNMENTS SHOULD COMMUNICATE THEIR CONCERNS TO THE PRC. (HELPFUL PUBLIC STATEMENTS, PARTICULARLY BY JAPAN, THE UK, AND THE EU HAVE BEEN NOTED.)

9. (G) ACTION REQUESTED. POSTS ARE REQUESTED TO MAINTAIN CONTACT WITH FOREIGN MINISTRIES ON THE TAIWAN STRAIT SITUATION, AND TO REPORT SIGNIFICANT VIEWS OR ACTIONS.
TARNOFF

BT
#3173

NNNN

SECT: SECTION: 01 OF 01

SSN: 3173

TOR: 960314231641 M2131427

DIST:

SIT: KRISTOFF NSC SUETTINGER

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Cable

PREC: IMMEDIATE
 CLASS: ~~CONFIDENTIAL~~
 LINE1: OAACZYUW RUEHINA1248 0750929-CCCC--RHEHAAX.
 LINE2: ZNY CCCCC ZZH
 LINE3: O 150929Z MAR 96
 LINE4: FM AIT TAIPEI
 OSRI: RUEHIN
 DTG: 150929Z MAR 96
 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 4849
 INFO: RHHMSCC/JICPAC HONOLULU HI
 RHHMUNA/CINCPAC HONOLULU HI
 RUEHBK/AMEMBASSY BANGKOK 5034
 RUEKJCS/DIA WASHDC
 RUESLE/AMCONSUL SHANGHAI 4607
 RUEHSH/AMCONSUL SHENYANG 2670
 RUEHHK/AMCONSUL HONG KONG 7653
 RUEHGZ/AMCONSUL GUANGZHOU 6460
 RUEHKO/AMEMBASSY TOKYO 3936
 RUEHGP/AMEMBASSY SINGAPORE 5525
 RUEHUL/AMEMBASSY SEOUL 7554
 RUEHJA/AMEMBASSY JAKARTA 1455
 RUEHML/AMEMBASSY MANILA 3537
 RUEHBJ/AMEMBASSY BEIJING 6134
 RUEHKL/AMEMBASSY KUALA LUMPUR 0171
 SUBJ: TENSIONS LESSEN AS CAMPAIGN HEADS INTO
 - THE HOME STRETCH
 TEXT:
~~CONFIDENTIAL~~ SECTION 01 OF 03 TAIPEI 001248

DECLASSIFIED
 PER E.O. 13526
 2015-0686-m (1.25)
 KBH 6/12/2019

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/14/06
 TAGS: PGOV, PREL, MOPS, TW, CH, US
 SUBJECT: TENSIONS LESSEN AS CAMPAIGN HEADS INTO
 - THE HOME STRETCH

1. CLASSIFIED BY B.LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (B) AND (D).

2. ~~(S)~~ SUMMARY: TENSIONS OVER CROSS-STRAIT RELATIONS ARE EASING HERE AS TAIWAN HEADS INTO THE HOME STRETCH OF ITS PRESIDENTIAL CAMPAIGN. MOST PEOPLE HERE DRAW A DIRECT LINK BETWEEN THE NEARBY PRESENCE OF U.S. WARSHIPS AND WHAT IS PERCEIVED TO BE A SOFTENING ATTITUDE TOWARDS TAIWAN ON THE PART OF THE MAINLAND. THE PRESS HAS FLOATED A PROPOSAL TO CONVENE A NON-PARTISAN NATIONAL CONFERENCE TO HAMMER OUT A CONSENSUS ON CROSS-STRAIT POLICY. WHILE CROSS-STRAIT RELATIONS REMAINS A DEBATING TOPIC FOR THE VARIOUS CANDIDATES,

THERE APPEARS DECLINING FEAR HERE THAT THE PRC WILL ENGAGE IN ACTUAL HOSTILITIES IN THE RUN-UP TO THE MARCH 23 PRESIDENTIAL ELECTION. END SUMMARY.

3. (✓) THE VAST MAJORITY OF OUR INTERLOCUTORS OVER THE PAST FEW DAYS HAVE CONTINUED TO STRESS THEIR APPRECIATION FOR THE DECISION TO DEPLOY THE NIMITZ AND THE INDEPENDENCE AND THEIR ESCORT VESSELS IN THE WATERS OFF TAIWAN. OUR CONTACTS TELL US THAT THE U.S. NAVAL DEPLOYMENTS AROUND TAIWAN HAVE STABILIZED THE CROSS-STRAIT SITUATION AND GIVEN A SHOT IN THE ARM TO PUBLIC MORALE. DPP SECRETARY-GENERAL CHIU I-JEN TOLD AITOFFS MARCH 14 THAT PEOPLE "RELAXED" ("FANG HSIN") ONCE THE U.S. VESSELS APPEARED. WHILE CROSS-STRAIT TENSION WILL REMAIN A TOPIC OF DISCUSSION, CHIU CONTINUED, IT IS NO LONGER THE ONLY IMPORTANT CAMPAIGN ISSUE AND WILL BY NO MEANS BE THE ONLY FACTOR DECIDING THE OUTCOME OF THE ELECTION.

POSITIVE SIGNALS FROM THE PRC

4. (U) ADDING TO THE SENSE OF RELAXATION, TAIWAN NEWSPAPERS MARCH 15 WERE GIVING PROMINENT PLAY TO STORIES FROM MANILA, WHERE PRC VICE FOREIGN MINISTER TANG JIAXUAN REPORTEDLY OFFERED ASSURANCES THAT THE MAINLAND'S MISSILE TESTS AND MILITARY EXERCISES WOULD NOT ESCALATE INTO ACTUAL WARFARE, AS WELL AS FROM BEIJING, WHERE CENTRAL MILITARY COMMISSION VICE CHAIRMAN LIU HUAQING TOLD THE NATIONAL PEOPLE'S CONGRESS THAT "CHINA WILL NEITHER INVADE ANY OTHER COUNTRY NOR JOIN IN (A FUTURE) ARMS RACE." WHILE THE LOCAL NEWSPAPERS HIGHLIGHTED FACTUAL ACCOUNTS OF THESE STATEMENTS, AS WELL AS OF PRC AND U.S. MILITARY ACTIVITIES IN NEARBY WATERS, EDITORIALS AND OTHER COMMENTARIES HAVE NOTICEABLY SHIFTED FROM CROSS-STRAIT TENSIONS TO GENERAL ELECTION TOPICS.

ENCOURAGING TRENDS IN THE STOCK MARKET

5. (U) THE TAIWAN STOCK MARKET APPEARED TO REFLECT THE EASED SITUATION. THE MARKET TURNED AROUND ON MARCH 14 AND BY MARCH 15 HAD REGAINED ALMOST ALL IT HAD LOST IN THE PAST SIX WEEKS, TO CLOSE AT 4,936. VOLUMES ON THE 15TH, AT 42.5 BILLION NTD, WERE NEARLY DOUBLE THE DAILY VOLUMES EARLIER IN THE WEEK, CLEARLY A SIGN OF RENEWED INVESTOR CONFIDENCE. THE TOTAL AMOUNT OF MONEY PUMPED IN BY THE GOVERNMENT'S STOCK MARKET STABILIZATION FUND (WHICH HAD BEEN INJECTING SIZEABLE FUNDING TO SUPPORT THE MARKET EARLIER THIS WEEK) DECREASED IN ABSOLUTE TERMS. THERE ARE ALSO INDICATIONS THAT THE LOCAL DEMAND FOR U.S. DOLLARS AND OTHER HARD CURRENCIES IS EASING (SEPTEL).

6. (✓) THE NEW MOOD WAS REFLECTED IN THE AMERICAN COMMUNITY. THE DIRECTOR ATTENDED AN AMCHAM BREAKFAST MARCH 15 AT WHICH NO QUESTIONS WERE RAISED ABOUT A

POSSIBLE FOREIGN COMMUNITY EVACUATION. ATTENDEES AT A SIMILAR AMCHAM BREAKFAST THREE WEEKS EARLIER HAD FOCUSED HEAVILY ON THE MILITARY THREAT TO TAIWAN.

A NATIONAL CONFERENCE ON CROSS-STRAIT ISSUES?

~~CONFIDENTIAL~~ SECTION 02 OF 03 TAIPEI 001248

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/14/06

TAGS: PGOV, PREL, MOPS, TW, CH, US

SUBJECT: TENSIONS LESSEN AS CAMPAIGN HEADS INTO
- THE HOME STRETCH

7. (U) ON MARCH 15, THE LOCAL MEDIA RAISED THE POSSIBILITY OF AN AD HOC NATIONAL CONFERENCE ON CROSS-STRAIT ISSUES. THESE REPORTS SAID PRESIDENT LEE PLANS, IF REELECTED, TO INVITE OPINION LEADERS OF ALL SECTORS OF SOCIETY AND OF ALL POLITICAL PERSUASIONS TO A CONFERENCE DESIGNED TO FORGE A NATIONAL CONSENSUS ON CROSS-STRAIT POLICY.

8. ~~(S)~~ THE CONCEPT OF A NATIONAL CONFERENCE ON CROSS-STRAIT RELATIONS OF COURSE IS REMINISCENT OF THE NATIONAL AFFAIRS CONFERENCE THAT LEE CONVENED IN 1990. THAT CONFERENCE LED IN TURN TO THE CREATION OF THE NATIONAL REUNIFICATION COUNCIL, WHICH BOTH ENDED THE OFFICIAL STATE OF HOSTILITIES WITH THE MAINLAND AND ADOPTED THE STILL CURRENT NATIONAL REUNIFICATION GUIDELINES.

9. ~~(S)~~ PRESIDENT LEE HAS BEEN HINTING TO HIGH-RANKING VISITORS FOR MONTHS THAT HE WAS CONSIDERING A MEANS TO FORGE A NEW CONSENSUS ON MAINLAND POLICY. NSC SECRETARY GENERAL TING MOU-SHIH TOLD US THE NEWSPAPERS WERE WELL OUT FRONT ON THIS ISSUE. PRESIDENT LEE AND HIS ADVISORS ARE STILL CONSULTING ABOUT WHAT THE BEST APPROACH SHOULD BE. HOWEVER, DR. SHAW YU-MING, HEAD OF A KMT-CONTROLLED THINK TANK AND EX-OFFICIO MEMBER OF TAIWAN'S NATIONAL REUNIFICATION BOARD, WAS MORE CONFIDENT THAT SUCH A CONFERENCE WOULD OCCUR. HE TOLD AIT ON MARCH 15 THAT PRESIDENT LEE HOPED THAT AN AD HOC CONFERENCE WOULD APPROVE NEGOTIATION ON A CESSATION OF HOSTILITIES. SHAW ADDED THAT, IF MANAGED PROPERLY, SUCH A CONFERENCE COULD ALSO PROVE USEFUL IN PROVIDING PRESIDENT LEE A STRONG BASE OF PUBLIC SUPPORT SHOULD LEE DESIRE TO PUSH AHEAD WITH BOLDER PROPOSALS ON CROSS-STRAIT RELATIONS.

POLITICKING CONTINUES

10. ~~(S)~~ WITH THE POLLS ONLY EIGHT DAYS AWAY, THE MEDIA CONTINUE TO FORCE THE PRESIDENTIAL CANDIDATES TO COMMENT ON CROSS-STRAIT RELATIONS. AS WE HAVE NOTED ELSEWHERE, PRESIDENT LEE CONTINUES TO PROCLAIM THE

MAINLAND IS AFRAID OF TAIWAN'S DEMOCRACY, WHILE BELITTLING HIS INDEPENDENT OPPONENTS FOR BEING AFRAID TO STAND UP TO BEIJING. (THE KMT IS FUNDING NEWSPAPER ADS IMPLYING THAT LIN YANG-KANG, IN PARTICULAR, IS THE EAGER LAP-DOG OF THE PRC.) DPP CHALLENGER PENG MING-MIN HAS ALSO STUCK TO A PREDICTABLE COURSE, PROCLAIMING THAT THE PRC'S PROVOCATIONS DEMONSTRATE THE NEED FOR TAIWAN INDEPENDENCE.

12. (e) IN CONTRAST, INDEPENDENT PRESIDENTIAL HOPEFULCHEN LI-AN HAS BEEN AL ON CROSS-STRAIT TENSIONS -- AND SPECIFICALLY ON THE UTILITY OF THE U.S. NAVAL DEPLOYMENTS. AFTER INITIALLY WORRYING THAT THE NAVAL DEPLOYMENTS MIGHT PROVOKE A HARSH REACTION FROM BEIJING, CHEN LATER ACKNOWLEDGED THAT THE AIRCRAFT CARRIERS MIGHT HELP STABILIZE THE SITUATION -- BUT WARNED TAIWAN AGAINST DEPENDING OVERLY MUCH ON U.S. ASSISTANCE. THE NEXT DAY, CHEN WENT MUCH FURTHER, PROCLAIMING THAT THE U.S. WAS INTERFERING IN THE SITUATION IN AN ATTEMPT TO PREVENT THE REUNIFICATION OF CHINA. CHEN CLAIMED THAT THE U.S. WAS AFRAID THAT, IF TAIWAN UNITED WITH CHINA, THE END RESULT WOULD BE A SUPERPOWER THAT COULD CHALLENGE U.S. WORLD DOMINATION.

COMMENT

13. (e) THE RELAXATION IN TENSIONS OVER THE PAST FEW DAYS HAS BEEN PALPABLE. THE POPULATION CONTINUES TO AWAIT THE PLA'S NEXT STEP BUT CERTAINLY NOW APPEARS MORE CONFIDENT THAT ACTUAL HOSTILITIES ARE UNLIKELY.
~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TAIPEI 001248

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL:3/14/06
 TAGS: PGOV, PREL, MOPS, TW, CH, US
 SUBJECT: TENSIONS LESSEN AS CAMPAIGN HEADS INTO
 - THE HOME STRETCH

IN MANY WAYS, THINGS ARE RETURNING TO NORMAL HERE. PRESIDENT LEE IS CRUISING TO VICTORY, HIS OPPONENTS ARE DESPERATELY TRYING TO FIGURE OUT HOW TO CUT INTO HIS SUPPORT, AND THE AVERAGE CITIZEN IS BEGINNING TO TRY TO FIGURE OUT HOW TO MAKE MORE MONEY (RATHER THAN TRYING TO FIGURE OUT HOW TO GET WHAT HE OR SHE ALREADY HAS OUT OF THE COUNTRY). CHEN LI-AN'S MOST RECENT COMMENTS ON THE U.S. NAVAL DEPLOYMENT REFLECT THE VIEWS OF A VERY NARROW CIRCLE OF CHINESE NATIONALISTS HERE. HIS ATTEMPTS TO WOO THIS CONSERVATIVE MAINLANDER CONSTITUENCY (AWAY FROM THE LIN/HAU TICKET) WILL, HOWEVER, MAKE IT THAT MUCH MORE DIFFICULT FOR HIM TO APPEAL TO THE BROADER PUBLIC.

PASCOE
 BT
 #1248

NNNN

SECT: SECTION: 01 OF 03
<^SECT>SECTION: 02 OF 03
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SSN: 1248
<^SSN>1248
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TOR: 960315061457 M2131948
<^TOR>960315061459 M2131949
<^TOR>960315061600 M2131950

DIST: SIT: KRISTOFF NSC SUETTINGER
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Cable

PREC: PRIORITY
 CLASS: ~~CONFIDENTIAL~~
 LINE1: PAACZYUW RUEHBJA8278 0751054-CCCC--RHEHAAX.
 LINE2: ZNY CCCCC ZZH
 LINE3: P 151054Z MAR 96
 LINE4: FM AMEMBASSY BEIJING
 OSRI: RUEHBJ
 DTG: 151054Z MAR 96
 ORIG: AMEMBASSY BEIJING
 TO: RUEHC/SECSTATE WASHDC PRIORITY 1025
 INFO: RHHMUNA/USCINCPAC HONOLULU HI
 RUEHGZ/AMCONSUL GUANGZHOU 1515
 RUEHIN/AIT TAIPEI 0187
 RUEHSH/AMCONSUL SHENYANG 4161
 RUESLE/AMCONSUL SHANGHAI 0456
 RUEHHK/AMCONSUL HONG KONG 8471
 RUCNARF/ASEAN REGIONAL FORUM COLLECTI@MEsNGDU
 SUBJ: NATIONALISM STRONG FACTOR IN CHINA'S TAIWAN
 STANCH

DECLASSIFIED IN PART PER.E. O. 13526

2015-0686-M [1.27]

KBH 6/12/2019

TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 02 BEIJING 008278

E.O. 12958: DECL: (1.6XX5, X6)
 TAGS: PREL, PINR, PGOV, TW, CH
 SUBJECT: NATIONALISM STRONG FACTOR IN CHINA'S TAIWAN
 STANCH

REFS: 95 BEIJING 33515

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT. CLASSIFIED BY W. A. STANTON, POLMINCOUNS. REASON: 1.5 (B), (D).
2. SUMMARY: A STRONG SENSE OF NATIONALISM AMONG POLITICAL ELITES IN BEIJING IS UNDERPINNING CHINA'S TOUGH STANCE ON TAIWAN. RECENT CONTACTS WITH INTELLECTUALS IN CHINA'S TOP THINK TANKS AND THE PARTY SCHOOL REVEAL THE DEEP EMOTIONS STIRRED BY CURRENT CROSS-STRAIT TENSIONS. EVEN WHILE ADMITTING THAT SABRE-RATTLING COULD BE COUNTERPRODUCTIVE, THESE CONTACTS BELIEVED THAT CHINA SHOULD STRIKE BACK AT THE ALLEGED INDEPENDENCE TENDENCY OF LEE TENG-HUI. THE DEMONIZATION OF LEE TENG-HUI IN THE CHINESE PRESS CONTINUES, AND THE CHINESE PEOPLE ARE BEING TOLD THAT THE TAIWAN PRESIDENTIAL ELECTION CONSTITUTES A FORM OF "FAKE" DEMOCRACY THAT IS A TOOL TO PROMOTE TAIWAN INDEPENDENCE. END SUMMARY.
3. DURING THE COURSE OF RECENT DISCUSSIONS WITH CHINESE INTERLOCUTORS ON OTHER TOPICS, OUR CONTACTS INVARIABLY RAISED THE TAIWAN ISSUE AND CHINA'S MILITARY EXERCISES IN THE TAIWAN STRAIT. WE REPORT BELOW THE COMMENTS OF

RESEARCHERS AT INFLUENTIAL THINK TANKS AND AT THE CENTRAL PARTY SCHOOL WHERE CHINA'S SENIOR LEADERS RECEIVE TRAINING.

DEPRESS THE NUMBERS

4. [redacted] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

[redacted] THE PURPOSE OF CHINESE MISSILE TESTS OFF THE COAST OF TAIWAN AND OF MILITARY EXERCISES IN THE TAIWAN STRAIT WAS TO DECREASE LEE TENG-HUI'S MARGIN OF VICTORY IN THE MARCH 23 TAIWAN PRESIDENTIAL ELECTION. [redacted] AT THIS POINT, WHETHER OR NOT LEE WON WAS IRRELEVANT, AND CHINA KNEW THAT IT COULD NOT KEEP HIM FROM WINNING. WHAT CHINA WANTED TO DO HAS TO FRIGHTEN PRO-INDEPENDENCE FORCES ON TAIWAN AND FORCE LEE TO BE MORE CIRCUMSPECT IN HIS BEHAVIOR AFTER THE ELECTION. [redacted] CHINA WAS FULLY AWARE THAT THE MISSILE EXERCISES COULD HAVE A COUNTERPRODUCTIVE AFFECT AND ACTUALLY BOLSTER SUPPORT FOR LEE, BUT HAD "TAKEN THAT INTO CONSIDERATION." [redacted] THAT, FOR CHINA, THERE WAS TOO MUCH AT STAKE NOT TO TAKE A STRONG STAND.

NO OTHER CHOICE

5. [redacted] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

[redacted] CHINA'S DECISION TO LAUNCH MISSILES NEAR TAIWAN "FULL OF RISK." NEVERTHELESS, [redacted] CHINESE LEADERS BELIEVED THAT THEY HAD NO OTHER CHOICE. [redacted] THE TAIWAN ISSUE, WHICH TOUCHED ON SOVEREIGNTY CONCERNS AND SAFEGUARDING CHINA'S TERRITORIAL INTEGRITY, WAS EXTREMELY SENSITIVE, ESPECIALLY AT THIS TIME. CHINA WAS CURRENTLY IN A PERIOD OF RAPID ECONOMIC DEVELOPMENT AND STRONG NATIONALISM, SIMILAR TO EUROPE IN THE LAST CENTURY. CHINA WAS GROWING STRONGER ECONOMICALLY AND BECOMING MORE MODERN, AND THE CHINESE BELIEVED THEIR COUNTRY DESERVED THE RESPECT OF OTHER NATIONS. THE CHINESE, [redacted] WOULD TOLERATE NEITHER TAIWAN INDEPENDENCE NOR FOREIGN INTERFERENCE IN WHAT THEY PERCEIVED AS AN INTERNAL CHINESE AFFAIR. IN ADDITION, SIMILAR TO "MANIFEST DESTINY" FOR AMERICANS OF THE LAST CENTURY, [redacted] REUNIFICATION FOR THE CHINESE PART OF THE "MARCH OF HISTORY." LEE'S ATTEMPTS TO PROMOTE TAIWAN INDEPENDENCE POSED A DANGER TO CHINA, AND EVEN MORE SO, TO THE PEOPLE ON TAIWAN.

THE DEMON LEE

6. ONE CHARACTERISTIC OF OFFICIAL CHINESE COMMENTS ON THE TAIWAN ISSUE SINCE LAST SUMMER HAS BEEN THE DEMONIZATION OF LEE TENG-HUI. PAINTING LEE AS A VILLAIN RESPONSIBLE FOR PROMOTING TAIWAN INDEPENDENCE, "TWO CHINAS" OR "ONE

CHINA, ONE TAIWAN" HAS ALLOWED THE CHINESE GOVERNMENT TO DISTINGUISH LEE (BAD) FROM ORDINARY PEOPLE ON TAIWAN (GOOD) WHO, THE CHINESE CLAIM, STILL LONG FOR PEACEFUL REUNIFICATION. [REDACTED] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)
 G O N F I D E N T I A L SECTION 02 OF 02 BEIJING 008278

E.O. 12958: DECL: (1.6XX5, X6)
 TAGS: PREL, PINR, PGOV, TW, CH
 SUBJECT: NATIONALISM STRONG FACTOR IN CHINA'S TAIWAN STANCH

[REDACTED] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

ECHOED OFFICIAL STATEMENTS LAYING THE BLAME FOR THE CURRENT TAIWAN PROBLEM ON LEE TENG-HUI. [REDACTED] LEE'S KMT HAS DIFFERENT FROM THE KMT OF CHIANG KAI-SEEK OR HIS SON CHIANG CITING-KUO. UNDER THE CHIANGS, [REDACTED] CLAIMED, IT HAS ILLEGAL TO OPENLY SUPPORT INDEPENDENCE IN TAIWAN AND PRO-INDEPENDENCE ACTIVISTS WERE KEPT UNDER WRAPS. LEE, BY CONTRAST, ALLOWED "SPLITTISTS" TO CAMPAIGN AND OPENLY OPERATE, THEREBY REVEALING HIS TRUE COLORS.

[REDACTED] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6) THE TAIWAN ELECTIONS WERE A TOOL TO PROMOTE TAIWAN INDEPENDENCE, AND THAT LEE TENG-HUI'S DEMOCRACY HAS "FAKE." IT HAS LEE WHO HAD CHANGED THE RELATIONSHIP BETWEEN THE MAINLAND AND TAIWAN, [REDACTED] AND IT HAS LEE WHO HAS LIMITING THE POSSIBILITY FOR FURTHER CONTACT BETWEEN THE TWO SIDES OF THE TAIWAN STRAIT. [REDACTED] CHINA VALVED ITS RELATIONS WITH THE UNITED STATES BUT WOULD NOT TOLERATE U.S. INTERFERENCE ON THE TAIWAN ISSUE OR TAIWAN INDEPENDENCE.

COMMENT

8. THE COMMENTS SUMMARIZED ABOVE ARE REPRESENTATIVE OF THE KINDS OF ARGUMENTS WE HAVE BEEN HEARING FROM MEMBERS OF THE BEIJING INTELLECTUAL ELITE IN RECENT WEEKS AND DAYS. IT IS SIGNIFICANT TO NOTE THAT THESE INTERLOCUTORS OFTEN ADMIT THAT THEIR ARGUMENTS ARE SOMETIMES NOT ENTIRELY LOGICAL. IN FACT, WE HAVE BECOME USED TO HEARING ADMISSIONS THAT OUR CONTACTS KNOW THEY ARE "SPEAKING FROM THE HEART" IN DEFENDING THE LEADERSHIPS' TOUGH ATTITUDE. [REDACTED] EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

[REDACTED] WAS PARTICULARLY STRIDENT IN INFORMING US THAT NATIONAL SOVEREIGNTY CONCERNS WERE EXTREMELY IMPORTANT TO HIM. THE STRONG VISCERAL REACTION TO THE PERCEIVED THREAT TO CHINA'S SOVEREIGNTY REPRESENTED BY LEE TENG-HUI CERTAINLY CONFIRMS THAT -- AT LEAST AMONG POLITICAL ELITES -- NATIONALISM IS AN EXTREMELY POTENT FORCE. SASSER

BT

#8278

NNNN

SECT: SECTION: 01 OF 02
<^SECT>SECTION: 02 OF 02
SSN: 8278
<^SSN>8278
TOR: 960315055638 M2131906
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DIST: SIT: NSC
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Cable

DECLASSIFIED IN PART
PER E.O. 13526

PREC: IMMEDIATE
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 OSRI: RUEHBJ
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 RUEHGZ/AMCONSUL GUANGZHOU 1521
 RUEHSH/AMCONSUL SHENYANG 4167
 RUEHIN/AIT TAIPEI 0192
 RUEHZJ/HUMAN RIGHTS COMMISSION COLLECTIVE
 RUEHNE/AMEMBASSY NEW DELHI 6530
 RHHMUNA/USCINCPAC HONOLULU HI
 RUEHGV/USMISSION GENEVA 8083
 RUESLE/AMCONSUL SHANGHAI 0462
 RUEHHK/AMCONSUL HONG KONG 8477
 RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE
 ZEN/AMCONSUL CHENGDU
 SUBJ: DIPLOMATS FORESEE CONTINUING PRC MILITARY
 PRESSURE ON TAIWAN; NEW EXERCISES ANNOUNCED,
 BUT BEIJING ALSO SENDS POSITIVE SIGNALS

2015-0686-M [1.29]
KBH 6/12/2019

TEXT: ~~C O N F I D E N T I A L~~ SECTION 01 OF 03 BEIJING 008306

NOFORN

E.O. 12958: DECL: (1.6X6)
 TAGS: PREL, MOPS, PHUM, CH, TW, IN, IT, JA, RS
 SUBJECT: DIPLOMATS FORESEE CONTINUING PRC MILITARY
 PRESSURE ON TAIWAN; NEW EXERCISES ANNOUNCED,
 BUT BEIJING ALSO SENDS POSITIVE SIGNALS

REFS: A) (95) BEIJING 49354; B) BEIJING 08152

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT. CLASSIFIED BY SCOTT S. HALLFORD, DCM. REASON: 1.5 (B) AND (D).

2. SUMMARY AND COMMENT: DIPLOMATS EO 13526 3.3(b)(6)
 REASON THAT PRC LEADERS, IN
 DANGER OF LOSING FACE BECAUSE OF THE APPARENT FAILURE OF
 THEIR MILITARY EXERCISES TO INFLUENCE THE MARCH 23 TAIWAN
 ELECTION, MAY BE LEFT WITH NO CHOICE BUT TO MAINTAIN
 MILITARY PRESSURE ON TAIWAN. HOWEVER,
 CITED ALLEGEDLY "RELIABLE" EVIDENCE THAT CHINA WOULD
 UNDERTAKE NEW MILITARY EXERCISES NEAR TAIWAN SHORTLY
 AFTER THE TAIWAN ELECTIONS. THESE PREDICTIONS APPEAR TO

HAVE ALREADY BEEN BORNE OUT IN PART BY THE MARCH 15 ANNOUNCEMENT THAT A NEW SERIES OF COMBINED GROUND, AIR, AND NAVAL EXERCISES WILL BE HELD IN THE TAIWAN STRAIT MARCH 18 TO MARCH 25.

3. THESE NEWLY ANNOUNCED EXERCISES, WHICH WILL EXTEND BEYOND THE TAIWAN ELECTION, ARE THEREBY A MEANS OF DOWNPLAYING THE SIGNIFICANCE OF THAT ELECTION. NONETHELESS, THEY ALSO SERVE AS A FURTHER EFFORT TO AFFECT THE ELECTION ATMOSPHERE. IF BEIJING WERE ENTIRELY SATISFIED WITH THE EFFECTS OF ITS MILITARY EXERCISE THUS FAR, THE NEWLY ANNOUNCED EXERCISES MIGHT HAVE BEEN CANCELLED. WE DO NOT, HOWEVER, KNOW WHETHER THE MARCH 18-25 EXERCISES WERE PART OF BEIJING'S ORIGINAL PLAN. BEIJING COULD OF COURSE ALSO HAVE HAD FURTHER TRICKS UP ITS SLEEVE AFTER THE TAIWAN ELECTION. WHETHER IT USES THEM OR NOT WILL DEPEND LARGELY ON BEIJING'S PERCEPTION OF LEE TENG-HUI'S POST-ELECTION BEHAVIOR.

4. MEANWHILE, HOWEVER, BEIJING IS ALSO SENDING A NUMBER OF POSITIVE SIGNALS. ON MARCH 13, DEFENSE MINISTER CHI HAOTIAN, PLA GENERAL STAFF CHIEF FU QUANYOU, AND CENTRAL MILITARY COMMISSION VICE CHAIRMAN LIU HUAQING ALL MADE STATEMENTS CLEARLY DESIGNED TO REASSURE TAIWAN AND OTHERS ABOUT CHINESE MILITARY INTENTIONS, STRESSING CHINA'S CONTINUING FOCUS ON BUILDING ITS ECONOMY AND ITS NEED FOR A "PEACEFUL INTERNATIONAL ENVIRONMENT." POSITIVE SIGNALS TO THE UNITED STATES HAVE BEEN EVEN MORE EXPLICIT, WITH THE CHINESE AGREEING IN RECENT DAYS TO SEVERAL HIGH-LEVEL VISITS, CONTACTS, AND MEETINGS WHILE CONTINUING TO PUSH THE APRIL VISIT OF CHI HAOTIAN TO THE UNITED STATES. THESE SIGNALS INDICATE THAT BEIJING DOES NOT WANT ITS MILITARY EXERCISES TO DERAIL ITS EFFORTS TO IMPROVE BILATERAL RELATIONS WITH THE UNITED STATES, AND IS LOOKING BEYOND THE CURRENT PERIOD OF TENSION IN THE TAIWAN STRAIT. END SUMMARY AND COMMENT.

EO 13526 3.3(b)(6) -- FACE PLAYS A CENTRAL ROLE

5. AT A MARCH 14 LUNCH WITH THE DCM, [EO 13526 3.3(b)(6)] QUESTIONED WHETHER THE CHINESE, FACED WITH THE APPARENT FAILURE OF THEIR MILITARY PRESSURE TO INFLUENCE TAIWAN VOTERS, MIGHT EXTEND THE PRESSURE BEYOND THE ELECTION. [] STATED THAT HE THOUGHT THE QUESTION OF FACE PLAYED A CENTRAL ROLE. THE CHINESE LEADERSHIP, HE SAID, WOULD LOOK FOOLISH IF ALL THE MILITARY PRESSURE PRODUCED A STRONGER LEE TENG-HUI. [] REASONED THAT, AS A RESULT, THE CHINESE LEADERSHIP APPEARED TO BE CHANGING ITS TUNE, FROM SEEKING TO INFLUENCE THE ELECTION TO DISSUADING LEE TENG-HUI FROM SEEKING INDEPENDENCE. COMMENTING THAT THE PRESENT CROSS-STRAIT SITUATION WAS A VOLATILE MIX OF "A WEAK CHINESE LEADERSHIP AND A MILITARY EELING ITS OATS," [] SAID THAT MAINTAINING MILITARY PRESSURE TO KEEP PRESIDENT LEE IN LINE HAS AN OPEN-ENDED CHINESE STRATEGY WITHOUT TIME LIMITS. (NOTE: THE BEIJING LEADERS MAY BE POSITIONING THEMSELVES FOR A SIGNIFICANT LEE VICTORY BY ISSUING PRESS REPORTS POINTING

TO CORRUPTION AND "GANGSTERISM" IN THE TAIWAN ELECTION PROCESS. END NOTE.)

EO 13526 3.3(b)(6) -- CHINA LIKELY TO STEP UP PRESSURE

6. EO 13526 3.3(b)(6) IN A MEETING WITH
CONFIDENTIAL SECTION 02 OF 03 BEIJING 008306

NOFORN

E.O. 1295B: DECL: (1.6X6)

TAGS: PREL, MOPS, PHUM, CH, TW, IN, IT, JA, RS
SUBJECT: DIPLOMATS FORESEE CONTINUING PRC MILITARY
PRESSURE ON TAIWAN; NEW EXERCISES ANNOUNCED,
BUT BEIJING ALSO SENDS POSITIVE SIGNALS

EO 13526 3.3(b)(6) AGREED THAT CHINA HAS LIKELY TO STEP UP THE INTENSITY OF MILITARY MANEUVERS AGAINST TAIWAN. HE NOTED THAT TAIWAN FINANCIAL MARKETS WERE STABILIZING AND LEE TENG-HUI'S POPULARITY HAS RISING THEREFORE, "BY CHINA'S LOGIC," THE MILITARY EXERCISES WERE NOT ACHIEVING THEIR GOAL. IN ADDITION, CHINESE MANEUVERS HAD MANAGED TO DRAW IN THE U.S. NAVY. [REDACTED] STATED THAT BECAUSE THE CHINESE LEADERS APPEAR TO BE LOSING FACE, THEY WILL BE COMPELLED TO ACT MORE FORCEFULLY. (COMMENT: USUALLY RELUCTANT TO OFFER HIS OWN INTERPRETATION OF POLITICAL EVENTS, [REDACTED] APPEARED TO BE REFLECTING THE VIEWS OF HIS SUPERIORS. END COMMENT.)

EO 13526 3.3(b)(6) -- NO WAY OUT FOR THE CHINESE

7. EO 13526 3.3(b)(6) OFFICIAL [REDACTED] SAID THAT "DEBATE HAS RAGING" WITHIN HIS EMBASSY AND THE [REDACTED] FOREIGN MINISTRY ON WHETHER THE UNITED STATES HAD "GONE TOO FAR" BY SENDING AIRCRAFT CARRIERS TO THE VICINITY OF TAIWAN. HE SAID THAT GROWING SUPPORT IN TAIWAN FOR INDEPENDENCE, A RECALCITRANT LEE TENG-HUI, AND THE U.S. SHOW OF FORCE, HAD BACKED THE CHINESE LEADERS INTO A CORNER.

8. NOTING THAT IT WAS OFTEN DIFFICULT TO DISCERN TO WHOM CHINESE LEADERS WERE ANSWERABLE, EO 13526 3.3(b)(6) SAID HIS CHINESE CONTACTS HAD INDICATED THAT THE "WEAK CHINESE CIVILIAN LEADERSHIP" NOW FELT PRESSURE TO TAKE EVEN STRONGER MILITARY MEASURES. HE DECLINED TO SPECULATE ON WHAT "STRONGER" MEASURES MIGHT BE ADOPTED, BUT WAS FIRM IN HIS CONVICTION THAT FOLLOWING THE TAIWAN ELECTION BEIJING WOULD TAKE NEW MILITARY MEASURES DESIGNED TO PRESSURE TAIWAN. ONLY IF LEE TENG-HUI LOST OR WON BY A VERY SMALL MARGIN, HE SAID, WOULD THE CHINESE LEADERS BE ABLE TO DECLARE THEIR TACTICS A SUCCESS, THUS ELIMINATING THE NEED TO EMBRACE NEW MILITARY MANEUVERS.

9. EO 13526 3.3(b)(6) ADDED THAT HE DID NOT EXPECT THE
[REDACTED] GOVERNMENT TO TAKE ANY FURTHER ACTION

VIS-A-VIS CHINESE MILITARY EXERCISES. NOTING THAT FRANCE, BRITAIN, AND NORWAY HAD ISSUED INDEPENDENT STATEMENTS CRITICIZING THE CHINESE MILITARY MANEUVERS, HE OPINED THAT IT WAS "HIGHLY UNLIKELY" THAT ANY [EO 13526 3.3(b)(6)] COUNTRY WOULD MAKE STATEMENTS. HE ALSO OBSERVED THAT SEVERAL EU COUNTRIES, WHICH HAD BEEN LEANING TOWARDS NOT ENDORSING THE UNHRC RESOLUTION ON CHINA, WERE NOW FIRMLY COMMITTED TO SUPPORTING THE RESOLUTION IN THE WAKE OF CHINA'S MILITARY EXERCISES. HE SAID THAT HE THOUGHT THE CHINESE HAD "MISCALCULATED [REDACTED] REACTION" BY ASSUMING THAT THERE WOULD BE NO CONNECTION BETWEEN THE TWO EVENTS.

[EO 13526 3.3(b)(6)] - NO DOUBTS PRC WILL BEGIN NEW EXERCISES

10. AN [REDACTED] EMBASSY OFFICIAL [EO 13526 3.3(b)(6)] TOLD [REDACTED] THAT CHINA WOULD COMMENCE NEW MILITARY EXERCISES NEAR TAIWAN, ON THE SAME SCALE AS THOSE CURRENTLY BEING CONDUCTED, ON MARCH 24 OR 25. ALTHOUGH HE ACKNOWLEDGED THAT THERE HAD NOT EVEN BEEN A HINT OF THIS IN PUBLIC, HE SAID THAT HIS EMBASSY HAD "RELIABLE" CHINLSE CONTACTS. HE STATED THAT THE CHINESE LEADERS WERE REACTING TO THE KNOWLEDGE THAT LEE TENG-HUI WOULD WIN, AS WELL AS THE PRESSURE OF U.S. AIRCRAFT CARRIERS. THE [REDACTED] EMBOFF WAS TOTALLY CONVINCED OF THE ACCURACY OF THE REPORTS OF NEW CHINESE MILITARY EXERCISES, STATING THAT THE CHINESE HAD TO PROVE - TO THEMSELVES AND THE REST OF THE WORLD - THAT THEY WOULD NOT BE "INFLUENCED BY THE UNITED STATES." HE SAID THAT THE QUESTION IN HIS EMBASSY WAS NOT WHAT THE CHINESE WOULD DO AFTER THE ELECTION, BUT HOW THE UNITED STATES WOULD REACT.

11. EO [13526 3.3(b)(6)]TACT ALSO STATED THAT A DEBATE HAD TAKEN PLACE WITHIN HIS MINISTRY OF FOREIGN AFFAIRS AMONG "SENIOR OFFICIALS," AS TO WHETHER [REDACTED] SHOULD ISSUE A STATEMENT CONDEMNING THE U.S. DEPLOYMENT OF AIRCRAFT CARRIERS NEAR TAIWAN. HE ADDED THAT [REDACTED] LEADERS
E O N F I D E N T I A L SECTION 03 OF 03 BEIJING 008306

NOFORN

E.O. 1295B: DECL: (1.6X6)
TAGS: PREL, MOPS, PHUM, CH, TW, IN, IT, JA, RS
SUBJECT: DIPLOMATS FORESEE CONTINUING PRC MILITARY PRESSURE ON TAIWAN; NEW EXERCISES ANNOUNCED, BUT BEIJING ALSO SENDS POSITIVE SIGNALS

THOUGHT THE U.S. POLICY OF "STRATEGIC AMBIGUITY" MIGHT IN FACT BE "STRATEGIC CONFUSION." ACCORDING TO OUR INTERLOCUTOR, HIS MINISTRY'S DEBATE ON ISSUING A STATEMENT CRITICIZING THE UNITED STATES ENDED WHEN IT BECAME KNOWN THAT THE TWO PRINCIPAL PROPONENTS OF A CONDEMNATORY STATEMENT BOTH HAD CHILDREN ATTENDING BOARDING SCHOOLS IN THE UNITED STATES. EO [13526 3.3(b)(6)]OFF EXPLAINED THAT CURRENTLY [REDACTED] IT IS NOT "POLITICALLY ACCEPTABLE" FOR OFFICIALS, RECEIVING SALARIES FROM THE GOVERNMENT, TO SEND THEIR CHILDREN TO THE UNITED STATES

-- PARTICULARLY IF THE OFFICIALS WERE CRITICAL OF THE UNITED STATES GOVERNMENT.

EO 13526 3.3(b)(6)- HARD-LINERS TO CONTINUE MILITARY PRESSURE

12. EO 13526 3.3(b)(6) OPINED THAT A SERIES OF EVENTS, BEGINNING WITH THE U.S. DECISION TO ISSUE LEE TENG-HUI A VISA, HAD LED TO CHINA'S CURRENT TAIWAN POLICY. HE SAID THAT FOLLOWING THE VISA ISSUANCE, PLA "HARD-LINERS" HAD BEEN PERMITTED TO GAIN THE UPPER HAND ON TAIWAN POLICY. SECONDLY, WHAT THE [REDACTED] EMBOFF CHARACTERIZED AS A "MISINTERPRETATION" BY THE PLA OF THE EFFECT OF MILITARY EXERCISES ON THE DECEMBER TAIWAN LEGISLATIVE YUAN ELECTIONS (REP A), HAD EMBOLDENED THE PLA LEADERS. SINCE THIS HARD-LINE GROUP COULD NOT BACK DOWN WITHOUT LOSING FACE, HE REASONED, THEY WOULD BE COMPELLED TO CONTINUE MILITARY PRESSURE OF AN UNDETERMINED NATURE AFTER LEE'S EXPECTED COMFORTABLE VICTORY. SASSER

BT
#8306

NNNN

SECT: SECTION: 01 OF 03

<^SECT>SECTION: 02 OF 03

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SSN: 8306

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SUM2

C

Cable

PREC: PRIORITY
 CLASS: ~~CONFIDENTIAL~~
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 RUESLE/AMCONSUL SHANGHAI 4613
 RUEHBJ/AMEMBASSY BEIJING 6145
 RUEHHK/AMCONSUL HONG KONG 7662
 RHHMSCC/JICPAC HONOLULU HI
 RHHMUNA/CINCPAC HONOLULU HI
 RUEKJCS/DIA WASHDC
 RUEHSH/AMCONSUL SHENYANG 2673
 RUEHGZ/AMCONSUL GUANGZHOU 6466
 SUBJ: THE MEN (AND WOMAN) WHO WOULD BE KING:
 - TAIWAN'S VICE PRESIDENTIAL CANDIDATES

DECLASSIFIED
 PER E.O. 13526

2015-0686-M (1.31)
 KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 05 TAIPEI 001280

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/14/01
 TAGS: PGOV, PREL, PINR, TW
 SUBJECT: THE MEN (AND WOMAN) WHO WOULD BE KING:
 - TAIWAN'S VICE PRESIDENTIAL CANDIDATES

1. (U) CLASSIFIED BY CHRISTOPHER J. LAFLEUR, DEPUTY DIRECTOR, AIT/T. REASON: 1.5 (D).

2. (U) SUMMARY: THE FOUR VICE PRESIDENTIAL CANDIDATES ARE HELPING (AND HURTING) THEIR PRESIDENTIAL RUNNING MATES TO VARYING DEGREES IN THE RUN-UP TO THE MARCH 23 ELECTION HERE. THE DPP'S CHARISMATIC FRANK HSIEH IS PROVIDING THE AGGRESSIVENESS AND WIT TO HELP OFFSET PROFESSOR PENG'S ACADEMIC STUFFINESS. IN DIRECT CONTRAST, THE KMT'S LEE TENG-HUI ISSUES HIS SLATE'S PROVOCATIVE STATEMENTS; PREMIER LIEN CHAN, HIS VICE PRESIDENTIAL RUNNING MATE, /PROVIDES THE MORE REASSURING, CALMING MESSAGES ON THE CAMPAIGN TRAIL. KMT MAVERICK HAU PEI-TSUN RAISES STRONG EMOTIONS AMONG VOTERS AND IS BELIEVED TO BE LARGELY SETTING THE TONE FOR THE LIN/HAU CAMPAIGN; HOWEVER, MOST OF THE

CLINTON LIBRARY PHOTOCOPY

ELECTORATE HAVE STRONGLY NEGATIVE VIEWS OF THE FORMER PREMIER. FOR HER PART, INDEPENDENT CHEN LI-AN'S RUNNING MATE, WANG CH'ING-FENG--THE ONLY WOMAN CANDIDATE IN THE ELECTION--GAINS SOME SYMPATHY IN TAIPEI AND IN HER HOME BASE OF TAINAN. IN THE REST OF THE ISLAND, HOWEVER, SHE IS HAVING LITTLE IMPACT--EVEN AMONG WOMEN VOTERS. END SUMMARY.

3. (C) THE FOUR VICE PRESIDENTIAL CANDIDATES IN THE UPCOMING ELECTION GET CONSIDERABLY MORE ATTENTION HERE THAN MOST AMERICANS WOULD EXPECT. THIS IS DUE IN PART TO A VORACIOUS MEDIA, WHICH HAS ORGANIZED DEBATES AMONG THE THREE OPPOSITION CANDIDATES. IT IS PROBABLY MORE DUE, HOWEVER, TO THE CANDIDATES THEMSELVES--AND TO THEIR PAST RECORDS.

LIEN CHAN: THE LOYAL LIEUTENANT

4. (U) KMT VICE PRESIDENTIAL CANDIDATE, LIEN CHAN, HAS BEEN TAIWAN'S PREMIER (I.E., PRESIDENT OF TAIWAN'S EXECUTIVE YUAN) SINCE MARCH 1993. ALTHOUGH ETHNIC TAIWANESE BY BACKGROUND, LIEN WAS BORN IN 1936 IN SHANXI PROVINCE. HIS FATHER HAD LEFT JAPANESE-CONTROLLED TAIWAN TO RETURN TO THE KMT-CONTROLLED MAINLAND. AFTER THE RECOVERY OF TAIWAN BY CHINA IN 1945, HIS FAMILY RELOCATED TO TAINAN, TAIWAN. LIEN HAS A B.A. IN POLITICAL SCIENCE FROM NATIONAL TAIWAN UNIVERSITY AND BOTH M.A. & PH.D. DEGREES IN POLITICAL SCIENCE FROM THE UNIVERSITY OF CHICAGO.

5. (U) AFTER A DECADE AS AN ACADEMIC (TEACHING AT THE UNIVERSITY OF WISCONSIN, 1965-1966; UNIVERSITY OF CONNECTICUT, 1966-1968; AND NATIONAL TAIWAN UNIVERSITY FROM 1968-1975;), LIEN WAS AMBASSADOR TO EL SALVADOR IN 1975-1976. HE THEN SPENT TWO YEARS AT PARTY HEADQUARTERS AS DIRECTOR OF THE KMT YOUTH AFFAIRS DEPARTMENT, 1976-1978, AND DEPUTY KMT SECRETARY-GENERAL IN 1978.

6. (U) BEGINNING IN 1978, LIEN UNDERTOOK A SERIES OF GOVERNMENT POSITIONS: CHAIRMAN, NATIONAL YOUTH COMMISSION, EXECUTIVE YUAN, 1978-1981; MINISTER OF COMMUNICATIONS, 1981-1987; VICE PREMIER, 1987-1988; MINISTER OF FOREIGN AFFAIRS, 1988-1990; AND TAIWAN GOVERNOR, 1990-1993. LIEN HAS BEEN A MEMBER OF THE KMT CENTRAL COMMITTEE SINCE 1976 AND A MEMBER OF THE KMT CENTRAL STANDING COMMITTEE SINCE 1984.

7. (C) LIEN IS REPORTEDLY AMONG THE WEALTHIEST PEOPLE ON THE ISLAND. HIS FATHER, THE LATE LIEN CHEN-TUNG, WAS ONE OF THE FIRST ETHNIC TAIWANESE TO RISE WITHIN THE KMT, SERVING AS MINISTER OF THE INTERIOR, SENIOR ADVISOR TO THE PRESIDENT, AND MEMBER OF THE PRESIDUM OF THE KMT CENTRAL ADVISORY COMMITTEE. LIEN IS WELL-PLUGGED IN TO THE ISLAND'S OLDER MONEYED ELITE OF BOTH MAINLANDER AND ETHNIC TAIWANESE EXTRACTION. IN GENERAL, THIS CIRCLE OF SOCIETY IS MUCH MORE

COMFORTABLE WITH LIEN THAN WITH PRESIDENT LEE. (IN CONTRAST, PRESIDENT LEE FINDS SUPPORT AMONG THE PARVENUS--PRIMARILY ETHNIC TAIWANESE--WHO HAVE MADE THEIR FORTUNES IN THE PAST TWO DECADES.) LIEN'S WIFE, FANG YUI, IS A FORMER MISS CHINA; THEY HAVE TWO SONS AND ONE DAUGHTER.

~~C O N F I D E N T I A L~~ SECTION 02 OF 05 TAIPEI 001280

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/14/01
TAGS: PGOV, PREL, PINR, TW
SUBJECT: THE MEN (AND WOMAN) WHO WOULD BE KING:
- TAIWAN'S VICE PRESIDENTIAL CANDIDATES

... LIEN ON THE CAMPAIGN TRAIL

8. (C) IN MANY WAYS, LIEN IS THE PERFECT FOIL FOR PRESIDENT LEE TENG-HUI. LEE IS COLORFUL, PROVOCATIVE, AND DYNAMIC; LIEN IS STIFF, LESS IMPRESSIVE, BUT A HARD WORKER. HE STEALS LITTLE OF LEE'S THUNDER BUT CAMPAIGNS HARD--GIVING THE KMT ORGANIZATION A SECOND FOCUS FOR ITS ACTIVITIES. LIEN IS ON LEAVE FROM HIS POSITION AS PREMIER FOR THE DURATION OF THE CAMPAIGN; THIS DOES NOT KEEP HIM FROM DASHING BACK TO TAIPEI FROM THE CAMPAIGN TRAIL TO CONVOKE THE EXECUTIVE YUAN TASK FORCE ON DEALING WITH THE CROSS-STRAIT CRISIS, GENERATING GOOD HEADLINES.

9. (C) ON THE STUMP, LIEN TRIES TO PROJECT A POSITIVE AND REASONABLE IMAGE MEANT TO REASSURE VOTERS--AS WELL AS BEIJING AND THE INTERNATIONAL COMMUNITY--ABOUT TAIWAN'S FUTURE. LIEN FOCUSES STRONGLY ON CROSS-STRAIT ISSUES. SPEAKING PRIMARILY IN MANDARIN, HE STRESS THE KMT'S COMMITMENT TO REUNIFICATION AND GENERALLY AVOIDS STATEMENTS THAT COULD PROVOKE BEIJING. (PRESIDENT LEE, IN CONTRAST, SPEAKS ALMOST SOLELY IN TAIWANESE WHEN HE IS OUTSIDE TAIPEI--AND IS BY NO MEANS ADVERSE TO URGING HIS LISTENERS TO STAND UP TO BEIJING.) A MAJOR HANDICAP IS LIEN'S APPARENT LACK OF A SENSE OF HUMOR IN PUBLIC; NO ONE SEEMS TO KNOW WHETHER HIS RECENT COMMENT THAT PRC MISSILES "COULD NOT FLY THROUGH THE RAIN" WAS MEANT AS A JOKE.

-
DPP'S FRANK HSIEH: DEDICATED OPPOSITIONIST

10. (U) THE VICE PRESIDENTIAL CANDIDATE FOR THE PRO-INDEPENDENCE DEMOCRATIC PROGRESSIVE PARTY (DPP), FRANK C.T. HSIEH (HSIEH CH'ANG-T'ING), IS A LAWYER BY TRAINING, WITH AN LL.B. FROM NATIONAL TAIWAN UNIVERSITY AND AN LL.M. FROM JAPAN'S KYOTO UNIVERSITY. HSIEH WAS ELECTED AS A LEGISLATOR FROM TAIPEI CITY IN 1992. HE WON AN AT-LARGE LEGISLATIVE SEAT IN THE DECEMBER, 1995 ELECTION BUT RESIGNED EARLIER THIS MONTH TO DEVOTE FULL TIME TO THE PRESIDENTIAL CAMPAIGN. HSIEH WAS BORN IN

1946 IN TAIPEI.

11. (X) HSIEH CUT HIS TEETH AS A LEADER OF THE ANTI-KMT OPPOSITION MOVEMENT BY SERVING AS DEFENSE ATTORNEY FOR ONE OF THE OPPOSITION LEADERS PUT ON PUBLIC TRIAL AFTER THE 1979 KAOHSIUNG INCIDENT. (NOTE: THE INCIDENT OCCURRED AFTER THE U.S. BROKE RELATIONS WITH TAIWAN; ANTI-KMT LEADERS--OPPOSITION PARTIES WERE STILL ILLEGAL AT THE TIME--ORGANIZED TAIWAN'S FIRST ANTI-GOVERNMENT MASS DEMONSTRATION SINCE 1949, AND EIGHT WERE LATER IMPRISONED.) HSIEH LATER SERVED AS A MEMBER OF THE TAIPEI MUNICIPAL COUNCIL, 1981-89; DIRECTOR OF "CARE" MAGAZINE, 1981-89; SECRETARY-GENERAL OF THE DANGWAI (INDEPENDENT) PUBLIC POLICY RESEARCH ASSOCIATION, 1985-1986; SUPPLEMENTAL LEGISLATOR FROM TAIPEI CITY, 1990-1993; AND EXECUTIVE SECRETARY, DPP LEGISLATIVE CAUCUS, 1990. HSIEH HAS BEEN A MEMBER OF THE DPP'S CENTRAL EXECUTIVE COMMITTEE AND CENTRAL STANDING COMMITTEE SINCE 1986.

... HSIEH: HEAVY LIFTING ON THE CAMPAIGN TRAIL

12. (X) ON THE KMT TICKET, LEE IS COLORFUL, AND LIEN IS STIFF. THE DPP SLATE IS THE OPPOSITE. PRESIDENTIAL NOMINEE PENG MING-MIN IS 74, A LONG-TIME PROFESSOR, AND STIFF AND ACADEMICALLY BORING ON THE CAMPAIGN TRAIL. PENG IS FURTHER HAMPERED BY A WAR NJURY TO HIS LEFT ARM, WHICH PENG NOW KEEPS ANCHRED IN HIS LEFT POCKET, LIMITING HIS PHYSICAL MOEMENTS.

13. (X) HSIEH PROVIDES THE PERFECT COTRAST. A QUARTER OF A CENTURY YOUNGER THAN PENG, HSIEH IS ENERGETIC, SHARP, AND HAS A GREAT SENSE OF HUMOR. PROBABLY THE DPP'S SECOND-BEST CAMPAIGNER (TO TAIPEI MAYOR CHEN SHUI-BIAN), HSIEH CAN MESMERIZE A CROWD WITH OFF-THE-CUFF REMARKS HONED DURING HIS 14 YEARS AS A
~~C O N F I D E N T I A L~~ SECTION 03 OF 05 TAIPEI 001280

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/14/01

TAGS: PGOV, PREL, PINR, TW

SUBJECT: THE MEN (AND WOMAN) WHO WOULD BE KING:

- TAIWAN'S VICE PRESIDENTIAL CANDIDATES

CITY COUNCIL MEMBER AND LEGISLATOR. THESE YEARS HAVE ALSO GIVEN HIM A DEPTH OF BACKGROUND FROM WHICH HE CAN ATTACK THE KMT FOR GOVERNMENT INEFFICIENCIES, WASTE, AND CORRUPTION, AS WELL AS LINKS TO ORGANIZED CRIME AND MONIED INTERESTS. FINALLY, AS A LAWYER DURING THE 1980 KAOHSIUNG INCIDENT TRIAL, HSIEH HIMSELF IS A VISIBLE REMINDER OF THE TRIBULATIONS OF THE TAIWANESE PEOPLE DURING FOUR DECADES OF KMT MARTIAL LAW AND REPRESSION (AGAIN, IN CONTRAST TO PENG, WHO SPENT THE BETTER PART OF THIRTY YEARS IN EXIL OUTSIDE OF TAIWAN).

HAU PEI-TSUN: A MAN OF (TOO MUCH?) EXPERIENCE

14. (U) FORMER PREMIER AND RETIRED GENERAL HAU PEI-TSUN IS THE RUNNING MATE OF KMT MAVERICK LIN YANG-KANG; THE LIN/HAU TICKET IS BEING SUPPORTED BY THE SMALLER OPPOSITION CHINESE NEW PARTY (CNP). HAU HAS BEEN A SENIOR ADVISOR TO THE PRESIDENT AND A KMT VICE CHAIRMAN SINCE 1993. HAU WAS BORN IN 1919 IN JIANGSU PROVINCE. AFTER ARTILLERY SCHOOL AND COMMAND-LEVEL TRAINING IN BOTH TAIWAN AND THE U.S., HAU MOVED STEADILY UP THE RANKS, ASSUREDLY HELPED BY A 1965-70 STINT AS CHIEF AIDE-DE-CAMP TO PRESIDENT CHIANG KAI-SHEK. AFTER RECEIVING HIS FOURTH STAR IN 1981, HAU SERVED AS CHIEF OF GENERAL STAFF, 1981-1989; MINISTER OF NATIONAL DEFENSE, 1989-1990; AND PREMIER, 1990-1993. HAU HAS BEEN A MEMBER OF THE KMT CENTRAL COMMITTEE SINCE 1981; HE WAS ALSO A MEMBER OF THE KMT CENTRAL STANDING COMMITTEE, 1984-1993.

HAU RAISES BOTH EMOTIONS AND HACKLES

15. (S) THE OLDEST OF THOSE RUNNING, HAU RAISES THE MOST PASSION AMONG THE ELECTORATE OF ANY OF THE VICE PRESIDENTIAL CANDIDATES; UNFORTUNATELY FOR HIS RUNNING MATE, MUCH OF THE EMOTION IS NEGATIVE. HAU, A MAINLANDER, WAS NOT THE FIRST CHOICE FOR LIN YANG-KANG, AN ETHNIC TAIWANESE. LIN TURNED TO HAU ONLY AFTER SEVERAL POTENTIAL VICE PRESIDENTIAL RUNNING MATES (INCLUDING CHEN LI-AN) HAD DECLINED THE HONOR. LIN REASONED THAT THE SELECTION OF HAU WOULD ENSURE THAT HIS TICKET RECEIVED THE ENTHUSIASTIC SUPPORT OF THE CHINA NEW PARTY (MANY OF WHOSE MEMBERS WOULD OTHERWISE HAVE BEEN MORE COMFORTABLE CAMPAIGNING FOR CHEN LI-AN, A YOUNGER, MORE DYNAMIC PRESIDENTIAL CANDIDATE).

16. (S) AS THE CAMPAIGN HEADS INTO ITS FINAL DAYS, HOWEVER, LIN'S DECISION TO SELECT HAU AS HIS RUNNING MATE HAS BEGUN TO LOOK TO MANY HERE LIKE A PACT WITH THE DEVIL. GIVEN THE INCREASED TENSION IN CROSS-STRAIT RELATIONS, LIN HAS BEEN FORCED TO FOCUS HIS CAMPAIGNING ON THE REUNIFICATION ISSUE, PURSUING A SOFT LINE THAT INSISTS THAT TAIWAN MUST DO EVERYTHING POSSIBLE TO AVOID PROVOKING THE PRC. THIS IN TURN HAS MADE NON-MAINLANDERS BELIEVE THAT THE LIN CAMPAIGN HAS ACTUALLY BEEN CAPTURED BY GENERAL HAU AND HIS SUPPORTERS. (MANY NOW DERISIVELY TERM IT THE HAU/LIN TICKET, RATHER THAN THE LIN/HAU TICKET AND JOKE THAT LIN'S DAYS MAY BE NUMBERED IF HE WINS BECAUSE HAU WILL SWIFTLY ORCHESTRATE HIS REMOVAL SO THAT HE CAN SUCCEED TO THE PRESIDENCY.) ADMITTEDLY, MANY OLDER MAINLANDERS ARE WILDLY ENTHUSIASTIC ABOUT LIN, WHOM THEY PORTRAY AS A MAN OF CONSCIENCE AND A DEDICATED DEFENDER OF THE "REPUBLIC OF CHINA." HOWEVER, A GOOD PORTION OF THE 85 PERCENT OF THE ELECTORATE WHO ARE NOT MAINLANDERS VIEW HAU AS AN ENEMY OF DEMOCRACY AND A PROTECTOR OF SPECIAL PRIVILEGES FOR THE MAINLANDER MINORITY.

17. (C) FROM ALL ACCOUNTS, THE CAMPAIGN ORGANIZATION IS NOT A HAPPY ONE. LIN'S SUPPORTERS DO FEEL THAT HE HAS GONE FAR TO ACCOMMODATE HAU--AND IN THE PROCESS HAS ANTAGONIZED MANY POTENTIAL ETHNIC TAIWANESE SUPPORTERS. THE CNP, FOR ITS PART, HAS FOUND THE FOCUS SHIFTED FROM THE ANTI-CORRUPTION, "CLEAN" PARTY IMAGE THAT IT USED IN THE 1995 LEGISLATIVE ELECTIONS TO ATTRCT A NUMBER OF YOUNGER TAIWANESE VOTERS INCLUDING A SIGNIFICANT PERCENTAGE OF THE UNDER-35 FEMALE VOTE. INSTEAD, THE CNP NOW FINDS ITSELF BACKING AN AGING PRESIDENTIAL ~~C O N F I D E N T I A L~~ SECTION 04 OF 05 TAIPEI 001280

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/14/01

TAGS: PGOV, PREL, PINR, TW

SUBJECT: THE MEN (AND WOMAN) WHO WOULD BE KING:

- TAIWAN'S VICE PRESIDENTIAL CANDIDATES

CANDIDATE STEEPED IN KMT MACHINE POLITICS AND AN EVEN OLDER VICE PRESIDENTIAL CANDIDATE WHO IS ANATHEMA TO MOST ETHNIC TAIWANESE.

WANG CH'ING-FENG: AN HONORABLE WOMAN

18. (U) MS. WANG CH'ING FENG WAS A MEMBER OF THE CONTROL YUAN, FROM 1993-95; SHE RESIGNED TO BECOME THE VICE PRESIDENTIAL RUNNING MATE OF HER BOSS, CONTROL YUAN PRESIDENT CHEN LI-AN. WANG IS THE ONLY FEMALE--AS WELL AS THE YOUNGEST--CANDIDATE; SHE WAS BORN IN 1952 IN TAINAN CITY, TAIWAN. WANG HOLDS LL.B. & LL.M. DEGREES FROM TAIPEI'S NATIONAL CHENGCHI UNIVERSITY. SHE WAS AN ATTORNEY AS WELL AS CHAIRPERSON OF THE WOMEN'S RESCUE ASSOCIATION BEFORE JOINING THE CONTROL YUAN.

... WINNING SOME ADMIRATION

19. (C) WANG IS INTELLIGENT, ARTICULATE, AND LITTLE-KNOWN. SHE WAS ACTIVE IN WOMEN'S ISSUES AS CHAIRPERSON OF THE WOMEN'S RESCUE ASSOCIATION; AT THE CONTROL YUAN, SHE DEVOTED CONSIDERABLE ATTENTION TO ISSUES SUCH AS DOMESTIC VIOLENCE, CHILD PROSTITUTION, AND EQUALITY OF THE SEXES UNDER THE LAW. ALL ARE SIGNIFICANT ISSUES; NONE RAISED SIGNIFICANT INTEREST AMONG THE GENERAL PUBLIC. THE CHEN/WANG TICKET IS ADDING MARGINAL EXCITEMENT TO THE RACE; MOST ANALYSTS EXPECT IT TO GET LESS THAN TEN PERCENT OF THE OVERALL VOTE.

20. (C) THERE IS NO INDICATION THAT WANG HAS BEEN ABLE TO BRING MUCH SUPPORT FROM TAIWAN'S WOMEN VOTERS TO HER TICKET. MOST WOMEN HERE HAVE ALWAYS TENDED TO VOTE FOR THE KMT. MANY ANALYSTS SAY THIS IS BECAUSE WOMEN HAVE SEEN THE KMT AS THE PARTY MOST ABLE TO MAINTAIN TAIWAN'S STABILITY AND SECURITY. OTHERS ASCRIBE THIS TO WOMEN TENDING TO REMAIN AT HOME WHERE

THEY HAVE BEEN INFLUENCED ("BRAINWASHED" ACCORDING TO SOME ANALYSTS) BY THE THREE KMT-CONTROLLED BROADCAST TELEVISION NETWORKS.

21. (C) SOME YOUNGER (UNDER-35) WOMEN VOTERS HAVE BEGUN TO CHANGE THEIR VOTING HABITS. IN LAST DECEMBER'S LEGISLATIVE ELECTION, A SIGNIFICANT NUMBER VOTED FOR CNP RATHER THAN THE KMT CANDIDATES. THE EXPLANATION: YOUNGER WOMEN ARE NO LONGER STAYING AT HOME; THEY ARE HOLDING JOBS, MORE INVOLVED IN POLITICAL DISCUSSIONS, AND MORE READY TO SUPPORT A "CLEAN" CANDIDATE. THIS SHOULD HELP THE CHEN/WANG TICKET, BUT ANALYSTS BELIEVE THE ULTIMATE IMPACT WILL BE RELATIVELY MINOR. OUR IMPRESSION IS THAT WANG IS HELPING THE CHEN LI-AN TICKET EAT INTO THE LIN/HAU TICKET'S SUPPORT AMONG YOUNG (PRIMARILY MAINLANDER) PROFESSIONALS IN TAIPEI. SHE ALSO MIGHT HELP THE TICKET IN HER HOME TOWN OF TAINAN. IN THE OTHER REGIONS OF TAIWAN, FEW SEEM TO THINK THAT SHE WILL SWAY MANY VOTES.

THE FUTURE

22. (C) THE FOUR VICE PRESIDENTIAL CANDIDATES ARE ALIKE IN FACING AN UNCERTAIN FUTURE. LIEN CHAN WILL ALMOST CERTAINLY EMERGE THE WINNER. DESPITE HIS OBVIOUS INTENTIONS, HOWEVER, LIEN MAY HAVE A TOUGH TIME CONVINCING THE KMT THAT HE SHOULD BE THE SUCCESSOR TO LEE IN THE YEAR 2000. LIEN WAS APPOINTED TO HIS PREVIOUS POSITIONS AND IS OFTEN CHARACTERIZED AS A "RICH BOY" WHOSE RISE TO THE TOP WAS EASY AND HIS ACCOMPLISHMENTS MODEST. NEVERTHELESS, LIEN'S CAUTIOUS STYLE HAS ALSO MADE HIM THE POLITICIAN WITH THE LOWEST NEGATIVES OF ANY SENIOR POLITICIAN IN TAIWAN TODAY. THE ASSESSMENT OF HIS ROLE IN THIS, HIS FIRST-EVER RACE, MAY HAVE AN IMPORTANT BEARING ON HOW STRONG A CHALLENGE HE WILL FACE TO SUCCEED LEE IN FOUR YEARS.

23. (C) FRANK HSIEH, MEANWHILE, HAS DONE WELL ON THE CAMPAIGN TRAIL--BUT FACES AN ARCANE PARTY RULE THAT WILL BLOCK HIM FROM STANDING FOR OFFICE FOR FIVE YEARS
~~C O N F I D E N T I A L~~ SECTION 05 OF 05 TAIPEI 001280

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/14/01

TAGS: PGOV, PREL, PINR, TW

SUBJECT: THE MEN (AND WOMAN) WHO WOULD BE KING:

- TAIWAN'S VICE PRESIDENTIAL CANDIDATES

IF THE PENG/HSIEH SLATE DOES NOT OBTAIN 60 PERCENT AS MANY VOTES AS THE WINNING SLATE IN THE PRESIDENTIAL CONTEST. WANG CHING-FENG, ON THE OTHER HAND, WILL BE ABLE TO USE THE VISIBILITY SHE HAS GAINED TO PURSUE A CAREER IN ELECTED POLITICS IF SHE SHOULD SO CHOOSE. FINALLY, HAU PEI-TSUN'S FUTURE IS CLEARER--THIS WILL ALMOST CERTAINLY BE HIS LAST HURRAH ON THE NATIONAL POLITICAL SCENE.

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 RUEHIN/AIT TAIPEI IMMEDIATE 0000
 INFO: ////
 SUBJ: MEMCON FROM LAKE-LIU HUAQIU AFTERNOON MEETING,
 MARCH 8
 TEXT:
~~SECRET~~ STATE 054663

DECLASSIFIED IN PART
 PER E.O. 13526

2015-0686-M [1.36]
 KBH 6/12/2019

NODIS

FOR AMBASSADOR SASSER AND AIT DIR PASCOE

E.O. 12958: DECL: 3/11/26

TAGS: PREL, PARM, CH

SUBJECT: MEMCON FROM LAKE-LIU HUAQIU AFTERNOON MEETING,
MARCH 8

1. ~~SECRET~~— ENTIRE TEXT. CLASSIFIED BY JEFFREY A. BADER,
 DIRECTOR, EAP/CM. REASON: 1.5 (B,D), EXEMPTION: 1.6
 (X6).

2. THE FOLLOWING IS A MEMCON OF THE MARCH 8, 1996
 AFTERNOON TALKS BETWEEN NATIONAL SECURITY ADVISOR ANTHONY
 LAKE AND PRC FOREIGN AFFAIRS DIRECTOR TO THE STATE COUNCIL
 LIU HUAQIU. THE CONVERSATION FEATURED DISCUSSION OF
 BILATERAL ISSUES.

TIME: 12:05 P.M. - 4:30 P.M.

PLACE: RESIDENCE OF PAMELA HARRIMAN, MIDDLEBURG, VIRGINIA.

US PAWTICIPANTS:

ANTHONY LAKE, NATIONAL SECURITY ADVISOR
 WINSTON LORD, ASS'T. SEC'Y. OF STATE, EAP
 ROBERT SUETTINGER, NSC ASIAN AFFAIRS DIRECTOR

JEFFREY BADER, EAP/CM
 VIVIAN CHANG, INTERPRETER

PRC PARTICIPANTS:

LIU HUAQIU, DIRECTOR OF FOREIGN AFFAIRS, STATE COUNCIL
AMBASSADOR LI DAOYU
MFA ASSISTANT MINISTER YANG JIECHI
MFA DEP. DIR.-GEN. LIU XIAOMING
POLITICAL OFFICER ZHANG ZEGUANG
ZHU TONG, INTERPRETER

LAKE: THE PRESIDENT, MY COLLEAGUES, AND I UNDERSTAND CLEARLY HOW IMPORTANT TAIWAN IS TO YOU. I HEARD THE DISTINCTION BETWEEN TAIWAN AND THE OTHER ISSUES IN WHAT YOU SAID. YOU WILL HAVE SEEN IN THE NEW YORK TIMES TODAY AN ILLUSTRATION OF THE RESONANCE THE ISSUE HAS IN THE U.S., IN THE CONGRESS AND IN THE PRESS. THAT IS WHY CARE, PRUDENCE, AND RESTRAINT ARE SO IMPORTANT AS YOU HAVE BEEN SAYING.

OUR CHINA POLICY IS BASED ON THE THREE COMMUNIQUES, WHICH HAVE WORKED WELL. THEY CONTINUE TO BE THE FOUNDATION OF US POLICY. WE BELIEVE RELATIONS AMONG THE PRC, TAIWAN, AND THE US HAVE IMPROVED SIGNIFICANTLY FOR THE MOST PART WITHIN THIS CONSTRUCT. ON BEHALF OF THE PRESIDENT, I ASSURE YOU THAT IT IS NOT IN THE INTEREST OF THE US FOR THIS TO CHANGE. THE LEE TENG-HUL VISIT WAS NOT A UNILATERAL SHIFT IN POLICY. EACH SIDE MUST REFRAIN FROM UNILATERAL ACTS THAT UNDERMINE THE ABILITY TO SUSTAIN THIS POLICY. REUNIFICATION AND TAIWAN'S FUTURE ARE ISSUES FOR THE PRC AND TAIWAN TO DECIDE. OUR CONCERN IS THAT IT BE DECIDED PEACEFULLY, NOT THROUGH UNILATERAL DECLARATION OR MILITARY ACTION. WE HAVE NOT SUPPORTED AND WILL NOT SUPPORT TAIWAN INDEPENDENCE. DESPITE SOME RHETORIC FROM THAT SIDE, WE DO NOT BELIEVE THAT IS LEE TENG-HUI'S AIM IN ANY CASE. WE ARE CONCERNED THAT TAIWAN IS PUSHING TOO AGGRESSIVELY FOR CHANGE IN ITS RELATIONS WITH BOTH THE PRC AND THE US AND FOR INTERNATIONAL RECOGNITION. BUT AS WE SAID, PROVOCATIVE EXERCISES AND MISSILE FIRINGS IN THE TAIWAN STRAIT ALSO HAVE ADDED TO TENSIONS. WE HAVE DISCUSSED THESE TESTS. THEY ARE RECKLESS, DANGEROUS IF THEY GO WRONG, AND WILL BY THE WAY PROBABLY ATTRACT MORE VOTES TO LEE TENG-HUI. I SPOKE OF THIS ISSUE THIS MORNING. I TOOK NOTE OF YOUR STATEMENT THAT WE SHOULD WAIT AND WATCH. I MENTIONED LAST NIGHT THAT WE ARE BEING ASKED BY OUR PUBLIC AND THE CONGRESS HOW THE US WOULD REACT IF TAIWAN WERE ATTACKED. AS I SAID LAST NIGHT, US

POLICY IS TO CONSIDER A DIRECT ATTACK ON TAIWAN AS A THREAT TO THE INTERESTS OF THE US THAT WOULD CARRY WITH IT GRAVE CONSEQUENCES. THAT IS SOMETHING WE DO NOT WISH TO SEE.

OUR PRINCIPAL INTEREST IS IN REDUCING TENSIONS IN THE TAIWAN STRAIT AND IN RESUMPTION OF CROSS-STRAIT DIALOGUE. THAT MUST BE OUR PURPOSE. TO THAT END, WE ARE PREPARED TO DO THE FOLLOWING IF YOU WILL DO CERTAIN THINGS AS WELL:

- 1) WE WILL EO 13526 3.3(h)(6)
URGE TAIWAN TO RESTRAIN ITS
ACTIONS IN THE STRAIT AND TO MODERATE ITS POLITICAL

RHETORIC. [REDACTED] EO 13526 3.3(b)(6)

2) WE WILL CONTINUE TO STRESS THE OVERARCHING IMPORTANCE OF RESTORING CROSS-STRAIT DIALOGUE WITHOUT PRECONDITIONS OR POSTURING.

3) WE DO NOT EXPECT AND HAVE NO PLANS TO ACCEPT HIGH-LEVEL VISITS TO THE US IN 1996 EXCEPT IN CASE OF MEDICAL EMERGENCY. THAT INCLUDES THE OLYMPICS. TWO ADDITIONAL POINTS: A) I CANNOT RULE OUT A BATTLE WITH THE CONGRESS. TAIWAN IS AN EMOTIONAL ISSUE FOR MANY THERE. BUT WE WILL FIGHT AND HAVE EVERY INTENTION OF HOLDING THIS LINE; AND B) I WILL ASK AMBASSADOR LORD TO COMMENT ON LEE'S INTENTIONS ON THIS ISSUE.

LORD: WHEN VICE FOREIGN MINISTER LI ZHAOXING VISITED THE US, PETER TARNOFF AND I RELAYED THE FOLLOWING: IT IS OUR IMPRESSION THAT LEE TENG-HUL DOES NOT PLAN TO SEEK AN INVITATION TO VISIT THE US IN 1996. WE HAVE RECEIVED INDICATIONS THAT HE IS CONCLUDING THAT IT IS IN TAIWAN'S OWN SELF-INTEREST THAT THIS WOULD NOT BE A PRUDENT INITIATIVE.

LAKE:

4) NO CABINET-LEVEL US OFFICIALS ARE CURRENTLY SCHEDULED TO TRAVEL TO TAIWAN IN 1996. WE MAY HAVE A CABINET OFFICIAL ATTEND THE 20TH ANNIVERSARY MEETING OF THE BUSINESS/ECONOMIC COUNCIL IN DECEMBER.

5) SUB-CABINET LEVEL CONTACTS IN TAIWAN WILL CONTINUE, HOWEVER.

6) REGULAR AND ROUTINE INTERACTIONS BETWEEN ECONOMIC OFFICIALS OF TAIWAN AND THE US FALL UNDER THE DEFINITION OF UNOFFICIAL RELATIONS. CHINA CANNOT EXPECT THEM TO BE CURTAILED.

7) TRANSIT VISITS DO NOT CONSTITUTE ANY CHANGE IN US POLICY OR INFRINGEMENT OF CHINESE SOVEREIGNTY. WE WILL MONITOR THEM CAREFULLY. THUS FAR, TAIWAN HAS STAYED WELL WITHIN THE GUIDELINES FOR NO POLITICAL ACTIVITY.

8) WE WILL NOT SUPPORT TAIWAN MEMBERSHIP IN THE UN.

9) [REDACTED] EO 13526 3.3(b)(6)

10) THERE WILL BE NO NEW MAJOR ARMS SALES, AS OPPOSED TO DELIVERIES ALREADY PLANNED, IN 1996. CHANGES IN THE ATMOSPHERE IN THE TAIWAN STRAIT MAY INFLUENCE OUR FUTURE DECISIONS.

11) WE WILL CONVEY THESE POINTS TO TAIWAN AND URGE IT TO TAKE ADDITIONAL STEPS TO RESTORE CROSS-STRAIT DIALOGUE.

YOU WILL FIND THIS A RESTRAINED AND PRUDENT POLICY. IT IS BASED ON THE EXPECTATION CHINA WILL PURSUE A NUMBER OF POLICIES:

1) CURB PROVOCATIVE MILITARY ACTIONS AND EXERCISES IN THE TAIWAN STRAIT AND LIMIT FUTURE EXERCISES TO PAST PATTERNS, THAT IS PRE-1995 LEVEL.

2) THE PRC SHOULD AVOID INCENDIARY RHETORIC ABOUT LEE TENG-HUI'S INTENTIONS AND GIVE HIM CREDIT WHEN HIS POSITION MODERATES.

3) AVOID CONVEYING MESSAGES SUCH AS CHARLES FREEMAN BROUGHT THAT BOTH MISINTERPRET US INTENTIONS AND POLICY AND THREATEN RETALIATION. IT HAD A BAD EFFECT ON OUR PUBLIC, AND ON ME, WHEN I HEARD IT.

4) MAKE SERIOUS EFFORTS TO REESTABLISH CROSS-STRAIT DIALOGUE WITHOUT PRECONDITIONS AS SOON AS POSSIBLE AFTER THE MARCH ELECTIONS.

5) CURTAIL CRITICISM OF US TRANSIT VISA POLICY. DO NOT OVERREACT WHEN SOMETHING HAPPENS WITHIN THE BOUNDS OF CURRENT UNDERSTANDINGS.

6) ACCEPT THAT US-TAIWAN ECONOMIC INTERACTIONS ARE FULLY CONSISTENT WITH "UNOFFICIAL CULTURAL AND ECONOMIC RELATIONS" STIPULATED IN THE 1979 COMMUNIQUE.

THESE ARE NOT ONEROUS EXPECTATIONS. THEY ARE FULLY CONSISTENT WITH YOUR POLICIES. THEY SHOULD BE TAKEN IN CONJUNCTION WITH WHAT WE WILL DO AND WOULD RELIEVE TENSIONS IN WHAT HAS BECOME A DANGEROUS SITUATION. OUR ABILITY TO CARRY THROUGH WHAT I HAVE SAID IS STRENGTHENED BY OUR ABILITY TO MAKE PROGRESS IN THE OTHER THREE AREAS WE WILL BE DISCUSSING (NOTE: NONPROLIFERATION, TRADE, AND HUMAN RIGHTS. END NOTE). AS I AM SURE AMBASSADOR LI DAOYU HAS TOLD YOU, WE WILL FACE SOME REAL PROBLEMS WITH THE CONGRESS IN THIS ELECTION YEAR. (END LAKE PRESENTATION)

(THE TALKS BROKE FOR A SOCIAL LUNCH, WITHOUT NOTES, FROM 12:30 UNTIL 1:45 P.M.)

TOPICS DISCUSSED AT LUNCH INCLUDED THE U.S. ELECTIONS, THE RUSSIAN PRESIDENTIAL ELECTIONS, THE RECENTLY CONCLUDED ASIA-EUROPE SUMMIT MEETING IN BANGKOK, NORTH KOREA, AND THE NATIONAL PEOPLE'S CONGRESS. DIRECTOR LIU AND HIS PARTY VOICED THESE OPINIONS:

PRESIDENT CLINTON SEEMED LIKELY TO BE REELECTED. LIU WAS INTERESTED IN WHY HIS PROSPECTS SEEMED BETTER THAN SOME MONTHS BACK;

IF YELTSIN CAN MAKE IT INTO A RUN-OFF, WHICH SEEMS LIKELY,

ONE SHOULD NOT RULE OUT HIS CHANCES OF MAKING UP THE GAP AND WINNING. CHINA IS RELATIVELY COMFORTABLE WITH THE PROSPECT OF ANOTHER YELTSIN TERM. IT FEELS LESS COMFORTABLE WITH SOME OF THE ALTERNATIVES. YELTSIN'S HEALTH IS BETTER THAN IT WAS, HE IS DRINKING LESS, BUT HIS HEALTH IS STILL NOT SO GOOD. HE IS EXPECTED TO VISIT CHINA IN APRIL, HEALTH PERMITTING;

THE ASIA-EUROPE SUMMIT HAD BEEN A CONSIDERABLE SUCCESS, WITH THE EUROPEANS SHOWING CONSIDERABLE SENSITIVITY TO ASIAN NEEDS (E.G., NOT PRESSING FOR A DISCUSSION OF HUMAN RIGHTS, WHICH MALAYSIA AND INDONESIA RESISTED; ENGAGING IN DIALOGUE TO AGREE ON THE PRINCIPLE OF "NONINTERVENTION" IN INTERNAL AFFAIRS OF OTHER COUNTRIES; DISCUSSING DIFFICULT QUESTIONS, LIKE EAST TIMOR, IN PRIVATE BILATERAL TALKS RATHER THAN PLENARY SESSION);

CHINA-NORTH KOREA RELATIONS HAVE STABILIZED, ARE NO LONGER DETERIORATING;

AND THE NPC WILL PRODUCE NO SIGNIFICANT PERSONNEL CHANGES.

(PLENARY SESSION RESUMED AT 1:50 P.M.)

LIU: I HAVE LISTENED ATTENTIVELY TO YOUR PRESENTATION ON TAIWAN. I HAVE SEVERAL COMMENTS. FIRST, I APPRECIATE YOUR STATEMENT ON THE UNITED STATES' ONE-CHINA POLICY AND ADHERENCE TO THE THREE COMMUNIQUE, AND THAT IT WILL NOT SUPPORT TAIWAN'S UN MEMBERSHIP OR TAIWAN INDEPENDENCE. ON THE OTHER HAND, CHINA HAS ITS OWN POSITIONS ON SOME OF THE ISSUES YOU HAVE MENTIONED.

I HAVE NOTED CAREFULLY THAT YOU SAID THAT AN ATTACK ON TAIWAN WOULD BE A THREAT TO US INTEREST. I WOULD LIKE TO COMMENT ON THAT. CHINA'S POLICY IS ONE OF PEACEFUL REUNIFICATION AND ONE COUNTRY-TWO SYSTEMS, AND IT IS UNCHANGED. UP TO NOW, THERE HAS BEEN NO SITUATION UNDER WHICH TAIWAN WOULD BE ATTACKED. IF LEE TENG-HUL DOES NOT PURSUE INDEPENDENCE AND EXTERNAL FORCES STOP CONNIVING IN SUPPORT FOR INDEPENDENCE, WE WILL CONTINUE TO SEEK PEACEFUL REUNIFICATION. WE HAVE NO TIMETABLE FOR REUNIFICATION YET. THE CURRENT TENSIONS IN THE TAIWAN STRAIT ARE THE SOLE RESULT OF LEE TENG-HUL PURSUING TAIWAN'S INDEPENDENCE. IN THE SPIRIT OF THE ASIA-EUROPE SUMMIT'S FLEXIBILITY ON VERBAL FORMULATIONS I MENTIONED AT LUNCH, I WOULD ADVISE YOU TO CHANGE YOUR STATEMENT TO THIS: IF LEE TENG-HUL PURSUES INDEPENDENCE FOR TAIWAN IT WOULD BE A SERIOUS THREAT TO US INTERESTS. LEE TENG-HUL WILL ABUSE THE SUPPORT YOU GIVE HIM AND ACT RECKLESSLY IN SEEKING SEPARATION OF TAIWAN FROM THE REST OF CHINA. YOU SAID THE MISSILE EXERCISES WERE PROVOCATIVE. LEE TENG-HUL'S ACTIVITIES IN SEEKING INDEPENDENCE ARE PROVOCATIVE, TO THE CHINESE PEOPLE AND TO THE STABILITY OF THE TAIWAN STRAIT. YOUR GRANTING PERMISSION OF HIM TO VISIT THE US AND YOUR SPEAKING ON HIS BEHALF ARE SUPPORT FOR HIS PROVOCATIONS.

WE TAKE NO EXCEPTION TO TRADE, CULTURAL, ECONOMIC, AND

OTHER EXCHANGES WITH TAIWAN, BUT DO NOT LET THEM VIOLATE THE ONE-CHINA PRINCIPLE. THEY ALL SHOULD BE WITHIN THE FRAMEWORK OF UNOFFICIAL RELATIONS. WE OPPOSE OFFICIAL EXCHANGES AND CONTACTS BETWEEN THE US AND TAIWAN, AND WE DO NOT FAVOR SUB-CABINET LEVEL OFFICIAL EXCHANGES BETWEEN TAIWAN AND THE US,

YOU MENTIONED YOU ARE NOT CONSIDERING A LEE TENG-HUL VISIT TO THE US IN 1996. WE HOPE YOU WILL CHANGE THAT TO NO VISITS FOREVER. FOR THE SAKE OF THE STABILITY OF US-PRC RELATIONS, WITHIN THE NEXT YEAR OR THE NEXT FIVE YEARS, THE US-PRC RELATIONSHIP CANNOT STAND SETBACKS. WE HOPE THE US WILL OPPOSE SUCH VISITS IN WHATEVER WAY. WE ALSO OPPOSE ACTIVITIES OF ANY TAIWAN OFFICIAL UNDER THE GUISE OF VACATION DIPLOMACY, TRANSIT DIPLOMACY OR ALMA MATER DIPLOMACY.

YOU MENTIONED THAT CHINA SHOULD DO THIS AND DO THAT. TAIWAN IS AN INTERNAL AFFAIR OF CHINA. IT IS NOT APPROPRIATE FOR THE US TO INTERFERE IN OUR INTERNAL AFFAIRS; WE WILL NOT ACCEPT DEMANDS TO DO THIS OR THAT OR NOT TO DO THIS OR NOT TO DO THAT. THE CHINESE GOVERNMENT AND PEOPLE PROCEED FROM THEIR FUNDAMENTAL NATIONAL INTEREST, AND THEIR INTEREST IN PEACE AND STABILITY IN THE REGION, AND WILL TAKE APPROPRIATE STEPS FOR REUNIFICATION AND STRIVE FOR PEACEFUL REUNIFICATION.

YOU SAID THAT IF LEE TENG-HUL MODERATES HIS POSITION WE SHOULD GIVE CREDIT. IT WOULD BE GOOD IF HE ABANDONS TAIWAN INDEPENDENCE AND STANDS IN DEED, NOT JUST WORDS, FOR REUNIFICATION. BUT IF HE PURSUES TAIWAN INDEPENDENCE, WE WILL CRITICIZE HIM. IF LEE TENG-HUL IS STUBBORN IN PERSISTING IN TAIWAN INDEPENDENCE WE MUST CRITICIZE HIM. IF HE BECOMES MODERATE IN THE FUTURE, THAT WOULD BE THE RESULT OF OUR CRITICISM. WE HOPE TO SEE HIM MODERATE HIS POSITION.

AS FOR CROSS-STRAIT DIALOGUE, WE STAND FOR DIALOGUE. AS FOR DIALOGUE AT THE TOP LEVEL, IT SHOULD BE BETWEEN THE KMT AND THE CHINESE COMMUNIST PARTY. LEE TENG-HUL IS OPPOSED TO SUCH A DIALOGUE. HE CALLS FOR DIALOGUE BETWEEN THE TWO GOVERNMENTS, BETWEEN "HEADS OF STATE." WE ARE OPPOSED TO THAT, IT WOULD BE TANTAMOUNT TO TAIWAN INDEPENDENCE. WE STAND FOR DIALOGUES THROUGH OTHER CHANNELS, I.E. SEF-ARATS. WE ALSO FAVOR ESTABLISHMENT OF DIRECT AIR, SEA, TRADE, AND POSTAL LINKS; THE TAIWAN SIDE IS AGAINST THESE. WE FAVOR ALL THESE DIALOGUES ON ONE PRECONDITION, THAT IS ONE CHINA. IF LEE TENG-HUL IS BENT ON SEPARATION, CREATING ONE CHINA AND ONE TAIWAN, OR INDEPENDENCE, THEN THE FOUNDATION FOR DIALOGUE IS NOT THERE.

WE THINK THE US IS IN A POSITION TO PLAY A POSITIVE ROLE, GIVEN THE HISTORICAL RELATIONS BETWEEN THE US AND TAIWAN. THEY ARE SECOND TO JAPAN'S. WE HOPE YOU WILL ADVISE THEM

NOT TO PURSUE INDEPENDENCE. FRANKLY, YOU CAN EXERCISE MORE INFLUENCE IN TAIWAN THAN JAPAN CAN. JAPAN CONTROLS

70 PERCENT OF THE CONSTRUCTION IN TAIWAN, BUT YOUR INFLUENCE IN OTHER AREAS IS GREATER. THE US CAN PLAY A POSITIVE ROLE ON THE TAIWAN QUESTION. IT ALSO IS POSSIBLE THE US CAN PLAY A NEGATIVE ROLE. THE QUESTION OF TAIWAN IS VERY IMPORTANT, SO WE HOPE YOU WILL PLAY A POSITIVE AND NOT A NEGATIVE ROLE.

LAKE: YOU HAVE BEEN CLEAR. I WILL RESPOND BRIEFLY. YOU SAID OUR INTEREST LIES NOT IN WHAT THE PRC DOES BUT IN WHAT TAIWAN DOES. WE CLEARLY UNDERSTAND US INTERESTS. OUR MAIN INTEREST IS IN A PEACEFUL RESOLUTION. THAT IS WHY WE ARE COUNSELING MODERATION ON BOTH SIDES, SO BOTH CAN AVOID MISCALCULATION. I HAVE SUGGESTED MANY POSITIVE ELEMENTS IN OUR POLICY. IN RETURN WE ARE STATING EXPECTATIONS, NOT MAKING DEMANDS OR VIOLATING CHINESE SOVEREIGNTY. YOU ARE SOPHISTICATED IN THESE MATTERS. IT IS NATURAL THAT OUR ABILITY TO LIVE UP TO ASSURANCES DEPENDS ON MODERATION OF ALL CONCERNED. I KNOW YOU HAVE TO CONTEMPLATE WHAT I HAVE SUGGESTED, PERHAPS CONSULT WITH BEIJING. I HOPE YOU CAN THEN GIVE US INDICATIONS THAT THIS SEEMS A REASONABLE WAY FORWARD ON BOTH SIDES, NOT BECAUSE OF US DEMANDS' BUT BECAUSE IT IS REASONABLE.

LIU: I WANT TO REPEAT THAT YOU SHOULD AVOID A REPEAT RECURRENCE OF A LEE TENG-HUL VISIT IN THE FUTURE, NOT JUST THIS YEAR. LEE TENG-HUI'S ACTIVITIES ARE A PROVOCATION TO THE CHINESE PEOPLE.

LAKE: WE UNDERSTAND EACH OTHER'S POSITION.

LIU: YOU SAID NO MAJOR NEW ARMS SALES ARE UNDER CONSIDERATION. I APPRECIATE THAT.

LAKE: LET ME MAKE CLEAR I AM NOT REFERRING TO DELIVERIES OF SALES ALREADY MADE.

LIU: THE US SIDE HAS KEPT SELLING WEAPONS IN LARGE QUANTITY AND OF HIGH QUALITY TO TAIWAN IN VIOLATION OF THE 1982 COMMUNIQUE. WE HOPE YOU ACT IN ACCORDANCE WITH THE 1982 COMMUNIQUE AND GRADUALLY REDUCE SALES LEADING TO A FINAL RESOLUTION. IN BANGKOK, PRESIDENT CHIRAC TOLD PREMIER LI PENG THAT FRANCE WOULD NOT ALLOW MILITARY INDUSTRIES TO SELL TO TAIWAN WITHOUT THE PRIOR CONSENT OF CHINA. THIS IS A BETTER ATTITUDE THAN YOURS. ARMS SALES TO TAIWAN POSE A THREAT TO PEACE AND STABILITY IN THE TAIWAN STRAIT. NO MATTER WHAT YOUR INTENTIONS ARE THEY

SUPPORT LEE TENG-HUI'S INDEPENDENCE ACTIVITIES. THE US IS THE BIGGEST ARMS DEALER IN THE WORLD. WORLD ARMS TRADE WAS 1.2 TRILLION DOLLARS IN 1987, CLOSE TO 860 BILLION DOLLARS LAST YEAR. THE US SELLS TO 44 GLOBAL HOT SPOTS, INCLUDING TO TAIWAN. THE EUROPEANS ARE NOT SATISFIED WITH THE US ROLE IN THIS REGARD. THEY THINK THE US SEEKS TO MONOPOLIZE THE WORLD ARMS TRADE MARKET. BY SELLING ARMS TO TAIWAN, YOU ARE SUPPORTING LEE TENG-HUL'S ACTIVITIES FOR INDEPENDENCE AND HAVING AN ADVERSE IMPACT ON US-PRC RELATIONS.

LAKE: WE ARE COMING CLOSE TO A DEBATE ON GLOBAL ARMS SALES. I DO NOT WISH TO DEBATE THE EUROPEANS HERE. YOU HAVE HEARD MY ASSURANCES, AND I AM GLAD YOU WELCOMED THEM. WE RUN THE RISK OF FALLING INTO A VICIOUS CIRCLE. THE GREATER THE THREATS ACROSS THE STRAIT, THE GREATER THE PRESSURE FOR MORE ARMS SALES. THE MORE ARMS SALES, THE MORE TENSION. THE MORE TENSION, THE MORE PRESSURE FOR ARMS SALES. WE NEED MODERATION ACROSS THE BOARD.

LIU: NO, YOU MUST STOP ARMS SALES.

LAKE: ENOUGH. WE AGREED EARLIER THAT WE HAVE COMMON INTERESTS IN NONPROLIFERATION. WE HAVE DEMONSTRATED THAT IN OUR HANDLING OF NORTH KOREA AND IN INDEFINITE EXTENSION OF THE NPT. WE WANT TO WORK WITH YOU ON MANY SUCH ISSUES, INCLUDING SOUTH ASIA AND CTBT ON A ZERO-YIELD BASIS IN 1996. THE OVERALL TREND OF OUR COOPERATION AND CHINESE POLICY IN THIS AREA IS VERY POSITIVE, WE WELCOME IT. WE DO HAVE A PARTICULAR PROBLEM WITH THE SALE OF RING MAGNETS FOR CENTRIFUGES IN PAKISTAN; THIS IS TROUBLING. THIS DISTRACTS US FROM OUR COMMON NONPROLIFERATION GOALS, AND THERE ARE LEGAL PROBLEMS AFFECTING EXIMBANK ACTIVITY IN CHINA. WE ARE CONCERNED ABOUT YOUR NUCLEAR ASSISTANCE TO PAKISTAN; IT COULD TRIGGER ACTION UNDER SECTION 825 OF THE NUCLEAR NONPROLIFERATION ACT. THERE WERE RECOMMENDATIONS TO THE SECRETARY OF STATE THAT HE MOVE FORWARD IN TRIGGERING THE ACT, BUT HE HAS DECIDED WE SHOULD TAKE TIME TO WORK IT OUT WITH YOU IF POSSIBLE. THERE IS A LEGAL ISSUE INVOLVED, SO WE DON'T HAVE MUCH TIME. THE SECRETARY HAS PUT THE DETERMINATION ON A CHINESE VIOLATION ON HOLD FOR 30 DAYS. WE'VE WORKED HARD, AND COME UP WITH A PROPOSAL WHICH IS WIN/WIN, BOTH OUR SIDES WOULD COME OUT AHEAD. IT WOULD RESOLVE THE RING MAGNET ISSUE, BUT IT WOULD ALSO BRING MAJOR BENEFITS TO US BOTH. I'LL TURN TO THE MAJOR ASPECTS OF OUR PROPOSAL AND GIVE YOU A PAPER ON IT.

SPECIFICALLY, WE NEED GROUND RULES FOR NUCLEAR COOPERATION WITH OTHER COUNTRIES BY BOTH OF US. THIS COULD SERVE BOTH OF US AS A REASON TO WAIVE ANY EXIM SANCTIONS AND TO BRING THE 1985 US-PRC NUCLEAR AGREEMENT INTO FORCE. IT WOULD BE CONTROVERSIAL IN THE CONGRESS, BUT WE BELIEVE THE FUTURE IS MORE IMPORTANT THAN THE PAST. IT IS A TWO-PART PROPOSAL: A JOINT PUBLIC STATEMENT AND A PRIVATE EXCHANGE OF NOTES. THE PUBLIC STATEMENT WOULD REAFFIRM THE NPT OBLIGATIONS AND BASIC PRINCIPLES OF NUCLEAR COOPERATION WITH 3RD PARTIES. MUCH OF IT COMES FROM CHINA'S OWN DECLARED POLICIES. BY MAKING THE STATEMENT A JOINT ONE, WE ARE COMMITTING BOTH SIDES TO THE SAME PRINCIPLES ON AN EQUAL BASIS. THEN THERE WOULD BE A CONFIDENTIAL EXCHANGE OF NOTES ON DEALINGS WITH PAKISTAN AND IRAN, WHICH ARE THE TWO MAIN PROBLEM AREAS. ON PAKISTAN, WE ARE ASKING CHINA TO PREVENT FUTURE ASSISTANCE TO PAKISTAN'S UNSAFEGUARDED NUCLEAR PROGRAM AND TO SEEK THE RETURN OF ANY RING MAGNETS SUITABLE FOR USE IN URANIUM ENRICHMENT THAT MAY HAVE BEEN TRANSFERRED TO PAKISTAN FROM CHINA. IN THIS CONNECTION WE HAVE NOTED CHINA HAS INVESTIGATED AND CONCLUDED IT HAS NEVER EXPORTED RING MAGNETS ESPECIALLY DESIGNED FOR

URANIUM ENRICHMENT TO ANY COUNTRY INCLUDING PAKISTAN. WE NOTE YOUR STATEMENT DOES NOT EXCLUDE THE POSSIBILITY SOME KIND OF RING MAGNETS WERE SHIPPED. WE HAVE PROVIDED YOUR SIDE WITH ADDITIONAL INFORMATION TO ASSIST, INCLUDING THE IDENTITY OF THE CHINESE SUPPLIER -- CNEIC. WE HOPE YOU WILL BE ABLE TO ACT ON THIS INFORMATION.

WHAT WOULD BE MOST SATISFYING FROM OUR PERSPECTIVE WOULD BE FOR PAKISTAN TO RETURN THE MAGNETS TO CHINA. THIS COULD BE DONE WITHOUT ASSIGNING BLAME ABOUT WHAT THE CHINESE COMPANY KNEW. A CONFIDENTIAL EXCHANGE OF NOTES ALSO WOULD COMMIT CHINA AND THE US NOT TO ENGAGE IN NUCLEAR COOPERATION WITH IRAN, EVEN UNDER IAEA SAFEGUARDS. I KNOW YOUR COOPERATION WITH IRAN IS CONSISTENT WITH IAEA REQUIREMENTS, BUT WE ARE CONVINCED IRAN WILL MISUSE YOUR HELP TO DEVELOP ITS NUCLEAR WEAPONS CAPABILITY, WHICH WE KNOW YOU WOULD NOT WANT. THE URANIUM CONVERSION FACILITY IN PARTICULAR IS A PROBLEM. CHINA IS SUPPLYING IT AND IRAN INTENDS TO MISUSE IT. IN THIS RESPECT WE ARE NOT SINGLING OUT CHINA. WE HAVE ASKED ALL NUCLEAR SUPPLIERS TO REFRAIN FROM COOPERATION WITH IRAN. ALMOST ALL, INCLUDING THE G-7, HAVE AGREED.

THE CONFIDENTIAL NOTE WOULD COMMIT THE US TO TWO STEPS: 1) WE WOULD WAIVE ANY EXIM SANCTIONS IN CONNECTION WITH RING MAGNETS AND TAKE MEASURES TO FIND INAPPLICABLE ANY OTHER PROVISION OF US LAW TRIGGERED BY PAST CHINESE

NUCLEAR ASSISTANCE TO PAKISTAN; 2) AND THIS IS "A BIG DEAL," WE WOULD TAKE STEPS TO BRING INTO FORCE THE US-PRC NUCLEAR AGREEMENT OF 1985. THIS WOULD OPEN THE WAY FOR EXTENSIVE PARTICIPATION BY US COMPANIES IN CHINA'S CIVILIAN NUCLEAR PROGRAM. IT WOULD MAKE IT POSSIBLE FOR CHINA TO PURCHASE THE MOST ADVANCED MODELS OF US MANUFACTURERS, E.G., WESTINGHOUSE AP600, GE ADVANCED BOILING WATER REACTOR AND COMBUSTION ENGINEERING SYSTEM 80 PLUS. IN ADDITION US COMPANIES COULD PROVIDE FUEL SERVICES, NUCLEAR COMPONENTS, DUAL USE ITEMS FOR NUCLEAR FACILITIES AND TECHNICAL COOPERATION. THIS WOULD BE A VERY POSITIVE FORCE FOR BOTH. NOT UNCONTROVERSIAL HERE, BUT WE WOULD GO AHEAD.

I WILL NOW LEAVE YOU BOTH DRAFT DOCUMENTS. OUR EXPERTS CAN WORK ON THEM OVER THE WEEKEND, THEN SEE WHERE WE ARE. THIS IS URGENT. THE SECRETARY OF STATE HAS BOUGHT US 30 DAYS BUT WE WILL BE UNDER ATTACK EVERY DAY THAT PASSES. AT A MINIMUM I HOPE WE CAN AGREE IN PRINCIPLE TO PROCEED ON THIS BASIS, AND HAVE OUR EXPERTS WORK OUT DETAILS IN THE NEXT WEEK OR TWO.

ON MISSILE PROLIFERATION, WE ARE CONCERNED ABOUT EXPORT TO PAKISTAN AND IRAN. WE MUST ENGAGE ON THIS SO IT DOES NOT BECOME AN ISSUE. I HOPE YOU WILL AGREE TO RESUME THE TALKS WE AGREED TO IN OCTOBER 1994.

LIU: \$nR9:F
MASS DESTRUCTION, WE SHARE THE SAME ULTIMATE GOAL. OUR APPROACH AND VIEWPOINT HAVE SOME DIFFERENCES. CHINA IS A

MEMBER OF THE NPT AND FOLLOWS THE OBLIGATIONS OF THE NPT. WE DO14PRECEDENCE = 0026CLASS = ~~S-E-C-R-E-T~~ 0150SRI = RUEHC 020DTG = PROLIFERATION, WE WILL NOT ASSIST OTHERS IN DEVELOPING NUCLEAR WEAPONS. CHINA ALL ALONG HAS BEEN CAUTIOUS AND HAD A RESPONSIBLE ATTITUDE ON EXPORTS. THEY MUST BE STRICTLY FOR PEACEFUL USE. THEY MUST BE SOLELY FOR THE PURPOSE OF PEACEFUL USE. THEY MUST BE SUBJECT TO IAEA SAFEGUARDS. NUCLEAR EXPORTS MUST NOT BE REEXPORTED WITHOUT CHINA'S CONSENT. AS FOR NUCLEAR EXPORTS CHINA HAS SPECIFIC COMPANIES DESIGNATED IN THIS FIELD. THE RELEVANT DEPARTMENTS CONDUCT STRICT EXAMINATION, DETERMINE WHAT MAY BE EXPORTED. WE HAVE NEVER EXPORTED SENSITIVE MATERIAL, SUCH AS FOR URANIUM ENRICHMENT, FOR REPROCESSING, OR FOR HEAVY WATER PRODUCTION.

AS A CLOSE NEIGHBOR OF SOUTH ASIA, WE HOPE FOR STABILITY, PEACE, AND CERTAINLY DO NOT WANT A NUCLEAR ARMS RACE THERE. WE SUPPORT ESTABLISHMENT OF A NUCLEAR FREE ZONE IN

SOUTH ASIA. WE SHARE AN INTEREST IN PREVENTING NUCLEAR PROLIFERATION TO SOUTH ASIA.

RE THE ALLEGED EXPORT OF RING MAGNETS, THE CHINESE SIDE HAS CONDUCTED A SERIOUS INVESTIGATION AND WE HAVE BRIEFED YOU. I REITERATE CHINA HAS NEVER EXPORTED, INCLUDING TO PAKISTAN, RING MAGNETS SPECIALLY DESIGNED FOR URANIUM ENRICHMENT FOR GAS CENTRIFUGES. WE BASICALLY FOLLOW TRIGGER LIST GUIDELINES THOUGH WE ARE NOT A NSG MEMBER. WE DO NOT EXPORT EVEN TO EXTREMELY FRIENDLY COUNTRIES MATERIALS FOR PRODUCTION OR USE IN NUCLEAR WEAPONS PROGRAMS. WE REGRET AND ARE DISSATISFIED WITH THE US DECISION TO DEFER EXIM LOANS IN DEFIANCE OF TRUTH AND REALITY. IT IS UNREASONABLE AND HAS AN UNFAVORABLE IMPACT ON TRADE RELATIONS OF THE TWO SIDES. IT WILL HURT US INTERESTS. CHINA ENJOYS A HIGH ECONOMIC GROWTH RATE, ITS ENERGY POTENTIAL IS MOUNTING. FOREIGN COMPETITION FOR ITS MARKET IS FIERCE. THE US HAS ASKED THAT WE NOT TAKE ANY DECISION THAT WOULD AFFECT OUR COOPERATION. WE CAN NOT AFFORD TO WAIT. WE HOPE YOU WILL PROCEED FROM THE OVERALL RELATIONSHIP, CANCEL THE ABOVE DECLARATION. OTHERWISE THE CONSEQUENCES WILL BE BORNE BY THE US SIDE.

I WOULD LIKE TO ADD THAT THE IMPORT AND EXPORT OF ORDINARY MAGNETS FOR CIVILIAN USE IS A NORMAL TRADING ACT. IT HAS NOTHING TO DO WITH NUCLEAR WEAPONS. ACCORDING TO OUR KNOWLEDGE, MANY COMPANIES ARE INVOLVED IN THE CIVILIAN USE AND EXPORT OF MAGNETS. ACCORDING TO FURTHER INVESTIGATION, MAGNETS DO NOT BELONG TO ITEMS ON THE TRIGGER LIST OF THE IAEA. THEY BELONG TO THE LIST OF MECHANICAL PARTS FOR GENERAL USE. SUCH MATERIALS ARE UNRESTRICTED CIVILIAN USE GOODS. A NUMBER OF CHINESE COMPANIES ARE ENGAGED IN SUCH TRADE. SIMILAR THINGS ARE TRADED IN INTERNATIONAL MARKETS. THE US CHARGE, THEREFORE, OF VIOLATION OF THE TRIGGER LIST AND THE NPT IS GROUNDLESS.

YOU HAVE PUT FORWARD TWO PROPOSALS. THIS IS A COMPLICATED MATTER, WE NEED TIME FOR FURTHER STUDY. YOU HAVE TAKEN

INTO ACCOUNT YOUR INTERESTS, LESS SO OURS. DON'T FORGET THERE ARE THREE OBJECTIVES UNDER THE NPT. ONE IS PEACEFUL USES OF NUCLEAR ENERGY. ONE SHOULD NOT DEPRIVE ANOTHER COUNTRY OF THAT OPPORTUNITY. I WILL MAKE FURTHER COMMENT AFTER FURTHER STUDY.

LAKE: WE DON'T WANT TO GET INTO A DETAILED DISCUSSION OF NUCLEAR ENGINEERING HERE. WE ARE NOT TRYING TO BLOCK PEACEFUL USES OF NUCLEAR ENERGY. WHAT WE ARE OFFERING

HERE WOULD PROVIDE MAJOR HELP TO CHINESE PEACEFUL NUCLEAR PROGRAMS. THIS IS NOT UNBALANCED. WESTINGHOUSE'S TECHNOLOGY IS UNMATCHED. THE PROBLEM HERE IS RING MAGNETS, WHICH COST ABOUT 14 DOLLARS APIECE. THERE IS A POSSIBILITY THEY MAY HAVE BEEN SOLD WITHOUT THE GOVERNMENT'S KNOWLEDGE. THE PROBLEM IS THEIR POSSIBLE CONFIGURATION. WE CANNOT WAIT. WE ARE IN THE SAME BOX, BUT WE CAN GET OUT IN A WAY THAT BALANCES BOTH OUR INTERESTS.

(THE DISCUSSION RESUMED AFTER LUNCH, DURING WHICH TIME THE CHINESE DELEGATION HAD THE OPPORTUNITY BRIEFLY TO REVIEW THE DOCUMENTS LAKE GAVE THEM.)

LIU: THERE MAY BE SOME DIFFICULTIES IN THESE PAPERS. I HAVE GONE OVER THEM QUICKLY. IT WOULD BE DIFFICULT TO ENTER INTO AGREEMENT ON THESE TWO. WE ARE DISCUSSING RING MAGNETS. I HAVE BRIEFED YOU ON THIS AFTER A SERIOUS INVESTIGATION. SO THIS ISSUE IS CLOSED. IT WOULD BE VERY DIFFICULT TO ENTER INTO AGREEMENT ON THESE TWO DOCUMENTS. AS I SAID, ANOTHER COUNTRY'S PEACEFUL USE OF NUCLEAR ENERGY SHOULD NOT BE PREJUDICED. AND ON RING MAGNETS I HAVE PROVIDED OUR ANSWER.

AS FOR IRAN, CHINA'S COOPERATION DOES NOT CONTRAVENE TREATIES OR AGREEMENTS. THESE TWO PAPERS GO BEYOND THE CONTEXT OF TODAY'S DISCUSSIONS, WHICH IS RING MAGNETS, SO IT IS DIFFICULT TO ENTER INTO THESE TWO AGREEMENTS. WE CAN BRING THEM BACK AND PROVIDE FURTHER STUDY.

WE HAVE TAKEN NOTE OF THE US SIDE'S CONCERN OVER RING MAGNETS AND WILL ADOPT A SERIOUS, RESPONSIBLE APPROACH IN FUTURE. THE US HAS PROPOSED THAT THE US AND CHINA CONSULT ON EXPORT CONTROL POLICY. WE HAVE AGREED THE TWO SIDES SHOULD AGREE TO CONSULT TO REMOVE UNCERTAINTIES IN THIS AREA. THE US SIDE CAN SEND EXPERTS TO CHINA TO GIVE BRIEFINGS ON THIS SUBJECT, THE TIMING TO BE DETERMINED THROUGH DIPLOMATIC CHANNELS. THE TWO SIDES CAN HAVE AN EXCHANGE OF VIEWS ON NUCLEAR EXPORT POLICY RATHER THAN AN EXCHANGE OF NOTES. WE CAN HAVE NUCLEAR EXPORT CONTROL TALKS.

LAKE: I HOPE YOU WILL LOOK CAREFULLY AT HOW I PHRASED OUR POINTS ON RING MAGNETS. WE ARE TRYING TO RESOLVE THIS.

LIU: I THINK THIS MATTER IS CLOSED, SINCE I HAVE PROVIDED AN ANSWER.

LAKE: I THINK WE WILL HAVE TO DISCUSS THIS FURTHER.
WE'RE OPERATING WITHIN THE CONTEXT OF US LAW.

LIU: WE DON'T HAVE MUCH KNOWLEDGE OF YOUR RULES. YOUR
DOMESTIC RULES HAVE JURISDICTION OVER EVERYTHING. I'VE
GIVEN A RESPONSIBLE ANSWER ON RING MAGNETS, SO THE MATTER
IS CLOSED. WE AGREE THAT OUR EXPERTS SHOULD HAVE A FULL
EXCHANGE OF VIEWS.

LAKE: THE RING MAGNET SALE TRIGGERED A PROVISION OF OUR
LAW. THE LAW OF COURSE DOES NOT COVER CHINESE BEHAVIOR,
BUT IT DOES COVER OUR OWN BEHAVIOR ON EXIM LOANS. AND
THAT'S IN BOTH OUR INTERESTS. WE SHOULD CONTINUE OUR
DISCUSSION THIS WEEK, AND THAT WILL FOCUS ON THE FUTURE.
WE SHOULD LET OUR EXPERTS DISCUSS THE PROVISIONS OF OUR
LAW.

LIU: I DON'T HAVE CHINESE EXPERTS WITH ME. SO THERE IS
NO CHANCE NOW TO DISCUSS LAW PROVISIONS. I HAVE GIVEN A
COMPLETE AND THOROUGH ANSWER, SO THIS MATTER SHOULD BE
CLOSED. MAYBE NUCLEAR EXPORT CONTROL EXPERTS CAN DISCUSS
THIS ISSUE, THAT IS ON THE BR()AD ISSUE OF NUCLEAR EXPORT
POLICY.

LAKE: BUT NOT ON RING MAGNETS?

LIU: I'VE MADE IT CLEAR THAT THE TOPIC SHOULD BE NUCLEAR
EXPORT CONTROLS.

LAKE: IF WE CAN'T DISCUSS RING MAGNETS, WE HAVE A BIG
PROBLEM. SO YOU SHOULD CONSIDER THIS AND WE CAN DISCUSS
IT FURTHER.

LIU: I'VE ALREADY SPOKEN WHAT THE CHINESE SIDE WANTS TO
SAY ON THIS.

LAKE: I FEAR WE HAVE TROUBLE ON THIS.

LIU: IS YOUR SIDE SEEKING TROUBLE ON THIS?

LAKE: WE ARE LOOKING FOR A SOLUTION.

LIU: YOUR DEMANDS GO TOO FAR.

LAKE: WE WANT TO MOVE FORWARD IN A CONSTRUCTIVE MANNER.

LIU: YOUR OWN INTERESTS ARE COVERED IN YOUR PROPOSAL, BUT
OURS ARE NOT.

LAKE: THE 1985 AGREEMENT'S IMPLEMENTATION IS IN BOTH OUR
INTERESTS.

LIU: THE 1985 AGREEMENT HAS NOT BEEN IMPLEMENTED BECAUSE
OF YOUR SIDE, NOT OURS.

LAKE: I FIND WHAT YOU HAVE SAID EXTREMELY DISAPPOINTING.
I HOPE YOU WILL LOOK AT WHAT WE HAVE SAID. YOU WOULD BE
MISSING AN OPPORTUNITY TO ENTER INTO A NEGOTIATION. BUT

THAT IS YOUR CHOICE.

LIU: IT WOULD IMPOSE TOO MUCH ON US.

LAKE: WE ARE NOT LOOKING TO IMPOSE, BUT TO NEGOTIATE.

LIU: I'LL LOOK INTO THESE TWO PAPERS.

LAKE: I UNDERSTAND. WE CAN TRY TO ACCOMMODATE YOUR CONCERNS.

LIU: WE SAW YOUR NON-PAPER EARLIER (NOTE: A REFERENCE TO THE CABLE SENT TO BEIJING THE PREVIOUS WEEK GIVING FURTHER DETAILS AND ASKING MORE QUESTIONS ON THE RING MAGNET TRANSACTION. END NOTE.) I HOPE YOU WILL STUDY CAREFULLY WHAT I SAID.

LAKE: WE CAN BE IN TOUCH OVER THE WEEKEND.

LIU: WITHOUT OUR EXPERTS IT WILL BE HARD TO DISCUSS THIS.

LAKE: WELL, THEN WE CAN DISCUSS WHAT WE SHOULD DISCUSS.

LAKE: I WOULD NOW LIKE TO DISCUSS TRADE ISSUES. IT IS IMPORTANT YOU UNDERSTAND WHERE WE WISH TO BE FLEXIBLE, AND WHERE WE HAVE REACHED OUR BOTTOM LINE. WE NEED MUTUAL UNDERSTANDING ON HOW TO MANAGE ISSUES THIS YEAR AND BEYOND. WE HAVE THREE ISSUES. THE FIRST IS MFN. THE DEBATE NORMALLY IS IN JUNE, BUT IT CLEARLY HAS ALREADY BEGUN, AND WE WANT TO SHAPE IT IN ORDER TO WIN IT. LAST YEAR THERE WAS A COMPROMISE BILL THAT NEVER REACHED A FINAL VOTE. THIS YEAR WE WILL FIGHT FOR RENEWAL. WE NOW HAVE THE VOTES TO SUSTAIN A PRESIDENTIAL VETO, BUT SUPPORT IS ERODING, AND EVENTS OF THE LAST TWO DAYS HAVE AIDED THAT EROSION. THE VOTE BECOMES A VOTE ON THE WHOLE RELATIONSHIP.

ON IPR THERE IS BAD NEWS. I WON'T GO THROUGH IT IN

DETAIL. THERE HAS BEEN SOME PROGRESS. RECENTLY YOU WENT AFTER SIX FACTORIES. BUT THERE ARE FOUR MAJOR AREAS WHERE WE HAVE HAD INSUFFICIENT PROGRESS TO AVOID SANCTIONS. WE MUST ENFORCE OUR TRADE LAWS. WE WANT FREE TRADE, BUT NEED FAIR TRADE AS WELL. WE NEED TO ENFORCE OUR LAWS AS WE HEAD INTO THE MFN DEBATE. IN A MONTH OR SO WE WILL COME TO THAT DECISION POINT. IF YOU WISH TO MEET WITH USTR ON MONDAY, THEY CAN TALK ABOUT THE FOUR AREAS WHERE WE NEED PROGRESS WITH YOU. YOU ENTERED INTO A GOOD AGREEMENT IN GOOD FAITH AND HAVE BEEN MAKING EFFORTS. YOU CAN DEMONSTRATE CHINESE CREDIBILITY IN THIS AREA. WE HAVE TO PROCEED, WORK THROUGH THIS ISSUE. WE DO NOT HAVE MUCH FLEXIBILITY. WE COULD SEND AMBASSADOR BARSHEFSKY TO CHINA IN LATE MARCH TO HELP RESOLVE THIS ISSUE. SO THE MESSAGE I HAVE FOR YOU IS THE GOOD NEWS OF AN ASSURANCE OF OUR POSITION ON MFN, BUT NOT MUCH FLEXIBILITY ON IPR.

ON WTO, MY NEWS IS BETTER. WE HAVE A STRATEGIC INTEREST IN CHINA'S ENTRY INTO WTO. WE GAVE YOU A ROAD MAP WITH

THE WAY FORWARD SPELLED OUT. CHINA NEEDS TO FINISH ITS REVIEW OF THE ROAD MAP. ONCE CHINA IS READY, WE CAN CONTINUE CONSULTATIONS. WE ARE READY TO PUT CHINA'S WTO ACCESSION ON A CONSULTATIVE FAST TRACK. IF WE CAN COMPLETE OUR BILATERAL PROCESS ON CHINA'S ACCESSION, WE WILL EXERCISE LEADERSHIP INTERNATIONALLY TO FORM THE NECESSARY CONSENSUS. WE ARE PREPARED TO BE FLEXIBLE. WE CAN MOVE QUICKLY, OR AT WHATEVER PACE YOU DESIRE. AND WE WILL SHOW LEADERSHIP.

LIU: MFN IS A MUTUALLY BENEFICIAL ARRANGEMENT. PRESIDENT CLINTON'S DECISION TO DELINK MFN AND HUMAN RIGHTS WAS AN ENLIGHTENED ONE. WE APPRECIATE YOUR DECISION TO FIGHT FOR MFN RENEWAL AND HOPE IT WILL NOT BE A PROBLEM, SINCE IT SERVES BOTH OUR INTERESTS. YOU KNOW OUR POSITION ON THIS ISSUE.

SINCE THE IPR AGREEMENT, CHINA HAS MADE GREAT PROGRESS. IT HAS INTENSIFIED THE CRACKDOWN ON PIRACY AND IMPROVED ENFORCEMENT. BETTER PROTECTION OF IPR IS IN CHINA'S INTEREST AND AIDS OUR OPENING UP. CHINA HAS MADE GREAT EFFORTS IN CRACKING DOWN ON PIRACY AND IMPROVING ENFORCEMENT, AND WILL CONTINUE THEM. IF THE US THINKS THERE IS TROUBLE IN THIS REGARD, CONTINUED CONSULTATIONS CAN BE HELD. ONE SHOULD NOT RESORT ARBITRARILY TO SANCTIONS; THIS IS NOT A GOOD WAY OUT. YOUR SANCTION ON US WILL COST 1 BILLION DOLLARS; OURS MAY COST MORE. THIS IS NOT IN THE INTEREST OF THE OTHER SIDE. THERE ARE PRESENTLY OVER 2 BILLION DOLLARS IN CONTRACTS WAITING TO

BE SIGNED BETWEEN OUR TWO SIDES. SANCTIONS AND COUNTER SANCTIONS WILL MAKE THIS IMPOSSIBLE.

ON WTO, YOU ASSURED US THAT TAIWAN WOULD NOT PRECEDE CHINA'S ACCESSION THIS YEAR. THIS IS NOT ENOUGH, SO I DID NOT COMPLIMENT YOU FOR THIS. IF THE US OBSTRUCTS CHINA'S ENTRY AND CHANGES ITS POLICY ON TAIWAN'S ACCESSION NEXT YEAR, THAT WOULD BE A CALCULATED MOVE ON YOUR PART.

LAKE: WE DO NOT WISH TO PROMISE WHAT WE CANNOT DELIVER.

LIU: IF YOU CAN ASSURE CHINA WILL JOIN WTO AHEAD OF TAIWAN THIS YEAR, FOR THAT I WOULD EXPRESS APPRECIATION. CHINA HAS MADE TREMENDOUS EFFORTS ON WTO. OUR AVERAGE TARIFF LEVEL HAS DROPPED FROM 36 PERCENT TO 23 PERCENT AND WILL CONTINUE TO DROP TO 15 PERCENT. THIS IS CONSISTENT WITH THE STANDARD FOR DEVELOPING COUNTRIES. WE SHOULD BEAR IN MIND THE BASIS ESTABLISHED BY THE URUGUAY ROUND AGREEMENT AND CONSIDER CHINA AS A DEVELOPING COUNTRY. YOU SHOULD NOT RAISE TOO HIGH DEMANDS. AT THE ASIA-EUROPE SUMMIT IN BANGKOK IT WAS AGREED THAT ALL PARTIES SHOULD BE WTO MEMBERS. SIR LEON BRITTAN SAID AT THAT MEETING THAT THE MAIN OBSTACLE TO CHINESE ACCESSION COMES FROM THE OTHER SIDE OF THE PACIFIC.

LORD: IT IS NOT JUST THE US THAT HAS PROBLEMS WITH THE PRC'S OFFER. THERE IS UNANIMOUS AGREEMENT, INCLUDING THE EUROPEANS, JAPANESE, AND OTHERS, THAT CHINA'S OFFER IS

INSUFFICIENT. YOU SHOULD NOT BE CONFUSED BY GAME PLAYING BY THE EUROPEANS.

LIU: WE ARE NOT IMPATIENT. IF WE CAN BECOME MEMBERS OF WTO, CHINA WILL CONTINUE DEVELOPING. IF WE CANNOT, CHINA WILL STILL CONTINUE DEVELOPING. WITH CHINA AS A MEMBER, HOWEVER, THE WTO WILL BE A COMPLETE WORLD TRADING ORGANIZATION. I APPRECIATE WHAT MR. LAKE HAS SAID ABOUT CHINA'S ENTRY BEING IN THE STRATEGIC INTEREST OF THE US. I WILL CHECK MY SCHEDULE TO SEE IF A MEETING WITH USTR IS POSSIBLE ON MONDAY.

LAKE: I WOULD LIKE NOW TO DISCUSS HUMAN RIGHTS. WE EACH KNOW WHAT WE HAVE SAID ON THIS SUBJECT. WHEN WE MET AT THE NIXON LIBRARY, WHEN WE DELINKED MFN AND HUMAN RIGHTS, WE HOPED THERE WOULD BE PROGRESS ON SOME OF OUR HUMAN RIGHTS CONCERNS, SPECIFICALLY ON ICRC TALKS, ON PRISONER RELEASES, ON TALKS WITH THE DALAI LAMA, ON PRISON LABOR, AND ON VOA JAMMING. THERE WAS SOME PROGRESS AT THE

OUTSET, BUT NOTHING SINCE. WE ARE CONCERNED BY THE ARREST AND IMPRISONMENT OF WEL JINGSHENG. THIS AFFECTS THE MFN DEBATE. THE ISSUE FACING US NOW IS THE UN HUMAN RIGHTS COMMISSION RESOLUTION. LET ME TELL YOU WHAT WE ARE DOING WITH REGARD TO THE UNHRC. IN OCTOBER PRESIDENT CLINTON OFFERED TO FIND WAYS TO AVOID CONFRONTATION. WE SOUGHT PRELIMINARY CONSULTATIONS TO AVOID CONFRONTATION. WE HAVE NOT HAD A RESPONSE. SO WE ARE PROCEEDING WITH A RESOLUTION. WE HAVE BEGUN CONSULTATIONS WITH EU MEMBERS ON A RESOLUTION. THE RESOLUTION SUBSTANTIVELY WOULD BE SIMILAR IN TONE TO LAST YEAR'S. IN OUR ENTIRE APPROACH WE WILL ACT COMMENSURATE WITH LAST YEAR. WE WILL AVOID GRATUITOUS ATTACKS ON CHINA. ONCE THE VOTE IS CONCLUDED, THE EFFORT WILL CEASE. WE WILL NOT CROW IF WE WIN NOR COMPLAIN IF WE LOSE. WE WILL NOT CONSIDER RELINKAGE OF HUMAN RIGHTS ISSUES. WE HOPE AT THE SAME TIME CHINA WILL LOOK TO MAKE THE HUMAN RIGHTS DIALOGUE MORE MEANINGFUL, AND WE WILL TRY TO DO THE SAME.

LIU: PRESIDENT JIANG ZEMIN WAS CLEAR ON THIS. WE DO NOT WANT CONFRONTATION. WE HOPE A DIALOGUE CONDUCTED ON THE BASIS OF MUTUAL RESPECT AND EQUALITY CAN BE RESTORED. THE PRECONDITION FOR THIS IS THAT THE US SHOULD REFRAIN FROM TABLING A RESOLUTION IN GENEVA. YOU ARE DETERMINED TO TABLE A RESOLUTION, SO YOU WANT CONFRONTATION, REGARDLESS OF THE RESOLUTION'S CONTENT. MY HOPE IS THE US SIDE WILL WITHDRAW THE RESOLUTION SO THAT WE CAN RESUME A DIALOGUE. IF YOU TABLE, CHINA WILL STAND UP TO IT. WE HAVE ALREADY HAD CONFRONTATIONS FOR FIVE YEARS, THIS WILL BE THE SIXTH. SUCH CONFRONTATIONS WILL NOT LEAD TO SOLUTIONS, BUT RATHER TO HURT FEELINGS ON BOTH SIDES. DIALOGUE IS THE ONLY WAY. THROUGH DIALOGUE, FOR EXAMPLE, WE SOLVED THE PROBLEM OF FANG LIZHI WORKING WITH AMBASSADOR LILLEY. THROUGH DIALOGUE WE RESOLVED THE PROBLEM OF WANG JUNTAO, AND THROUGH DISCUSSION WITH MIKE ARMACOST WE WORKED OUT A SOLUTION ON CHEN ZIMING. IF YOU INSIST ON CONFRONTATION WE HAVE NO OTHER CHOICE. MR. SHATTUCK IS BELLIGERENT ON HUMAN RIGHTS.

LAKE: WE HAVE NO DIALOGUE TO WHICH WE CAN RETURN AT THE MOMENT, NOR DO WE HAVE PROGRESS WE CAN POINT TO.

LIU: JIANG ZEMIN ANSWERED VICE PRESIDENT GORE IN OSAKA THAT YOU SHOULD NOT TABLE A RESOLUTION IN ORDER TO OPEN THE DOOR FOR DIALOGUE. YOU DID NOT RESPOND TO THAT, BUT SOUGHT CONFRONTATION.

LAKE: WE DO NOT SEEK CONFRONTATION. WE WILL ACT

COMMENSURATE WITH LAST YEAR. THEN WE WILL SEE HOW WE MANAGE THIS ISSUE FOR THE REST OF THE YEAR. THIS IS IN THE CATEGORY OF ISSUES WHERE WE HAVE A DIFFERENCE BUT WE MUST MANAGE IN A WAY THAT DOES NOT BLOW UP THE REST OF THE RELATIONSHIP. I AM JUST INFORMING YOU ON HOW WE WILL PROCEED. MANAGING THIS ISSUE IS BETTER THAN LOSING THE MFN VOTE.

LIU: OUR TWO SIDES HAVE DIFFERENT PERCEPTIONS ON HUMAN RIGHTS. WE COULD GRADUALLY NARROW OUR DIFFERENCES THROUGH DIALOGUE, NOT THROUGH CONFRONTATION. YOUR APPROACH TO SEEK CONFRONTATION IS NOT HELPFUL. YOU ARE INTERFERING IN OUR INTERNAL AFFAIRS, USING THE INSTRUMENT OF THE UNHRC.

LAKE: I FEEL STRONGLY ABOUT THIS. WE ARE NOT SEEKING TO UNDERMINE THE CHINESE GOVERNMENT, OR THE UNITY OF CHINA.

LIU: YOU ARE NOT STRONG ENOUGH TO DO SO.

LORD: I AM PUZZLED BY ONE THING. YOU DID NOT COMPLAIN ABOUT GENEVA NEARLY SO MUCH WHEN MFN AND HUMAN RIGHTS WERE LINKED. WHY DO YOU COMPLAIN SO LOUDLY ABOUT IT NOW?

LIU: THE CHINESE POSITION IS CONSISTENT. WE HAVE ALWAYS OPPOSED YOUR INTERFERENCE IN CHINESE INTERNAL AFFAIRS, BY THE USE OF THE UNHRC AND BY CONFRONTATION. WE HAVE ALSO STOOD FOR DIALOGUE, BUT YOUR SIDE HAS CHOSEN CONFRONTATION, WHICH HAS HINDERED OUR DIALOGUE. SO LET US CONFRONT EACH OTHER ONE MORE TIME.

LAKE: I DID NOT EXPECT YOUR AGREEMENT ON THIS, OR YOUR FAILURE TO OPPOSE US IN GENEVA. MY PURPOSE WAS TO PROVIDE AN EXPLANATION OF HOW WE INTEND TO GO ABOUT THIS.

FINALLY, LET ME SUMMARIZE. OUR TALKS HAVE BEEN USEFUL. THEY HAVE GONE WELL. I WISH THEY HAD GONE BETTER. I WOULD URGE, IN THE SPIRIT OF FRIENDSHIP, THAT YOU THINK ABOUT THE WHOLE. WE HAVE DISCUSSED OUR BROAD COMMON INTERESTS. THE STAKES ARE EXTREMELY HIGH, BOTH IN OUR RELATIONSHIP AND IN THE COMING WEEKS. WE HAVE A HARD YEAR AHEAD AND FOUR DIFFICULT AREAS. IT WILL BE HARD TO MANAGE THE RELATIONSHIP IN THE COMING YEAR. BUT WE MUST DO IT. YOU SHOULD LOOK AT THE BALANCE OF ASSURANCES AND PROPOSALS I HAVE MADE HERE IN THEIR WHOLE AND AT THE MANY ASPECTS OF OUR RELATIONSHIP. IN SUM, WE HAVE TRIED TO GO FAR ON ASSURANCES ON TAIWAN BECAUSE WE KNOW HOW IMPORTANT IT IS. WE HAVE OFFERED A PROPOSAL ON NONPROLIFERATION WITH A

PROMISE FOR THE FUTURE IF WE CAN GET THROUGH THE CURRENT

DIFFICULTIES ON SECTION 825. I HAVE OFFERED ASSURANCE ON MFN AND THE DESIRE TO WORK TOGETHER ON WTO. ON IPR I HAVE MADE SURE YOU UNDERSTAND WHERE WE ARE SO THAT WE CAN WORK THROUGH THIS ISSUE. ON HUMAN RIGHTS, WHERE WE HAVE DIFFERENCES, I HAVE ASSURED YOU WE WILL TRY TO MANAGE THIS IN A WAY NO MORE DIFFICULT FROM YOUR VIEWPOINT THAN LAST YEAR. I HAVE NOT OFFERED LL THAT YOU WANT, AND YOU HAVE NOT OFFERED ALL THAT WE WANT. BUT OUR DISCUSSION HAS BEEN VERY IMPORTANT. IMMENSE OPPORTUNITIES ARE AHEAD OF US AND ALSO THE POSSIBILITY OF A SERIOUS CRASH IF WE DO NOT WORK THIS THROUGH.

IF WE MANAGE THIS YEAR, PERHAPS WE CAN HAVE A STATE VISIT HERE NEXT YEAR BY PRESIDENT JIANG ZEMIN TO CELEBRATE SUCCESS, AND A RETURN VISIT TO BEIJING IN 1998 IF YOU WISH.

LIU: IN TODAY'S DISCUSSION WE HAVE INCREASED MUTUAL UNDERSTANDING, WHICH IS USEFUL. I WELCOME YOU TO VISIT BEIJING AT YOUR CONVENIENCE TO CONTINUE OUR DISCUSSION. THINK IT WAS KIND OF YOU TO MENTION THAT MAYBE THERE WILL BE A STATE VISIT BY PRESIDENT JIANG ZEMIN TO WASHINGTON AND PERHAPS A RETURN VISIT TO CHINA IN 1998. I WILL REPORT TO PRESIDENT JIANG ZEMIN YOUR KIND PROPOSAL.

SINCE DIPLOMATIC RELATIONS, ONLY PRESIDENT CLINTON AMONG YOUR PRESIDENTS HAS NOT VISITED CHINA. I HOPE IF PRESIDENT CLINTON IS REELECTED HE WILL PAY A STATE VISIT TO CHINA IN 1998. WE ARE SORRY THAT UP TO NOW NO INCUMBENT DEMOCRATIC PRESIDENT HAS VISITED CHINA. JIMMY CARTER VISITED, BUT ONLY AFTER HIS TERM WAS OVER.

I WANT TO THANK YOU FOR HOSTING US AT THIS LOVELY PLACE.

LAKE: I HOPE STATE VISITS WILL TAKE PLACE. IT WOULD BE A SIGN THAT WE HAVE SUCCESSFULLY MANAGED THIS YEAR. YOU ARE IN A POSITION TO HELP MANAGE THIS RELATIONSHIP THROUGH DIFFICULT TIMES. I HOPE YOU WILL PROVIDE US SOME GENERAL INDICATION THAT YOU CONSIDER WHAT WE HAVE PROPOSED TO BE AN APPROPRIATE WAY TO PROCEED.

LIU: WE HAVE COOPERATION AND WE HAVE TROUBLES. WE HOPE FOR COOPERATION.

TALBOTT
BT
#4663

NNNN

SECT: SECTION: 01 OF 01

SSN: 4663

TOR: 960320190225 M2140806

DIST:
SIT: KRISTOFF SUETTINGER WHSR_SPECIAL
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PREC: IMMEDIATE
 CLASS: ~~CONFIDENTIAL~~
 LINE1: OAACZYUW RUEHINA1314 0790917-CCCC--RHEHAAX.
 LINE2: ZNY CCCCC ZZH
 LINE3: O 190917Z MAR 96
 LINE4: FM AIT TAIPEI
 OSRI: RUEHIN
 DTG: 190917Z MAR 96
 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 4940
 INFO: RHHMSCC/JICPAC HONOLULU HI
 RHHMUNA/CINCPAC HONOLULU HI
 RUEKJCS/DIA WASHDC
 RUEHGP/AMEMBASSY SINGAPORE 5536
 RUEHKO/AMEMBASSY TOKYO 3958
 RUEHUL/AMEMBASSY SEOUL 7567
 RUEHBJ/AMEMBASSY BEIJING 6169
 SUBJ: CROSS-STRAIT RELATIONS: MORE SIGNALS FROM
 - (BEIJING AND A TAIWAN GAME PLAN

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M(1.38)
 KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ TAIPEI 001314

EXDIS

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

MILITARY ADDRESSEES - PLEASE TREAT AS SPECAT EXCLUSIVE

E.O. 12958: DECL:3/19/06

TAGS: PGOV, PREL, TW, CH, US

SUBJECT: CROSS-STRAIT RELATIONS: MORE SIGNALS FROM
 - (BEIJING AND A TAIWAN GAME PLAN

1. CLASSIFIED BY B.LYNN PASCOE, DIRECTOR,
 AIT/T. REASON: 1.5 (B) AND
 (D).

2. ~~(C)~~ SUMMARY: A CLOSE ADVISOR TO PRESIDENT
 LEE TENG-HUI MAINTAINS
 THAT LEE WILL CONVOKE A NATIONAL CONFERENCE SHORTLY AFTER THE
 PRESIDENTIAL ELECTION, NOT ONLY TO HAMMER OUT AGREEMENT ON
 CROSS-STRAIT RELATIONS BUT ALSO TO EXPLORE
 INTER-PARTY COOPERATION
 WITHIN TAIWAN'S LEGISLATIVE YUAN (LY).
 INTERESTINGLY, AT LEAST SOME
 IN BEIJING -- EVEN IN THE MIDST OF THE MISSILE
 EXERCISES -- WERE ASKING
 THE KMT TO PROVIDE FUNDING FOR THE PRC'S ECONOMIC DEVELOPMENT.
 ALTHOUGH TAIWAN APPEARS TO BE MOVING AHEAD WITH PLANS FOR CROSS-
 STRAIT INITIATIVES AFTER THE ELECTION, IT MAY SEE

CLINTON LIBRARY PHOTOCOPY

THE CONFERENCE AS A MEANS NOT ONLY TO FORGE A DOMESTIC CONSENSUS HERE BUT ALSO TO PROVIDE A "COOLING-OFF" PERIOD FOR BOTH SIDES AFTER THE MILITARY EXERCISES. END SUMMARY.

3. (C) IN A CONVERSATION WITH THE DEPUTY DIRECTOR ON MARCH 18, LEE TENG-HUI CONFIDANTE, AND THE CHAIRMAN OF KMT INDUSTRIES, LIU TAI-YING AMPLIFIED ON THE PROPOSALS FOR A NATIONAL CONFERENCE THAT HAVE BEEN FLOATED IN THE LOCAL PRESS -- AND, MORE VAGUELY, BY PRESIDENT LEE TENG-HUI IN RECENT SPEECHES. LIU, RECALLING HE HAD PREVIOUSLY PREDICTED PRESIDENT LEE WOULD SECURE FIFTY-THREE PERCENT OF THE VOTE IN SATURDAY'S ELECTION, NOW SAID HE WAS EXPECTING FIFTY-SIX PERCENT AS THE MAINLAND'S EXERCISES CONTINUED TO BOOST LEE'S STOCK. LIU ACKNOWLEDGED THAT THE CONFERENCE WOULD PARTLY BE INTENDED TO ADDRESS NEXT STEPS WITH RESPECT TO THE CROSS-STRAIT RELATIONSHIP. LIU STRESSED THAT PRESIDENT LEE DID NOT WANT THE CONFERENCE TO TRY TO REDRAFT THE NATIONAL REUNIFICATION GUIDELINES BUT RATHER TO CHOP OFF ON A SERIES OF CONCRETE MEASURES AIMED AT IMPROVING CROSS-STRAIT TIES. THE PROCESS WAS DESIGNED TO GIVE THE TAIWAN AUTHORITIES DOMESTIC POLITICAL COVER FOR SUCH STEPS.

ALSO AIMING AT THE DOMESTIC SITUATION

4. (C) LIU WOULD NOT GO INTO ANY DETAIL REGARDING WHAT PROPOSALS PRESIDENT LEE WOULD WANT SUCH A NATIONAL CONFERENCE TO ENDORSE. ACCORDING TO LIU, PRESIDENT LEE WOULD PROBABLY BE FLEXIBLE HEADING INTO THE EXERCISE; THE IMPORTANT THING WAS TO ACHIEVE A DEGREE OF NATIONAL CONSENSUS. LIU QUICKLY AMPLIFIED, HOWEVER, THAT PRESIDENT LEE DID NOT REALLY EXPECT TO COME UP WITH A PACKAGE ON CROSS-STRAIT RELATIONS THAT COULD BE ENDORSED BY ALL SECTORS OF SOCIETY HERE. RATHER, HE WOULD CONSIDER THE OBVIOUS BACKING OF "MOST OF SOCIETY" SUFFICIENT TO JUSTIFY STARTING NEW INITIATIVES WITH THE PRC.

5. (C) LIU STATED THAT PRESIDENT LEE PLANNED TO INVITE TO THE NATIONAL CONFERENCE REPRESENTATIVES FROM ALL WALKS OF LIFE AND FROM THE THREE MAJOR POLITICAL PARTIES. THE KMT INDUSTRIES CHAIRMAN ACKNOWLEDGED, HOWEVER, THAT HE WOULD NOT BE SURPRISED IF REPRESENTATIVES OF THE PRO-REUNIFICATION NEW PARTY DECLINED TO PARTICIPATE. "AFTER ALL, IT WILL BE EASIER TO REACH AGREEMENT IF THE NEW PARTY IS NOT THERE," HE SAID. EXPANDING ON THIS THEME, LIU SAID THAT PRESIDENT LEE SAW THE PROPOSED CONFERENCE NOT ONLY AS A MEANS TO MOVE FORWARD ON CROSS-STRAIT RELATIONS BUT ALSO AS A VEHICLE FOR FORGING A NEW CONSENSUS ON DOMESTIC ISSUES WITH THE OPPOSITION DPP. THIS HAD BECOME IMPORTANT TO ENSURING EFFECTIVE GOVERNMENT HERE NOW THAT THE KMT HELD ONLY A PAPER-THIN MAJORITY IN THE LY. IF NECESSARY, PRESIDENT LEE WOULD BE WILLING TO OFFER THE DPP SEATS IN THE CABINET -- PERHAPS AT THE MINISTER WITHOUT PORTFOLIO LEVEL -- TO ENSURE THAT THE SUCCESS OF THIS

ENTENTE WITH THE DPP.

MONEY AND MISSILES

6. (X) RETURNING TO CROSS-STRAIT RELATIONS,
LIU CITED ANOTHER
EXAMPLE OF THE CONFUSING SIGNALS TAIPEI
IS GETTING FROM BEIJING. ON
MARCH 8, AN INTERMEDIARY OF AN INDIVIDUAL AT
"THE HIGHEST LEVELS"
OF THE PRC TOLD LIU THAT BEIJING BADLY WANTED TAIWAN'S ECONOMIC
ASSISTANCE FOR THE UPCOMING FIVE-YEAR PLAN.
THIS INTERMEDIARY TOLD
LIU THAT HIS PRINCIPLE WAS PARTICULARLY INTERESTED IN HAVING TAIWAN
PROVIDE ASSISTANCE FOR THE PRC'S NORTHWEST PROVINCES. THE
INTERMEDIARY LEFT A BEIJING PHONE NUMBER FOR LIU TO USE TO CONFIRM
HIS PRINCIPLE'S INTEREST. HOWEVER,
WHEN LIU APPROACHED PRESIDENT
LEE ON THE ISSUE, LEE ORDERED HIM NOT TO GO AHEAD WITH ANY FURTHER
CONTACTS ON THE MATTER. (MARCH 8, OF COURSE,
ALSO HAPPENED TO BE
THE DAY THAT THE PRC BEGAN ITS MOST RECENT ROUND OF MISSILE
EXERCISES.)

COMMENT

7. (X) AFTER HIS EXPECTED REELECTION ON MARCH 23,
PRESIDENT LEE WILL
HAVE TO ACHIEVE HIS DOMESTIC AND FOREIGN POLICY GOALS WITHIN A
DEMOCRATIC SOCIETY WITH A VERY ACTIVE MEDIA.
IN THIS CONTEXT, EVEN
THOUGH LEE APPEARS LIKELY TO SECURE A SOLID MAJORITY IN THE
ELECTION, A NATIONAL CONFERENCE MAKES GOOD DOMESTIC POLITICAL
SENSE. IN ADDITION, THERE REMAINS A DEEP-ROOTED
FEAR HERE THAT THE
WEAK LEADERSHIP IN BEIJING MAY SIMPLY NOT HAVE THE WHEREWITHAL TO
RESPOND IN THE NEAR TERM TO ANY INITIATIVES PUT FORWARD BY TAIWAN -
- EVEN IF THOSE PROPOSALS ARE FULLY ENDORSED BY THE PEOPLE HERE.
HENCE, THE CONFERENCE CONCEPT MAY ALSO BE DESIGNED TO
DEMONSTRATE TAIWAN IS SERIOUSLY ADDRESSING THE ISSUES OF CONCERN
TO BEIJING, WHILE AT THE SAME TIME GIVING
BOTH SIDES A "COOLING-OFF"
PERIOD AFTER THE MILITARY EXERCISES. THIS WOULD PERMIT TAIWAN TO
AVOID APPEARING TO ACT SOLELY IN RESPONSE TO BEIJING'S
INTIMIDATION.
IT WOULD ALSO APPEAR TO SET THE STAGE FOR LEE TO MAKE FORMAL
PROPOSALS IN AN INAUGURAL ADDRESS IN MAY.
PASCOE
BT
#1314

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SECT: SECTION: 01 OF 01

SSN: 1314

TOR: 960319070845 M2137302

DIST:

SIT: KRISTOFF NSC SUETTINGER

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PREC: ROUTINE
 CLASS: CONFIDENTIAL
 LINE1: RAACZYUW RUEHBJA5295 0790848-CCCC--RHEHNSC.
 LINE2: ZNY CCCCC
 LINE3: R 190848Z MAR 96
 LINE4: [REDACTED] (b)(3)
 OSRI: RUEHBJ
 DTG: 190848Z MAR 96

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.39]
 KBH 6/12/2019

ORIG: [REDACTED]
 TO: [REDACTED] (b)(3)
 INFO: [REDACTED]

RUEKJCS/JCS WASHDC
 RUERZCA/CDR500THMIBDE CP ZAMA JA
 [REDACTED] (b)(3)
 RHEHNSC/NSC WASHDC
 RHHMCMY/JICPAC HONOLULU HI
 RUEHC/SECSTATE WASHDC//EAP-CM/INR//
 RHHMUNA/USCINCPAC HONOLULU HI//J5/J233//
 RUEKJCS/SECDEF WASHDC//USDP:ISA//

[REDACTED] (b)(3)
 SUBJ: [REDACTED] (b)(3) CHINA'S POLICIES TOWARD THE U.S.
 AND TAIWAN -- DOMESTIC POLITICS; POST-ELECTION
 OUTCOME; AND DEFENSE MINISTER'S VISIT (U)

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 03 BEIJING CH
~~CONFIDENTIAL~~

[REDACTED] (b)(3)

SUBJECT: [REDACTED] (b)(3) CHINA'S POLICIES TOWARD THE U.S.
 AND TAIWAN -- DOMESTIC POLITICS; POST-ELECTION
 OUTCOME; AND DEFENSE MINISTER'S VISIT (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT
 FINALLY EVALUATED INTELLIGENCE.
 REPORT CLASSIFIED -- ~~CONFIDENTIAL~~.

 DEPARTMENT OF DEFENSE

DOI: (U) 960314.
 REQS: (U) U-UPA-2200-01-90.

[REDACTED] EO 13526 1.4c, EO 13526 3.3(b)(1)

EO 13526 1.4c, EO 13526 3.3(b)(1)

SUMMARY: (U) A MORE CONSERVATIVE DOMESTIC POLITICAL CLIMATE IS DRIVING ASSERTIVE AND NATIONALISTIC CHINESE POLICIES TOWARD TAIWAN AND THE U.S. TENSIONS OVER TAIWAN MAY CALM DOWN AFTER THE ELECTION. THE HEAD OF THE 2ND DEPARTMENT'S SECTION ON THE U.S. IS TO GO WITH CHI HAOTIAN TO THE U.S.

TEXT: 1. (G) (b)(3) TO DISCUSS THE CURRENT TAIWAN SITUATION, ITS IMPACT ON U.S.-CHINA RELATIONS, AND POSSIBLE FUTURE OUTCOMES AFTER THE TAIWAN ELECTION SCHEDULED FOR MARCH 23, 1996. (b)(3) A RESURGENCE OF CONSERVATIVE POLITICAL FORCES, WHICH ARE PARTLY DRIVING THE MORE ASSERTIVE AND NATIONALISTIC CHINESE POLICIES TOWARD TAIWAN AND THE U.S. NEVERTHELESS, SOURCE EXPECTS THE TAIWAN SITUATION TO IMPROVE AFTER THE ELECTION.

2. (G) CONSERVATIVE POLITICAL FORCES. (b)(3) (b)(3) THERE IS STRONGER ECONOMIC NATIONALISM IN CHINA. THERE ARE MANY COMPLAINTS THAT BLAME WESTERN INVESTMENT IN CHINA FOR THE WOES OF CHINESE ENTERPRISES, ESPECIALLY STATE OWNED ENTERPRISES THAT ARE FAILING. PEOPLE ARE COMPLAINING THAT THE CHINESE GOVERNMENT HAS NOT DONE ENOUGH TO PROTECT THE CHINESE ECONOMY FROM FOREIGN INVESTMENT THAT SEEKS TO "EXPLOIT" CHINA. THERE ARE TOO MANY FOREIGN BUSINESSES AND RESTAURANTS IN CHINA. (b)(3) (b)(3) HAPPENED TO BE MEETING IN A NEW RESTAURANT THAT IS PART OF AN AMERICAN CHAIN.) ALONG WITH THESE COMPLAINTS ARE DEMANDS THAT THE CHINESE GOVERNMENT "STAND UP TO" U.S. DEMANDS AND TO "DIVERSIFY" AWAY FROM DEPENDENCE ON THE U.S.

3. (G) (b)(3) TRENDS ARE RELATED TO THE POLITICAL FORCES LED BY CONSERVATIVE IDEOLOGUE ((DENG)) LIQUN WHO ARTICULATED CONSERVATIVE VIEWS IN A RECENT ARTICLE. (b)(3) THAT IS TRUE AND THAT THE ARTICLE WAS WRITTEN IN NOVEMBER 1995. (b)(3) DENG LIQUN WROTE AND CIRCULATED AN ARTICLE ENTITLED, "SEVERAL FACTORS AFFECTING OUR COUNTRY'S NATIONAL SECURITY." (b)(3)

(b)(3) HE HAS READ IT BUT DISAGREES WITH THE ARTICLE'S PREMISE THAT CHINA'S PROBLEMS, LIKE CORRUPTION, ARE CAUSED BY REFORM POLICIES. (b)(3) THE ARTICLE HAS BEEN CIRCULATED "INFORMALLY," AND THE EFFECTS OF THIS CONSERVATIVE FORCE ARE BEING FELT. HIS SUPERIORS REFER INDIRECTLY TO THOSE VIEWS, FOR EXAMPLE, BY REQUESTING MORE WRITINGS ON "CLASS STRUGGLE," EVEN FOR REPORTS ON THE U.S.

4. (G) AS A RESULT, (b)(3) MUST NOW SPEND A GREAT DEAL OF TIME BATTLING SUCH CONSERVATIVE FORCES, AND THAT THE PRESENT TIME IS NOT A GOOD CLIMATE FOR "LIBERAL" VIEWS. THE CONSERVATIVE FORCES ARE CRITICAL OF FOREIGN FUNDING FOR CHINESE UNIVERSITIES THAT HAVE FORMER FOREIGN CONNECTIONS, SUCH AS THE ST. JOHN'S UNIVERSITY IN SHANGHAI. THE CONSERVATIVES WANT CHINESE STUDENTS RETURNING TO CHINA TO BE WATCHED VERY CAREFULLY. CHINESE SECURITY FORCES ARE BEING GIVEN MORE FUNDS TO SUPPORT THEIR ACTIVITIES. SECURITY PAS

BEEN TIGHTENED IN CHINA, (b)(3) DAILY LIFE, A NEW PARTY SECRETARY, WHO WAS THE MOST UNPOPULAR ONE IN HIS FORMER ORGANIZATION, WAS TRANSFERRED TO (b)(3) ORGANIZATION TO WATCH ITS MEMBERS.

5. (C) (b)(3) CONSERVATIVES IN CHINA POINT TO FOREIGN DEVELOPMENTS TO BOLSTER THEIR POSITIONS. THEY SAY ~~C O N F I D E N T I A L~~ SECTION 02 OF 03 BEIJING CH

~~C O N F I D E N T I A L~~

SERIAL:

(b)(3)

COUNTRY:

SUBJECT: (b)(3) CHINA'S POLICIES TOWARD THE U.S. AND TAIWAN -- DOMESTIC POLITICS; POST-ELECTION OUTCOME; AND DEFENSE MINISTER'S VISIT (U)

THAT CONSERVATIVES ARE IN ASCENDENCE IN THE U.S. AND IN EUROPE, AND ASK WHAT IS WRONG WITH HAVING CONSERVATIVES IN CHINA. MOREOVER, THEY ARGUE THAT IF CONSERVATIVES DOMINATE IN THE U.S., AND LIBERALS DOMINATE IN CHINA, THEN CHINA WILL B AT A DISADVANTAGE ON TRADE AND OTHER ISSUES.

6. (C) MORE ASSERTIVE FOREIGN POLICIES. (b)(3) (b)(3) THESE CONSERVATIVE TRENDS ARE AFFECTING CHINA'S POLICIES TOWARD TAIWAN AND THE U.S., (b)(3) THAT THERE ARE PRESSURES TO BE TOUGH ON WHAT ARE PERCEIVED AS SOVEREIGNTY ISSUES. FOR EXAMPLE, (b)(3) THAT MORNING THAT ((YANG)) BAIBING HAD WARNED ((JIANG)) ZEMIN THAT IF HE DOES NOT ACT ON TAIWAN, THEN YANG BAIBING WOULD COMMAND SOME UNITS AND ACT HIMSELF. (b)(3) YANG BAIBING IS A RETIRED GENERAL AND THE YOUNGER BROTHER OF FORMER PRESIDENT ((YANG)) SHANGKUN. YANG BAIBING WAS A MEMBER AND THE SECRETARY-GENERAL OF THE CENTRAL MILITARY COMMISSION (CMC.) WHEN (b)(3) NOTED THAT YANG BAIBING WAS REMOVED FROM THE CMC IN 1992 AND HAS NO MILITARY PORTFOLIO, (b)(3) "BUT HE IS STILL A MEMBER OF THE POLITBURO."

7. (C) (b)(3) CONSERVATIVES ARE CIRCULATING A CLAIM THAT THEY HAVE "EVIDENCE" IN THE FORM OF SOME CLASSIFIED U.S. DOCUMENTS THAT THE U.S. HAS A SPECIFIC "SINISTER" PLAN IN PLACE TO OVERTHROW THE CHINESE GOVERNMENT. HOWEVER, (b)(3) THAT DISCUSSION OF U.S. "PEACEFUL EVOLUTION" PLANS AGAINST CHINA ARE NOT NEW AND HAVE BEEN PART OF THE DISCUSSION SINCE 1949. (b)(3) THESE CONSERVATIVES SAY THAT CHINA MUST "DO SOMETHING" AGAINST THE U.S. WHEN ASKED WHAT THEY THINK CHINA CAN DO TO THE U.S., (b)(3) "FOR EXAMPLE, ON THE TAIWAN ISSUE."-

8. (C) AFTER THE TAIWAN ELECTION. (b)(3) (b)(3) EXPECTATIONS FOR THE TAIWAN SITUATION AFTER THE ELECTION. (b)(3) OPTIMISM THAT THE SITUATION WILL CALM DOWN. HE SAID THAT THE SITUATION CANNOT BE DESCRIBED AS A "CRISIS." WHEN (b)(3) ASKED WHY HE THINKS THE SITUATION WILL IMPROVE AFTER THE ELECTION, (b)(3) THAT IS BECAUSE THE MILITARY EXERCISES WILL END. ALSO, CHINESE LEADERS WILL BE

"CAUTIOUS." THE MILITARY EXERCISES ARE INTENDED TO AFFECT VOTING FOR THE REELECTION OF PRESIDENT ((LEE)) TENG-HUI.

9. (C) (b)(3) THE EXERCISES HAVE HAD THE OPPOSITE EFFECT, THAT LEE TENG-HUI'S SUPPORT HAS ACTUALLY GONE UP. (b)(3) IT DOES NOT MATTER, BECAUSE IF LEE TENG-HUI WINS WITH 49 PERCENT, ADVOCATES OF THE MILITARY EXERCISES WILL SAY, "IT WOULD HAVE BEEN 51 PERCENT IF WE DID NOTHING;" AND IF LEE WINS WITH 51 PERCENT, PEOPLE WOULD SAY, "IT WOULD HAVE BEEN 53 PERCENT." CHINA'S LEADERS HAVE TO SHOW THAT THEY HAVE DONE SOMETHING, (b)(3)

10. (C) MOREOVER, (b)(3) CHINA'S LEADERS STILL FEEL THEY HAVE TO SAY THAT THEY HAVE "IMPROVED RELATIONS WITH THE U.S." (b)(3) DOES NOT KNOW WHAT EVIDENCE THE LEADERS CAN POINT TO FOR THAT CLAIM. HOWEVER, (b)(3) THEIR CRITERIA FOR "IMPROVEMENT" IN RELATIONS ARE HIGH-LEVEL VISITS AND EXPANDED TRADE RELATIONS.

11. (C) DEFENSE MINISTER'S VISIT. CHINESE LEADERS STILL HAVE A DESIRE TO IMPROVE RELATIONS WITH THE U.S., INCLUDING SENDING DEFENSE MINISTER ((CHI)) HAOTIAN ON THE UPCOMING VISIT TO THE U.S. (b)(3) ((CHEN)) XIAOGONG WILL BE ACCOMPANYING THE MINISTER AND HAS BEEN VERY PREOCCUPIED WITH PREPARATIONS FOR THE DELEGATION. (b)(3) (b)(3) CEN XIAOGONG IS A PLA SENIOR COLONEL WHO HEADS THE SECTION ON THE U.S. IN THE 2ND (INTELLIGENCE) DEPARTMENT OF THE GENERAL STAFF DEPARTMENT.)

EO 13526 1.4c, EO 13526 3.3(b)(1)

2. (C) (b)(3) THE CONSERVATIVES IN CHINA AS
CONFIDENTIAL SECTION 03 F 03 BEIJING CH

CONFIDENTIAL

SERIL:

COUNTRY:

SUBJECT:

(b)(3) CHINA'S POLICIES TOWARD THE U.S.
AND TAIWAN -- DOMESTIC POLITICS; POSTELECTION
OUTCOME; AND DEFENSE MINISTER'S VISIT (U)

CRITICAL ON ECONOMIC, FOREIGN POLICY, CULTURAL, AND OTHER
ISSUES, BUT OFFERING ALMOST NO VIABLE SOLUTIONS. MANY OF
THEIR CRITICISMS ARE ILLOGICAL AND UNREALISTIC.

EO 13526 1.4c, EO 13526 3.3(b)(1)

EO 13526 1.4c, EO 13526 3.3(b)(1)

4. (C) THERE IS SOME INCONGRUENCE IN (b)(3) DESCRIPTION OF THE DOMESTIC POLITICAL ENVIRONMENT AND (b)(3) IMPROVEMENT IN THE TAIWAN SITUATION. (b)(3) COMPETITION BETWEEN STRONGER CONSERVATIVE POLITICAL FORCES AND MORE LIBERAL TENDENCIES, WHICH ARE IN PART RESPONSIBLE FOR THE MORE ASSERTIVE AND NATIONALISTIC POLICIES TOWARD TAIWAN AND A TIGHTER SECURITY ENVIRONMENT. DESPITE THE RISE OF SUCH CONSERVATIVE NATIONALISM, HOWEVER, (b)(3) AN END TO MILITARY EXERCISES AFTER THE TAIWAN ELECTION WHICH WILL THEN LEAD TO BETTER RELATIONS WITH TAIWAN AND THE U.S.

5. (C) MORE REALISTICALLY, HOWEVER, THERE ARE MANY VARIABLES AFFECTING THE DYNAMIC SITUATION. THE DOMESTIC POLITICAL FORCES (b)(3) ARE LIKELY TO CONTINUE TO BUILD. CONSERVATIVES AND PLA PLANNERS WILL CONVINCED THEMSELVES OF THE EFFICACY OF MILITARY PRESSURE TO SOLVE CHINA'S POLITICAL PROBLEMS. THE ECONOMIC SITUATION IN CHINA IS FULL OF FUNDAMENTAL AND SYSTEMIC PROBLEMS. SUCCESSION REMAINS A POLITICAL ISSUE IN THE BACKGROUND AS ((DENG)) XIAOPING NEARS HIS MORTAL END. THE SINO-U.S. RELATIONSHIP ENTAILS SIGNIFICANT LONG-TERM ISSUES SUCH AS HUMAN RIGHTS, TRADE, AND NON-PROLIFERATION. FINALLY, THE ELECTION ON TAIWAN WILL CROWN A DECADE-LONG PROCESS OF DEMOCRATICIZATION AND WILL LIKELY GIVE LEE TENG-HUI A STRONGER MANDATE AS THE LEGITIMATE PRESIDENT OF TAIWAN.

6. (C) (b)(3) STRONGER CONSERVATIVE FORCES AND A TIGHTER ENVIRONMENT CREDIBLE. (b)(3) HAVE SEEN DENG LIQUN'S ARTICLE AND DO NOT DOUBT THAT THAT THERE IS SERIOUS SOCIAL AND ECONOMIC DISCONTENT WHICH CONSERVATIVES CAN TAP. SEE ALSO (b)(3) FOR A REPORT ON AN EFFORT TO TIGHTEN SECURITY AND COUNTER-INTELLIGENCE IN CHINA. HOWEVER, IT IS NOT KNOWN HOW MUCH REAL INFLUENCE THOSE FORCES HAVE ON POLICY, OTHER THAN AFFECTING THE CLIMATE.

7. (C) (b)(3) CHEN HAS ONLY TRAVELED TO THE U.S. ONCE BEFORE (AS A FELLOW AT THE ATLANTIC COUNCIL DURING THE LATE 1980S). THAT REPORT HAD STATED THAT IT WOULD BE BENEFICIAL TO INCREASING UNDERSTANDING ON BOTH SIDES FOR CHEN TO VISIT THE U.S. HIS INCLUSION IN DEFENSE MINISTER CHI'S DELEGATION INDICATES THAT THE PLA HAS THE SAME IDEA.

(b)(3)

WARNING: (U) REPORT CLASSIFIED -- ~~C O N F I D E N T I A L~~

(b)(3)

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SECT: SECTION: 01 OF 03
<^SECT>SECTION: 02 OF 03
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 RUEHHK/AMCONSUL HONG KONG 7674
 RUESLE/AMCONSUL SHANGHAI 4624
 RUEHBJ/AMEMBASSY BEIJING 6158
 RUEHSH/AMCONSUL SHENYANG 2683
 RUEHGZ/AMCONSUL GUANGZHOU 6477
 RHHMSCC/JICPAC HONOLULU HI
 RHHMUNA/CINCPAC HONOLULU HI
 RUEHKO/AMEMBASSY TOKYO 3952
 RUEHUL/AMEMBASSY SEOUL 7565

SUBJ: ELECTION TAIWAN -- THE NORTHEAST:
 - LEE TENG-HUI WILL WIN PRESIDENCY;
 - PRC THREATS REGISTER LITTLE IMPACT

DECLASSIFIED
 PER E.O. 13526

2015-0686-m (1.40)

KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 02 TAIPEI 001293

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/18/06
 TAGS: PGOV, TW
 SUBJECT: ELECTION TAIWAN -- THE NORTHEAST:
 - LEE TENG-HUI WILL WIN PRESIDENCY;
 - PRC THREATS REGISTER LITTLE IMPACT

1. CLASSIFIED BY CHRISTOPHER J. LAFLEUR, DEPUTY DIRECTOR, AIT/T. REASON: 1.5 (D).

2. ~~(S)~~ SUMMARY: A MARCH 11-13 VISIT BY AITOFFS TO THREE NORTHEASTERN COASTAL REGIONS OF TAIWAN PROVIDES FURTHER INDICATION THAT PRESIDENT LEE CAN COMFORTABLY EXPECT VICTORY IN TAIWAN'S MARCH 23 PRESIDENTIAL ELECTION. IN HUALIEN COUNTY, ILAN COUNTY, AND KEELUNG CITY, LOCAL OBSERVERS PUT PRESIDENT LEE CLEARLY IN THE LEAD. THE PRC'S CONTINUING ATTEMPTS TO INFLUENCE THE ELECTION VIA MILITARY INTIMIDATION APPEAR TO HAVE HAD LITTLE IMPACT ON THE VOTERS, INCLUDING THOSE IN KEELUNG CITY WHOSE HARBOR HAS PERHAPS BEEN MOST DIRECTLY AFFECTED BY THE MISSILE TESTS (ALONG WITH KAOHSIUNG HARBOR IN THE SOUTH). END SUMMARY.

CLINTON LIBRARY PHOTOCOPY

HUALIEN COUNTY - OVER 50 PERCENT FOR LEE?

3. (X) IN HUALIEN COUNTY, PRESIDENT LEE IS EXPECTED TO RECEIVE AT LEAST 50 PERCENT OF THE VOTE WITH HIS CLOSEST CHALLENGER COMING IN WITH LESS THAN 30 PERCENT. MOST INTERLOCUTORS WERE HARD PRESSED TO DECIDE WHETHER THE PRO-INDEPENDENCE DEMOCRATIC PROGRESSIVE PARTY (DPP) CANDIDATE PENG MING-MIN OR THE PRO-UNIFICATION NEW PARTY (CNP)-SUPPORTED KMT MAVERICK CANDIDATE LIN YANG-KANG WILL PLACE SECOND. AS FOR INDEPENDENT CHEN LI-AN, ONE PERSON VENTURED CHEN COULD RECEIVE UP TO SIX PERCENT. OTHERS SIMPLY LUMPED CHEN'S POTENTIAL SHOWING WITH THAT OF THE NUMBER THREE CANDIDATE STATING THE TWO TOGETHER WOULD RECEIVE 20 TO 30 PERCENT. THE LACK OF A HUALIEN FOLLOWING FOR CHEN IS NOTEWORTHY BECAUSE HUALIEN IS THE HOME OF A LEADING BUDDHIST CENTER IN TAIWAN. CHEN, A DEVOUT BUDDHIST, SOUGHT THE CENTER'S ENDORSEMENT EARLIER IN HIS CAMPAIGN AND HAS OTHERWISE SOUGHT TO GARNER POLITICAL CAPITAL FROM HIS BUDDHIST CONNECTIONS. NOTWITHSTANDING THESE EFFORTS, AITOFFS WERE TOLD THE BUDDHIST CENTER HAS MAINTAINED OFFICIAL POLITICAL NEUTRALITY WITH ITS MEMBERSHIP NOT IDENTIFIABLE AS A BLOC SUPPORTING ANY PARTICULAR CANDIDATE.

ILAN COUNTY - LEE A WINNER IN DPP TERRITORY

4. (X) ILAN COUNTY HAS A LONG HISTORY AS A STRONGHOLD OF TAIWAN'S OPPOSITION MOVEMENT. IN PAST ELECTIONS, A NUMBER OF ANTI-KMT CANDIDATES FOUND RECEPTIVE AUDIENCES TO THEIR "OUTSIDE THE PARTY" (DANG-WAI) MESSAGE BEFORE OPPOSITION PARTIES WERE LEGALIZED IN THE LATE 1980'S. AS A RESULT, ILAN COUNTY IS EXPECTED TO PROVIDE PRESIDENT LEE ONE OF HIS TOUGHEST CHALLENGES IN THE CAMPAIGN. FOR MORE THAN A DECADE, THE MAGISTRATE OF THE COUNTY HAS BEEN A DPP MEMBER. NONETHELESS, EVEN THE POPULAR CURRENT INCUMBENT, YU HSI-KUN, EXPECTS PRESIDENT LEE TO WIN -- THE ONLY QUESTION BEING WHETHER LEE'S TALLY REACHES THE 50 PERCENT MARK. MOST OF THOSE INTERVIEWED EXPECT THE DPP'S PENG MING-MIN TO RECEIVE 30 TO 40 PERCENT OF ILAN'S VOTE WITH THE REMAINING 10 TO 20 PERCENT DIVIDED BETWEEN INDEPENDENTS LIN YANG-KANG AND CHEN LI-AN.

5. (X) OUR INTERLOCUTORS CITED SEVERAL REASONS FOR THE DPP'S EXPECTED CLOSE-BUT-NO-CIGAR SHOWING DURING THIS ELECTION. IRONICALLY, WHILE PRESIDENT LEE'S CAMPAIGN HAS, IN GENERAL, BEEN ASSOCIATED WITH A PUSH FOR DPP MEMBERS TO "DROP PENG, SUPPORT LEE" ("QI PENG, BAO LEE"), AITOFFS WERE TOLD THIS PHENOMENON PLAYS LITTLE ROLE IN ILAN. THE QUESTION IS NOT SO MUCH ONE OF ILAN ABANDONING DPP CANDIDATE PENG AS ONE OF WHETHER PENG EVER HAD ILAN TO LOSE. THE FACT THAT PENG IS NOT A HOME TOWN BOY PLAYS AN IMPORTANT ROLE. IN EARLIER ILAN ELECTIONS WHICH TURNED OUT FAVORABLY FOR THE DPP, THE CANDIDATES WERE WELL-KNOWN LOCALS. PENG, BORN IN KAOHSIUNG AND EXILED ABROAD FOR MORE THAN 20 YEARS, HAS

NO SIMILAR ATTRACTION HERE. FURTHER, THE VOTERS' HISTORICAL CONNECTION WITH THE DPP, AITOFFS WERE TOLD, IS MOSTLY A MATTER OF BEING CONNECTED WITH AN OPPOSITION MOVEMENT -- A POLITICAL COUNTERWEIGHT TO THE KMT-- AND NOT SO MUCH AN ATTRACTION TO THE DPP'S CRY FOR TAIWAN INDEPENDENCE. IN FACT, MOST OF THOSE SPOKEN WITH MAINTAIN THAT ILAN VOTERS HAVE A LOCAL FOCUS AND ~~C O N F I D E N T I A L~~ SECTION 02 OF 02 TAIPEI 001293

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DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/18/06

TAGS: PGOV, TW

SUBJECT: ELECTION TAIWAN -- THE NORTHEAST:

- LEE TENG-HUI WILL WIN PRESIDENCY;

- PRC THREATS REGISTER LITTLE IMPACT

ARE NOT VERY CONCERNED WITH "INTERNATIONAL" ISSUES. THEREFORE, WHILE PENG IS EXPECTED TO DO WELL IN THIS AREA BECAUSE IT HAS BEEN A BASTION OF THE OPPOSITION, HE IS NOT EXPECTED TO FARE AS WELL AS HAVE LOCAL DPP MEMBERS IN OTHER ELECTIONS HERE -- AND NOT EVEN AS WELL AS PRESIDENT LEE.

KEELUNG CITY - LEE EXPECTED TO RECEIVE 50 PERCENT

6. ~~(S)~~ THE CHALLENGE FOR PRESIDENT LEE IN KEELUNG CITY IS TO ACHIEVE THE 50 PERCENT VOTER APPROVAL MARK WHICH HE HAS ANNOUNCED AS HIS TARGET THROUGHOUT TAIWAN. THOSE INTERVIEWED IN KEELUNG CURRENTLY EXPECT LEE TO TALLY BETWEEN 45 AND 50 PERCENT. THERE SEEMS TO BE NO CONSENSUS ON WHETHER THE DPP'S PENG OR THE CNP-SUPPORTED LIN WILL COME IN SECOND. ON THE OTHER HAND, INDEPENDENT CHEN IS EXPECTED TO COME IN A DISTANT FOURTH.

MISSILES? WHAT MISSILES?

7. ~~(S)~~ IN ALL THE REGIONS VISITED, AND PERHAPS MOST NOTABLY IN THE HARBOR TOWN OF KEELUNG, THE MAINLAND'S SABER RATTLING AND LAUNCH OF MISSILES INTO THE WATERS OFF KEELUNG DOES NOT SEEM TO HAVE MADE MUCH OF AN IMPACT ON THE VOTERS. WHILE THE INTERNATIONAL AND LOCAL PRESS -- AND, INDEED, THE CANDIDATES THEMSELVES -- SEEM PREOCCUPIED WITH THE HAPPENINGS IN THE WATERS BETWEEN HERE AND THE MAINLAND, THE VOTERS HERE SEEMED CONCERNED WITH OTHER ISSUES. A NUMBER OF PEOPLE, BOTH OFFICIAL AND MAN-IN-THE-STREET, SIMPLY SHRUGGED THEIR SHOULDERS WHEN QUERIED ABOUT THE IMPACT OF THE MISSILE TESTS. SOME EVINCE A "CRY WOLF" RESPONSE NOTING THAT THIS WAS THE THIRD TIME THE MAINLAND HAD CONDUCTED MISSILE TESTS SINCE LAST JUNE. ANOTHER COMMON RESPONSE WAS THAT ONLY PEOPLE WITH MONEY ARE WORRIED -- PRESUMABLY THE EFFECT ON THE FINANCIAL MARKETS AND NOT THE THREAT OF AN INVASION CREATES THE ADRENALINE RUSH. MOST COMMON OF ALL WAS THE RESPONSE THAT "WE'VE GOT NO WHERE TO GO, SO IT'S USELESS TO BE SCARED." EVEN

PEOPLE IN KEELUNG, WHOSE HARBOR IS POTENTIALLY MOST DIRECTLY AFFECTED BY THE MISSILE TESTS, SEEM UNFAZED. IN FACT, DRIVEN BY CUSTOMER DEMAND, A NUMBER OF TRAVEL AGENCIES ARE PLANNING TO OFFER OCEAN CRUISES FOR A CLOSE-UP VIEW OF THE TWO U.S. AIRCRAFT CARRIERS AS THEY ARRIVE NEAR TAIWAN WATERS. THE PRICE? JUST 400 US DOLLARS PER PERSON. PASCOE

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#1293

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SECT: SECTION: 01 OF 02
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INFO: ALL NATO POST COLLECTIVE
SUBJ: GUIDANCE FOR 3/20 NAC DISCUSSION: CHINA

TEXT:

~~CONFIDENTIAL~~ STATE 055924

E.O. 12958: DECL: 3/19/06
TAGS: NATO, PREL, MOPS, TW, CH
SUBJECT: GUIDANCE FOR 3/20 NAC DISCUSSION: CHINA

REF: (A) USNATO 1240, (B) USNATO 1321

1. CLASSIFIED BY EUR/RPM DIRECTOR CRAIG DUNKERLEY.
REASON: 1.5 (B,D).

2. MISSION SHOULD DRAW FROM THE FOLLOWING POINTS IN THE
MARCH 20 NAC UNDER THE AGENDA ITEM "STATEMENTS ON
POLITICAL SUBJECTS."

3. BEGIN POINTS:

TAIWAN STRAIT SITUATION

O THE PRC IS HOLDING A SERIES OF EXERCISES IN THE RUN-UP
TO THE MARCH 23 TAIWAN PRESIDENTIAL ELECTION. THE CHINESE
HELD MISSILE EXERCISES MARCH 8-15 IN TWO CLOSURE AREAS 20
MILES NORTHEAST OF CHILUNG AND SOUTHWEST OF KAOHSIUNG,
LAUNCHING A TOTAL OF FOUR M-9 MISSILES. THREE M-9S HIT

THE CLOSURE AREAS IN THE FIRST FEW HOURS OF THE EXERCISE.
THE PRC LAUNCHED A FOURTH M-9 ON MARCH 13, ABOUT A DAY
AFTER WE ANNOUNCED THE MOVEMENT OF U.S. NAVAL SHIPS TO
INTERNATIONAL WATERS IN THE VICINITY OF TAIWAN.

O THE SECOND EXERCISE IS SCHEDULED TO RUN MARCH 12-20 OFF
SHANTOU IN THE SOUTHWEST CORNER OF THE TAIWAN STRAIT.
THIS EXERCISE INCLUDES LIVE-FIRE EXERCISES.

O THE PRC HAS ANNOUNCED A THIRD EXERCISE FOR MARCH 18-25,

DECLASSIFIED
PER E.O. 13526
2015-0626-M (1.46)
KBH 6/12/2019

CENTERING ON THE PRC-OCCUPIED HAITAN ISLAND AT THE NORTHERN END OF THE STRAIT. THIS OPERATION WILL ALSO INCLUDE LIVE-FIRE EXERCISES, AND IS LIKELY TO FEATURE AN AMPHIBIOUS ASSAULT EXERCISE ON THE PRC ISLAND SIMILAR TO ONES HELD LAST YEAR.

O WE DO NOT KNOW IF THIS WILL BE THE LAST EXERCISE. AS BEIJING IS SEEKING TO INFLUENCE NOT ONLY THE ELECTIONS BUT ALSO TAIPEI'S POST-ELECTION BEHAVIOR, IT WOULD NOT BE SURPRISING IF THE PRC WERE TO HOLD FURTHER EXERCISES.

O AS A PRECAUTIONARY MEASURE AND IN DIRECT RESPONSE TO THE PRC MISSILE FIRINGS, THE U.S. DECIDED TO DEPLOY U.S. NAVAL SHIPS. THE U.S. SHIPS HAVE NOT BEEN DEPLOYED IN THE TAIWAN STRAIT, BUT ARE SOME DISTANCE AWAY FROM THE PRC EXERCISES, MAKING A CONFRONTATION WITH PRC SHIPS UNLIKELY.

O SPECIFICALLY, THE USS INDEPENDENCE AND OTHER SHIPS OF ITS BATTLE GROUP WERE MOVED CLOSER TO TAIWAN. THE INDEPENDENCE AND THE DESTROYER USS O'BRIEN HAD BEEN CONDUCTING OPERATIONS IN INTERNATIONAL WATERS BETWEEN TAIWAN AND OKINAWA. THE USS NIMITZ BATTLE GROUP, OPERATING IN THE PERSIAN GULF, IS BEING MOVED EARLIER TO THE WESTERN PACIFIC, ARRIVING BY LATE MARCH.

O THESE CHINESE EXERCISES HAVE NOT HAD A SIGNIFICANT EFFECT ON SHIPPING OR AIR TRANSPORTATION.

U.S.-CHINA RELATIONS

O THE ADMINISTRATION IS COMMITTED TO A POLICY OF COMPREHENSIVE ENGAGEMENT WITH CHINA. WE ARE ENCOURAGING CHINA TO PLAY A CONSTRUCTIVE ROLE THAT CONTRIBUTES TO PEACE, STABILITY, AND PROSPERITY IN THE REGION AND ELSEWHERE IN THE WORLD.

O NEVERTHELESS, THE PRC'S RECENT MISSILE AND LIVE AMMUNITION EXERCISES OFF THE COAST OF TAIWAN WERE RISKY, PROVOCATIVE, AND LOOK LIKE INTIMIDATION.

O WE HAVE CONVEYED PUBLICLY AND PRIVATELY OUR DEEP CONCERN TO THE CHINESE ABOUT THEIR PROVOCATIVE, IRRESPONSIBLE ACTIONS. WE TOLD THE PRC THAT THERE WILL BE GRAVE CONSEQUENCES IF IT TRIES TO RESOLVE THE TAIWAN QUESTION BY FORCE.

O PRC PURSUIT OF PEACEFUL RESOLUTION OF THE TAIWAN QUESTION IS AN IMPORTANT PREMISE OF OUR "ONE CHINA" POLICY.

O WE DO NOT BELIEVE HOSTILITIES ARE IMMINENT, BUT WILL CONTINUE TO MONITOR THE SITUATION IN THE STRAIT CLOSELY.

O WE CONVEYED OUR CONCERNS ABOUT THE PRC EXERCISES DURING THE MARCH 7-12 VISIT OF STATE COUNCIL FOREIGN AFFAIRS DIRECTOR LIU HUAQIU (PHONETIC: LEE-OH HWA CHEE-OH), THE ROUGH EQUIVALENT OF A NATIONAL SECURITY ADVISER.

O WE LOOK FORWARD TO FURTHER DISCUSSIONS WITH THE CHINESE IN APRIL. SECRETARY CHRISTOPHER AND CHINESE VICE PREMIER/ FOREIGN MINISTER QIAN QICHEN WILL MEET APRIL 21 IN THE HAGUE AS PART OF THEIR REGULAR, CONTINUING SERIES OF DISCUSSIONS ON BILATERAL, REGIONAL AND MULTI-LATERAL TOPICS. WE ALSO LOOK FORWARD TO THE U.S. VISIT OF CHINESE DEFENSE MINISTER CHI HAOTIAN NEXT MONTH. TAIWAN WILL BE A PRINCIPAL TOPIC OF CONVERSATION IN THOSE MEETINGS.

O IT IS VITAL THAT OTHER GOVERNMENTS CONTINUE TO EXPRESS THEIR CONCERN TO BEIJING ABOUT ITS RECENT ACTIONS.

O IT IS ALSO IMPORTANT THAT WE CONTINUE TO SEEK CHINA'S COMPLIANCE WITH INTERNATIONAL NORMS IN NONPROLIFERATION, TRADE AND HUMAN RIGHTS.

O MOREOVER, WE ARE COUNSELING THE TAIWAN AUTHITIES TO AVOID RHETORIC OR ACTIONS THAT MIGHT BE MISINTERPRETED IN BEIJING OR OTHERWISE RAISE TENSIONS.

O IT IS USEFUL TO REMIND TAIWAN OF ITS RESPONSIBILITIES, PARTICULARLY AFTER ITS PRESIDENTIAL ELECTIONS, IN CREATING CONDITIONS FOR RESUMPTION OF PEACEFUL DIALOGUE WITH THE PRC.

O WE WELCOME READOUTS OF DISCUSSIONS OTHER GOVERNMENTS HAVE WITH THE PRC AND TAIWAN ON THIS ISSUE.

TALBOTT

BT

#5924

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SECT: SECTION: 01 OF 01

SSN: 5924

TOR: 960319193716 M2138621

DIST:

PRT: SIT

SIT: BELL FEELEY KRISTOFF NSC PASSDOWN SCHMIDT SUETTINGER SUM SUM2

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 RUESLE/AMCONSUL SHANGHAI 0526
 RHHMUNA/USCINCPAC HONOLULU HI
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 RUEHGZ/AMCONSUL GUANGZHOU 1578
 RUEHKO/AMEMBASSY TOKYO 6681
 ZEN/AMCONSUL CHENGDU
 SUBJ: CHINESE SCHOLARS RECOMMEND CLEAR U.S. MESSAGE TO
 TAIWAN

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.48]
 KBH 6/12/2019

TEXT:

~~C O N F I D E N T I A L~~ SECTION 01 OF 03 BEIJING 008655
 E.O. 12958: DECL: EXEMPTION 1.6X6
 TAGS: PREL, PGOV, MOPS, CH, US, TW
 SUBJECT: CHINESE SCHOLARS RECOMMEND CLEAR U.S. MESSAGE TO
 TAIWAN

REF: BEIJING 8306

1. (U) CLASSIFIED BY WILLIAM A. STANTON, POLMINCOUNS.
 REASON 1.5(D).
2. (C) SUMMARY. CHINESE SCHOLARS ACKNOWLEDGED THAT
 BEIJING'S MILITARY CAMPAIGN TO INFLUENCE THE TAIWAN
 ELECTION HAD APPARENTLY FAILED, BUT SAID CHINESE LEADERS
 FELT THEY HAD NO OTHER CHOICE. THEY STATED THAT CHINESE
 LEADERS COULD NOT CHANGE THEIR STRATEGY TO INTIMIDATE
 TAIWAN, AND WARNED THAT BEIJING WAS CAPABLE OF IRRATIONAL
 BEHAVIOR IN RESPONDING TO PERCEIVED THREATS TO
 SOVEREIGNTY. THE SCHOLARS BELIEVED THE CONCLUSION OF
 MILITARY EXERCISES WOULD ALLOW BEIJING TIME TO "EVALUATE"
 LEE TENG-HUI'S REACTIONS FOLLOWING THE ELECTION. THEY
 ALSO HOPED, HOWEVER, THAT TAIWAN AUTHORITIES WOULD MAKE
 CONCILIATORY GESTURES, AND THAT THE UNITED STATES WOULD
 SEND A CLEAR SIGNAL TO LEE TENG-HUI OPPOSING ANY FURTHER
 MOVES TOWARD TAIWAN INDEPENDENCE. ONE SCHOLAR, WHO HAD
 RECENTLY TRAVELLED TO TAIWAN, SAID HIS TAIPEI CONTACTS
 TOLD HIM THAT LEE WOULD MAKE A POSITIVE DECLARATION ON

THE "THREE LINKS" AFTER MARCH 23. IN A SEPARATE CONVERSATION, A RESEARCHER WITH GOOD CONNECTIONS WITH THE MFA STRESSED THAT THE BEIJING LEADERSHIP IS EAGER TO SEE A REDUCTION IN TENSIONS, AND NOTED THAT -- EVEN AMONG THE MILITARY -- THERE WAS NO STOMACH FOR ACTIONS WHICH COULD LEAD TO HOSTILITIES. END SUMMARY.

EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

MILITARY EXERCISES FAILED

4. (C) ALL THE SCHOLARS ACKNOWLEDGED THAT CHINA'S CAMPAIGN TO LIMIT LEE TENG-HUI'S ELECTORAL CHANCES HAD FAILED. [EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)] AGREED THAT THE BEIJING LEADERSHIP HAD MISCALCULATED IN USING AN OVERT SHOW OF MILITARY FORCE TO INTIMIDATE TAIWAN AND INFLUENCE ITS PRESIDENTIAL ELECTION. THEY ALSO AGREED, HOWEVER, THAT CHINESE LEADERS HAD PURSUED SUCH A COURSE BECAUSE THEY BELIEVED THEY HAD "NO OTHER CHOICE." [] SAID THAT HE BELIEVED LEE TENG-HUI WOULD NOW HANDILY WIN THE UPCOMING ELECTION, CAUSING EMBARRASSMENT TO BEIJING'S LEADERS. NEVERTHELESS, THE SCHOLARS ALSO CONCLUDED THAT BEIJING COULD NOT STOP PUTTING PRESSURE ON TAIWAN OR END ITS CRITICISM OF LEE. IN FACT, THE SCHOLARS APPEARED TO BE PERSONALLY CONVINCED THAT LEE WAS, WITHOUT A DOUBT, A PROPONENT OF INDEPENDENCE, AND WAS THE UNDERLYING CAUSE OF TENSIONS.

SENSITIVITY OR SOVEREIGNTY

5. (C) IN DEVELOPING THIS POINT, ALL THE SCHOLARS STRESSED THAT BEIJING COULD NOT TOLERATE FURTHER POSTURING ON INDEPENDENCE BY TAIWAN AUTHORITIES. ECHOING A THEME WE HAVE HEARD REPEATEDLY IN RECENT MONTHS, [3.3(b)(1), 3.3(b)(6)] ASSERTED THAT THE FUNDAMENTAL PROBLEM AMERICAN OBSERVERS HAD IN UNDERSTANDING BEIJING'S POLICY TOWARD TAIWAN WAS THEIR MISUNDERSTANDING OF CHINA'S SENSITIVITY OVER SOVEREIGNTY ISSUES. [] OPINED THAT BY VIRTUE OF ITS PREEMINENT STATUS IN THE MODERN WORLD, THE UNITED STATES IN PARTICULAR WAS NO LONGER CONCERNED ABOUT OUTDATED NOTIONS OF SOVEREIGNTY. WHILE CONCEDED THAT CHINA'S THINKING WAS ANACHRONISTIC, [] ARGUED THAT "WHETHER RIGHT OR WRONG, IT IS A FACT THE UNITED STATES MUST DEAL WITH." HE ADDED THAT CHINA WAS EXTREMELY SENSITIVE ABOUT PERCEIVED PROVOCATIVE ACTIONS THAT IT BELIEVED INFRINGED ON ITS SOVEREIGNTY AND WOULD RESPOND IN HARSH AND POSSIBLY "IRRATIONAL" WAYS.

FUTURE DEPENDS ON TAIWAN "BEHAVIOR"

6. (C) ~~3.3(b)(1), 3.3(b)(6)~~ OPINED THAT CHINA'S DECISION TO CEASE OR CONTINUE MILITARY EXERCISES FOLLOWING THE LATEST ROUND WOULD DEPEND ON THE TAIWAN LEADERSHIP'S BEHAVIOR AFTER THE PRESIDENTIAL ELECTION. THE SCHOLAR THEORIZED THAT LEE TENG-HUI WOULD MOVE IN ONE OF TWO POSSIBLE DIRECTIONS. LEE WOULD EITHER BE CONCILIATORY, WHICH
 C O N F I D E N T I A L SECTION 02 OF 03 BEIJING 008655

E.O. 12958: DECL: EXEMPTION 1.6X6
 TAGS: PREL, PGOV, MOPS, CH, US, TW
 SUBJECT: CHINESE SCHOLARS RECOMMEND CLEAR U.S. MESSAGE TO TAIWAN

WOULD OBIVATE THE NEED TO CONTINUE MILITARY EXERCISES, OR HE WOULD BE STRENGTHENED BY AN ELECTORATE MANDATE AND CONTINUE TO MOVE TAIWAN TOWARD INDEPENDENCE, THUS LEADING TO FURTHER TENSIONS. ACCORDING TO [REDACTED] STEPPED UP EFFORTS BY TAIWAN TO BUY A MEMBERSHIP IN THE UNITED NATIONS OR ANOTHER LEE TENG-HUI VISIT TO THE UNITED STATES WOULD QUALIFY AS PROVOCATIVE BEHAVIOR. THE SCHOLAR SAID HE EXPECTED THE TAIWAN LEADERSHIP WOULD SELECT A CONCILIATORY PATH AND TRY TO REPAIR CROSS-STRAIT RELATIONS.

GESTURE ON "SAN TONG"?

7. (C) [REDACTED] AGREED WITH THIS ASSESSMENT. THE
 EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

[REDACTED] A TAIPEI
 POLITICAL ANALYST WHO SPECULATED THAT IMMEDIATELY FOLLOWING LEE TENG-HUI'S EXPECTED ELECTION VICTORY, THE TAIWAN GOVERNMENT WOULD MAKE A CONCILIATORY GESTURE SUCH AS DECLARING WILLINGNESS TO OPEN UP THE "THREE DIRECT LINKS" WITH MAINLAND CHINA.

U.S. MUST SEND A CLEAR SIGNAL TO LEE

8. (C) ~~3.3(b)(1), 3.3(b)(6)~~ CRITICIZED THE UNITED STATES FOR FORMULATING A TAIWAN POLICY THAT HE CLAIMED WAS BOTH "AMBIGUOUS" AND "CONTRADICTORY." HE EXPLAINED THAT BECAUSE U.S. OFFICIALS WERE PUBLICLY AND PRIVATELY MAKING POLICY STATEMENTS ABOUT TAIWAN THAT LACKED CLARITY AND CONSISTENCY, LEE TENG-HUI HAD BECOME EMBOLDENED IN HIS EFFORTS TO MOVE TAIWAN DOWN THE PATH OF INDEPENDENCE. POLMINCOUNS REBUTTED THESE INTS, NOTING A CONSISTENT U.S. RECORD OF NOT SUPPORTING TAIWAN INDEPENDENCE. [REDACTED] NONETHELESS ASSERTED THAT BECAUSE THE UNITED STATES HAD NO INTEREST IN SUPPORTING TAIWAN INDEPENDENCE, U.S. LEADERS WERE OBLIGED TO MAKE A "CLEAR AND UNEQUIVOCAL" STATEMENT TO LEE TENG-HUI DISSUADING HIM FROM MAKING ANY MORE PROVOCATIVE MOVES.

FALSE AUSTRALIAN STORY FUELS CHINESE SUSPICIONS

9. (C) THE SCHOLARS VOICED THEIR SUSPICIONS OF U.S. INTENTIONS IN THE TAIWAN STRAIT AND REFERRED TO A STORY FROM AN AUSTRALIAN NEWSPAPER THAT HAS TRANSLATED AND REPRINTED IN THE INTERNAL CIRCULATION "REFERENCE NEWS,"

THE PREMIER CHINESE SOURCE FOR FOREIGN NEWS. THE STORY ALLEGEDLY QUOTED AN AUSTRALIAN DEFENSE INTELLIGENCE BRIEF WHICH CLAIMED THE U.S. COUNTRY TEAM IN BEIJING HAD DISCUSSED THE DEPLOYMENT OF U.S. FORCES TO TAIWAN IN THE EVENT OF AN ARMED CONFLICT BETWEEN TAIWAN AND CHINA. THE SCHOLARS APPEARED GENUINELY SURPRISED TO HEAR THAT THE NEWS STORY HAD ABSOLUTELY NO BASIS IN FACT.

HOPING FOR THE BEST

10. (C) THE SCHOLARS EXPRESSED HOPE THAT BOTH TAIWAN AUTHORITIES AND THE UNITED STATES WOULD ACT IN WAYS WHICH WOULD ALLOW CHINESE LEADERS TO CEASE THEIR MILITARY EXERCISES ON MARCH 25. IN A SIMILAR VEIN, [3.3(b)(1), 3.3(b)(6)] STATED THAT NONE OF HIS ACADEMIC OR MFA FRIENDS WANTED CONFRONTATION WITH THE UNITED STATES, AND THEN EXPANDED THAT STATEMENT TO INCLUDE CHINESE LEADERSHIP AND MILITARY AGREE THAT RECENT U.S. MOVES "MUST BE COUNTERED," AT LEAST RHETORICALLY, BUT NOTED THAT THE PLA NAVY, IN PARTICULAR, WAS CONCERNED THAT IT MIGHT BE PUT TO THE TEST. HE PREDICTED THAT THE CURRENT ROUND OF MILITARY EXERCISES WOULD BE THE LAST, AND THAT THE LEADERSHIP HAS EAGER TO LET THE SITUATION CALM DOWN, "IF CIRCUMSTANCES ALLOW."
COMMENT

11. (C) [3.3(b)(1), 3.3(b)(6)] PUSH FOR A CLEAR U.S. STATEMENT TO LEE TENG-HUI, DISSUADE HIM FROM MAKING ANY MORE "PROVOCATIVE MOVES," IS A CALL FOR U.S. HELP IN TRYING TO REDUCE CROSS-STRAIT TENSION FROM ONE WHO KNOWS THE IMITATIONS OF HIS OWN NATION'S POLICY MAKERS. WHILE REALIZING THAT THEIR GOVERNMENT'S TACTICS ARE PROVING COUNTER-PRODUCTIVE, THE SCHOLARS URGED U.S. RESTRAINT RATHER THAN CONFRONTATION SO THAT CHINESE LEADERS WILL BE ABLE TO FIND A FACE-SAVING WAY OUT OF THE DILEMMA THEY HAVE CREATED. FIRMLY BELIEVING THAT THE BALL IS IN LEE TENG-HUI'S COURT, OBSERVERS HERE STRONGLY HOPE THAT LEE WILL MAKE A CONCILIATORY GESTURE AFTER THE ELECTION,
CONFIDENTIAL SECTION 03 OF 03 BEIJING 008655

E.O. 12958: DECL: EXEMPTION 1.6X6
TAGS: PREL, PGOV, MOPS, CH, US, TW
SUBJECT: CHINESE SCHOLARS RECOMMEND CLEAR U.S. MESSAGE TO TAIWAN

PERHAPS ADDRESSING THE THREE DIRECT LINKS OR THE "THREE NO'S." THEY WOULD WELCOME AMERICAN ENCOURAGEMENT TO LEE TO RESTRAIN HIS INTERNATIONAL ACTIVITIES AND TO MAKE POSITIVE GESTURES TO BEIJING. SASSER

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#8655

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SECT: SECTION: 01 OF 03
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SSN: 8655
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DIST: SIT: KRISTOFF NSC SUETTINGER
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Cable

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OSRI: RUEHIN
DTG: 210836Z MAR 96
ORIG: AIT TAIPEI
TO: RUEHC/SECSTATE WASHDC PRIORITY 5001
INFO: RUEHMO/AMEMBASSY MOSCOW 0059
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 RUEHBJ/AMEMBASSY BEIJING 6193
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 RUEHGP/AMEMBASSY SINGAPORE 5546
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 RUEKJCS/DIA WASHDC
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 RUEHUL/AMEMBASSY SEOUL 7580
 RUEHKL/AMEMBASSY KUALA LUMPUR 0179
 RUEHOL/AMEMBASSY BONN 0530
 RHHMSCC/JICPAC HONOLULU HI
SUBJ: TAIWAN'S PRESIDENTIAL CANDIDATES STAGGER
 - TOWARD THE FINISH LINE
TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 04 TAIPEI 001358
 STATE FOR EAP/RSP/TC AND AIT/WASHINGTON
 E.O. 12958: 03/20/06
TAGS: PGOV, TW
SUBJECT: TAIWAN'S PRESIDENTIAL CANDIDATES STAGGER
 - TOWARD THE FINISH LINE
 1. (U) CLASSIFIED BY JAMES F. MORIARTY, CHIEF,
 GENERAL AFFAIRS SECTION, AIT/T. REASONS: 1.5 (B) AND
 (D).
 2. SUMMARY: IN THE LAST DAYS BEFORE VOTERS GO TO
 THE POLLS MARCH 23 IN TAIWAN'S FIRST-EVER POPULAR
 ELECTION FOR PRESIDENT, THE CAMPAIGNING HAS BECOME
 INTENSE BOTH ON THE GROUND AND OVER THE AIRWAVES. OF

DECLASSIFIED
PER E.O. 13526
 2015-0686-M (1.49)
 KBH 6/12/2019

THE FOUR PRESIDENTIAL CANDIDATES, INCUMBENT LEE TENG-HUI OBVIOUSLY PROJECTS THE MOST SELF-CONFIDENCE. PRC MISSILE THREATS HAVE FORCED HIS THREE OPPONENTS INTO NEVER-ENDING COMMENTS ON CROSS-STRAIT RELATIONS -- AND EXPLANATIONS OF THOSE COMMENTS. EVEN PARTY LOYALISTS ADMIT THAT PENG MING-MIN, THE CANDIDATE OF THE PRO-INDEPENDENCE DPP, DOES NOT APPEAR CUT OUT FOR THE CAMPAIGN TRAIL. INDEPENDENT LIN YANG-KANG HAS FAILED IN HIS ATTEMPTS TO SHIFT THE FOCUS OF THE ELECTORATE TO ALLEGED CORRUPTION ON THE PART OF THE KMT. THE OTHER INDEPENDENT, CHEN LI-AN HAS FOUND LITTLE SUPPORT ANYWHERE. LEE, MEANWHILE, APPEARS TO BE HAVING A GRAND OLD TIME OF IT, SPEAKING IN TAIWANESE TO ENTHUSIASTIC CROWDS WHILE MIXING IN JABS AT THE PRC WITH A DEFINITE, IF OCCASIONALLY SLIGHTLY MUDDLED, VISION OF TAIWAN'S FUTURE. END SUMMARY.

3. (S) WHILE LOCAL PUNDITS SAY THAT THE LAST FEW DAYS OF A TAIWAN ELECTION CAN PRODUCE MAJOR SURPRISES THAT MIGHT SWING THE MOOD OF THE ELECTORATE, AS OF RIGHT NOW THIS PRESIDENTIAL CAMPAIGN RESEMBLES MOST CLOSELY A PRIZE FIGHT HEADING INTO THE 11TH ROUND. THE CHAMPION IS CONFIDENT AND PICKING UP STEAM AS THE MATCH PROGRESSES. EVERYTHING APPEARS TO BE WORKING AGAINST THE CHALLENGER(S), AND BARRING AN UNEXPECTED KNOCK-OUT PUNCH, THE CHAMP SHOULD RETAIN HIS CROWN.

THE LEE/LIEN CAMPAIGN

4. (U) ON MARCH 20, KMT NOMINEE LEE TENG-HUI HELD A NEWS CONFERENCE MARCH 20 FOR A REPORTED 621 REPORTERS REPRESENTING MORE THAN 260 FOREIGN MEDIA ORGANIZATIONS FROM 29 COUNTRIES. LEE TOLD THE REPORTERS THAT HIS CAMPAIGN IS "STEAMING ALONG" AND THAT THE PEOPLE OF TAIWAN "WILL NOT BOW TO CHINESE THREATS." LEE THEN SLIPPED AWAY, SAYING HE NEEDED TO BE OUT COLLECTING VOTES, LEAVING HIS RUNNING MATE, LIEN CHAN, TO ANSWER QUESTIONS.

5. (S) OTHER THAN THIS PRESS CONFERENCE, LEE WAS SPENDING MORE TIME IN PROCESSIONS THAN IN DISCUSSINGm ISSUES WITH FOREIGNERS DURING THESE LAST FEW DAYS. LEE IS A CAMPAIGN ANIMAL; HE IS CLEARLY ENERGIZED BY THE CROWDS OF EAGER SUPPORTERS HE ENCOUNTERS AS HE HEADS SOUTH. (INDEED, HE APPEARS HEALTHIER AND HAPPIER THAN HE DID AT THE BEGINNING OF THE CAMPAIGN.) HIS DAILY SCHEDULE PACKS IN AS MANY RALLIES AND EVENTS AS IS LOGISTICALLY POSSIBLE. ON THE STUMP, HE MIXES JABS AT THE PRC WITH CALLS FOR EVENTUAL REUNIFICATION AND A VISION OF THE FUTURE TAIWAN AS A CROSS BETWEEN A BEACON OF DEMOCRACY AND A HIGH-TECH INDUSTRIAL PARK. DELIVERED IN RAPID-FIRE TAIWANESE, THIS MESSAGE APPEARS TO BE WARMLY RECEIVED BY HIS LISTENERS -- IF VIRTUALLY INCOMPREHENSIBLE TO FOREIGN REPORTERS (AND MUCH OF THE MANDARIN-SPEAKING PRESS CORPS FROM TAIPEI).

6. (S) ALL ALONG LEE HAS AVOIDED DIRECTLY FACING HIS

RIVALS; WHILE HE HAS PARTICIPATED IN CENTRAL ELECTION COMMISSION-ORGANIZED TELEVISION PROGRAMS IN WHICH THE CANDIDATES PRESENTED THEIR PLATFORMS, LEE HAS AVOIDED THE TELEVISED DEBATES WITH QUESTIONS FROM A PANEL OF REPORTERS ORGANIZED BY THE CHINA TIMES NEWSPAPER AND
~~C O N F I D E N T I A L~~ SECTION 02 OF 04 TAIPEI 001358

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/20/06

TAGS: PGOV, TW

SUBJECT: TAIWAN'S PRESIDENTIAL CANDIDATES STAGGER
 - TOWARD THE FINISH LINE

TVBS CABLE TV. IN SO DOING, HE HAS AVOIDED HAVING TO ADDRESS HIS OPPONENTS' ACCUSATIONS THAT HE WAS A MEMBER OF A CHINESE COMMUNIST ORGANIZATION WHILE A STUDENT AT NATIONAL TAIWAN UNIVERSITY FIFTY YEARS AGO. NEVERTHELESS, THERE IS LITTLE INDICATION THAT THESE ACCUSATIONS ARE HAVING ANY SIGNIFICANT IMPACT ON LEE'S STANDING. PARTLY, THIS IS DUE TO QUESTIONS ABOUT THE CREDIBILITY OF THE ACCUSATIONS. TO A LARGE EXTENT, HOWEVER, IT REFLECTS THE FACT THAT HIS RIVALS HAVE LARGELY BEEN MIRED IN A STERILE DEBATE ON CROSS-STRAIT RELATIONS THAT APPEARS TO BE DOING THEM LITTLE GOOD.

THE DPP'S PENG/HSIEH

7. (U) OPPOSITIO DEMOCRATIC PROGRESSIVE PARTY (DPP) CANDIDAT PENG MING-MIN ALSO HELD A NEWS CONFERENCE IN AIPEI ON MARCH 20. PENG ASSERTED THAT LEE TENG-HUI DID NOT DESERVE CREDIT FOR TAIWAN'S RAPID DEMOCRATIZATION; THE CREDIT BELONGED TO "DEMOCRATIC FIGHTERS -- SOME OF WHOM HAVE SACRIFICED THEIR LIVES FOR TAIWAN'S DEMOCRATIZATION." PENG VOWED TO CONTINUE TO PURSUE TAIWAN'S INDEPENDENCE AND SAID TAIWAN "WILL NOT SUCCUMB TO CHINA'S TERRORISM."

8. (U) IT WAS A STRONG MESSAGE FROM PENG WHO MORE GENERALLY HAS BEEN RELATIVELY INEFFECTIVE AS A CANDIDATE. DESCRIBED AS ACADEMICALLY BORING EVEN BY DPP HEADQUARTERS STAFF, PENG SEEMS TO BE LETTING HIS RUNNING MATE, THE YOUNGER AND DYNAMIC FRANK HSIEH, DO MORE OF THE CAMPAIGN TRAIL ACTIVITIES. PENG HAS ALSO TRIED TO CASH IN ON CHARGES THAT A PRC-HIRED TEAM HAD COME HERE TO ASSASSINATE HIM. THE "PLOT THICKENED" MARCH 19 WHEN DIRECTOR-GENERAL OF THE MINISTRY OF JUSTICE INVESTIGATION BUREAU (MJIB) LIAO CHENG-HAO REPORTEDLY TOLD THE PRESS THAT 15 PRC ARMED POLICEMEN MIGHT HAVE COME TO TAIWAN FROM THE U.S. AND JAPAN TO DO SOMETHING "UNFAVORABLE" TO THE PRESIDENTIAL CANDIDATES OR OTHER INFLUENTIAL POLITICIANS. A CHINESE-AMERICAN, YANG TSU-HAO, DESPITE HIS DENIALS, WAS DEPORTED MARCH 20 AFTER QUESTIONING BY SECURITY PERSONNEL FOR ALLEGED INVOLVEMENT IN THE PLOT (SEPTEL). MEANWHILE, POLICE FOUND A MOCK PARCEL BOMB AT THE TAIPEI RAILWAY STATION ADDRESSED TO PENG, ADDING TO THE CONFUSION ABOUT HOW

REAL THE THREAT TO PENG'S LIFE MIGHT BE.

9. (X) OVERALL, HOWEVER, THE DPP CAMPAIGN IS PERCEIVED AS FOUNDERING. PENG IS EXCITING NEITHER PARTY ACTIVISTS NOR THE VOTERS AT LARGE. THE EXISTING LOCAL DPP PARTY BRANCHES HAVE BEEN BYPASSED IN FAVOR OF A CAMPAIGN ORGANIZATION SET UP BY PENG AND HSIEH DIRECTLY; AND PENG'S CAMPAIGN MANAGER, LEGISLATOR YEH CHU-LAN, IS REPUTED TO BE DIFFICULT TO WORK WITH. IN REALITY, HOWEVER, NO OTHER DPP CANDIDATE IS LIKELY TO HAVE DONE MUCH BETTER; PRESIDENT LEE IS EXTREMELY POPULAR AMONG TRADITIONAL DPP SUPPORTERS BECAUSE HE IS THE FIRST ETHNICALLY TAIWANESE (APPOINTED) PRESIDENT AND BECAUSE HE HAS INSTITUTED AND OVERSEEN A DEMOCRATIZATION PROCESS WHICH HAS TRANSFORMED TAIWAN'S POLITICS ALMOST COMPLETELY DURING THE PAST SIX YEARS.

KMT MAVERICKS LIN/HAU

10. (SBU) KMT MAVERICK LIN YANG-KANG, WHO IS CAMPAIGNING WITH THE SUPPORT OF THE CHINESE NEW PARTY (CNP), WAS HOLDING HIS OWN PRESS CONFERENCE MARCH 20 TO ANNOUNCE HIS CHOICES FOR SENIOR GOVERNMENT POSITIONS IF HE IS ELECTED. THE CHOICES INCLUDE HIS INDEPENDENT RIVAL CHEN LI-AN AS PREMIER. (CURIOSLY HIS OTHER TWO
~~C O N F I D E N T I A L~~ SECTION 03 OF 04 TAIPEI 001358

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/20/06

TAGS: PGOV, TW

SUBJECT: TAIWAN'S PRESIDENTIAL CANDIDATES STAGGER
- TOWARD THE FINISH LINE

CHOICES WERE ALSO ETHNIC MAINLANDERS.) HIS IMPLICIT MESSAGE IN ANNOUNCING CHEN AS HIS CHOICE FOR PREMIER: PERHAPS CHEN, WHO IS RUNNING LAST IN THE POLLS BUT COMPETING AMONG THE SAME CONSERVATIVE/MAINLANDER VOTERS AS LIN AND HAU, SHOULD DROP OUT OF THE RACE AND THROW HIS SUPPORT TO LIN. CHEN ANGRILY DENOUNCED LIN'S ANNOUNCEMENT, STATING THAT LIN HAD VIOLATED AN AGREEMENT AMONG THE TWO INDEPENDENTS NOT TO DISPARAGE EACH OTHER.

11. (X) DESPITE CHEN'S REJECTION OF LIN'S IMPLICIT MESSAGE, DOMESTIC ISSUES APPEAR SAFER FOR LIN THAN HIS HANDLING OF CROSS-STRAIT ISSUES. LIN AND HAU ON MARCH 19 CALLED THE DEPLOYMENT OF U.S. AIRCRAFT CARRIERS NEAR TAIWAN "UNWISE AND UNNECESSARY" AS THIS WOULD ONLY ESCALATE TENSIONS IN THE TAIWAN STRAIT. EARLIER LIN HAD SAID HE WOULD GO TO BEIJING TO EASE TENSIONS. NEITHER THEME WORKED TO LIN'S ADVANTAGE SINCE THE U.S. NAVAL DEPLOYMENT APPEARS TO HAVE EASED THE CONCERNS OF THE MAJORITY OF THE POPULATION, AND PROPOSING TO GO TO BEIJING MADE LIN APPEAR A SUPPLICANT WHEN THE MAJORITY OF THE PEOPLE APPEAR TO PREFER A LEADER WILLING TO

STAND UP TO MAINLAND CHINA. (LIN LOYALISTS HAVE BEEN EXTREMELY APOLOGETIC WHEN WE HAVE POINTED OUT TO THEM HOW UNHELPFUL -- AND UNREASONABLE -- LIN'S COMMENTS ON THIS ISSUE HAVE BEEN. THEY HAVE TOLD US, "DON'T WORRY, HE WILL BE REASONABLE IF HE IS ELECTED.)

12. (C) CNP SECRETARY-GENERAL JAW SHAU-KONG REITERATED MARCH 20 THE CNP'S SUPPORT OF THE LIN-HAU TICKET IN THE PRESIDENTIAL ELECTION. STILL, IN A PRIVATE CONVERSATION WITH THE DEPUTY DIRECTOR, JAW WENT TO GREAT LENGTHS TO DISTANCE THE CNP FROM THE LIN CAMPAIGN, POINTING OUT THAT THE SENIOR ADVISORS FOR LIN AND HAU HAD NO CONNECTION TO HIS PARTY. INDEED, THE CNP CLEARLY SEEMS TO BE PUTTING MOST OF ITS EFFORTS INTO CAMPAIGNING FOR ITS CANDIDATES FOR THE NATIONAL ASSEMBLY ELECTION WHICH IS ALSO TAFTER ALL, IS ACTUALLY A CNP MEMBER. NOR DO THEY REALLY HAVE THE CORRECT IMAGES (CNP CANDIDATES TEND TO BE YOUNG, HIGHLY EDUCATED, AND HAVE ADVANCED DEGREES -- PREFERABLY PH.D.'S) TO APPEAL TO THE CNP VOTER BASE WHICH HAS DEVELOPED SINCE THE PARTY WAS ESTABLISHED TWO YEARS AGO. THE DISCONTINUITIES OF THEME AND ORGANIZATION BOTH AUGUR POORLY FOR THE LIN/HAU TICKET.

INDEPENDENTS CHEN/WANG

13. (C) ON MARCH 20, THE FOURTH CANDIDATE, INDEPENDENT CHEN LI-AN, WAS VISITING PENGHU ISLAND, WHERE HE TOLD VOTERS NOT TO SUPPORT CANDIDATES TRYING TO BUY VOTES. CHEN HAS WORKED HARD TO PLAY ON HIS IMAGE, SINCE HIS CONVERSION TO ACTIVE BUDDHISM A FEW YEARS AGO, AS THE MOST "CLEAN" OF THE CANDIDATES. HE HAS ALSO WORKED TO DEVELOP GRASS ROOTS CREDENTIALS (DESPITE BEING FROM A POWERFUL AND WEALTHY FAMILY), CHIEFLY FROM SPENDING MUCH OF HIS TIME WALKING THROUGH NEIGHBORHOODS TO "PRESS THE FLESH." NONE OF THIS SEEMS TO HAVE HELPED; HE TRAILS FAR BEHIND IN THE POLLS, AND EVEN MANY VOTERS WHO SUPPORT HIS CANDIDACY FEAR THAT A VOTE FOR HIM WOULD BE WASTED.

FOREIGN OBSERVERS

14. (U) ADDING TO EXCITEMENT AS VOTING DAY APPROACHES ARE PRESS REPORTS ABOUT FOREIGN VISITORS ARRIVING TO OBSERVE THE ELECTION. AMONG THEM ARE FORMER RUSSIAN PRIME MINISTER GAIDAR, THE ITALIAN LOWER HOUSE SPEAKER, ~~C O N F I D E N T I A L~~ SECTION 04 OF 04 TAIPEI 001358

STATE FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: 03/20/06

TAGS: PGOV, TW

SUBJECT: TAIWAN'S PRESIDENTIAL CANDIDATES STAGGER
- TOWARD THE FINISH LINE

AS WELL AS GERMAN, CANADIAN AND NORWEGIAN

PARLIAMENTARIANS.
PASCOE
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 TO: RUEHC/SECSTATE WASHDC PRIORITY 2426
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 RUEHXS/ASEAN COLLECTIVE
 RUEHGX/AMCONSUL GUANGZHOU 0013
 RHHMUNA/USCINCPAC HONOLULU HI//FPA/J-5//
 SUBJ: U/S TARNOFF DISCUSSES REGIONAL RELATIONS WITH
 SINGAPORE PM GOH CHOK TONG, FOCUSES ON TAIWAN STRAITS

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.51)
 KBH 6/12/2019

TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 03 SINGAPORE 001314

E.O. 12958: DECL: 3/20/06
 TAGS: PREL, CH, TW, SN, US
 SUBJECT: U/S TARNOFF DISCUSSES REGIONAL RELATIONS WITH
 SINGAPORE PM GOH CHOK TONG, FOCUSES ON TAIWAN STRAITS

1. CLASSIFIED BY DCM EMIL SKODON. REASON 1.5(B) & (D).
2. ~~(S)~~ SUMMARY. U/S OF STATE FOR POLITICAL AFFAIRS PETER TARNOFF OPENED HIS MEETING WITH SINGAPORE PM GOH CHOK TONG BY EXPRESSING U.S. APPRECIATION FOR SENIOR MINISTER LEE KUAN YEW'S RECENT SPEECH ON TENSIONS BETWEEN CHINA AND TAIWAN. GOH SAID CHINA WANTS TO AVOID MILITARY ACTION, BUT IT NEEDS EVIDENCE -- SUCH AS TAIWAN RENOUNCING ITS U.N. BID -- THAT LEE TENG-HUI WILL NOT SEEK INDEPENDENCE. TARNOFF SAID HE EXPECTED LEE WOULD MAKE A POSITIVE OVERTURE ON CROSS-STRAIT RELATIONS AFTER THE ELECTION, BUT MIGHT NOT HAVE THE POLITICAL LATITUDE TO RENOUNCE TAIWAN'S U.N. BID ENTIRELY. IF HE DOES MAKE A POSITIVE STATEMENT, THE U.S. WILL ENCOURAGE BEIJING TO ENGAGE, AND HOPES ASEAN NATIONS WILL DO LIKEWISE. GOH SAID THAT LEE TENG-HUI PERSONALLY IS RESPONSIBLE FOR MUCH OF THE CROSS-STRAIT TENSIONS. GOH ADDED THAT CHINA WILL NOT SEEK TO PROJECT MILITARY POWER OVER THE COMING TWENTY YEARS. TARNOFF URGED ASEAN TO CONTINUE ENCOURAGING BOTH CHINA AND TAIWAN TO SHOW RESTRAINT. GOH ALSO NOTED OPPORTUNITIES FOR THE U.S. GRADUALLY TO SEEK INCREASED MILITARY ACCESS IN OTHER COUNTRIES IN THE REGION,

SUGGESTING BRUNEI, AND LATER THE PHILIPPINES AND VIETNAM, AS POSSIBILITIES. GOH DESCRIBED THE ASEM AS A POSITIVE DEVELOPMENT AND EMPHASIZED IT WAS NOT INTENDED TO EXCLUDE THE U.S. END SUMMARY.

3. (U) UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS PETER TARNOFF BEGAN HIS VISIT TO SINGAPORE BY CALLING ON SINGAPORE PRIME MINISTER GOH CHOK TONG MARCH 19. TARNOFF WAS ACCOMPANIED BY THE AMBASSADOR, SPECIAL ASSISTANT RUSSEL AND POLOFF KEEGAN (NOTETAKER). PM GOH WAS ACCOMPANIED BY MFA DIVISION II (NORTH AMERICAN AND EUROPEAN AFFAIRS) DIRECTOR ONG KENG YONG.

SHARED CONCERN OVER CHINA-TAIWAN TENSION

4. (C) U/S TARNOFF OPENED THE MEETING BY OBSERVING THAT THE RECENT PUBLIC STATEMENT ON CHINA/TAIWAN BY SENIOR MINISTER LEE KUAN YEW HAD BEEN QUITE USEFUL AND EXPRESSING HIS DISAPPOINTMENT THAT LEE'S RECENT OPERATION MADE IT IMPOSSIBLE FOR THEM TO MEET. THE PM SAID THAT THE SPEECH REPRESENTED INPUT FROM THE ENTIRE GOVERNMENT AND SINGALED SINGAPORE'S FEELING THAT CHINA AND TAIWAN NEED TO MAKE A FRESH START IN BUILDING THEIR RELATIONSHIP. SINGAPORE IS CONCERNED BECAUSE OF THE OBVIOUS CONSEQUENCES OF ANY MILITARY ACTION FOR THE ENTIRE REGION. IT BELIEVES THAT CHINA DOES NOT WANT TO PURSUE A MILITARY SOLUTION TO ITS DIFFERENCES WITH TAIWAN BECAUSE OF THE HIGH COSTS, BUT IT WILL DO SO UNDER "CERTAIN CIRCUMSTANCES," PARTICULARLY IF LEE TENG-HUI LEADS TAIWAN IN "A DASH FOR INDEPENDENCE" AFTER THE MARCH 23 ELECTION.

5. (C) SINGAPORE PROPOSED THAT EACH SIDE RECOGNIZE THE CONCERNS OF THE OTHER. TAIWAN WANTS INTERNATIONAL "POLITICAL SPACE." IT ALREADY HAS INTERNATIONAL SOCIAL AND CULTURAL SPACE. THE QUESTION IS WHETHER THE PRC CAN OFFER TAIWAN SUCH SPACE WITHOUT RECOGNIZING IT AS INDEPENDENT. IT CAN, SINGAPORE BELIEVES, IF TAIWAN PROVIDES CLEAR EVIDENCE THAT IT REMAINS WITHIN THE POLITICAL AMBIT OF A ONE-CHINA POLICY. THE CLEARST EVIDENCE FOR SUCH A COMMITMENT WOULD BE TAIWAN'S RECONSIDERATION OF ITS U.N. BID. THIS WOULD THEN OPEN THE WAY FOR RENEWING ITS DIALOGUE WITH CHINA.

6. (C) GOH ADDED THAT LEE TENG-HUI'S INTENTIONS ARE NOT CLEAR, NOR IS THE U.S. REACTION IF TAIWAN DECLARED INDEPENDENCE. TARNOFF SAID THAT THERE IS EVERY INDICATION THAT LEE TENG-HUI PLANS TO SAY SOMETHING CONSTRUCTIVE ON THE CROSS-STRAIT SITUATION AFTER THE ELECTION. NOT ONLY CHINA BUT THE ENTIRE REGION WOULD BE WATCHING THE TAIWAN PRESIDENT CLOSELY. THE U.S. HOPES HE WILL SHOW RESTRAINT, IN TERMS OF EFFORTS TO EXPAND TAIWAN'S "INTERNATIONAL SPACE" ALTHOUGH OBVIOUSLY WE CANNOT DICTATE WHAT HE WILL SAY. THERE IS NO AMBIGUITY IN OUR POSITION TOWARD TAIWAN'S U.N. BID: WE DO NOT FAVOR IT. NEARLY ALL US POLICY FIGURES, INCLUDING REPUBLICAN PRESIDENTIAL CANDIDATE SENATOR DOLE, RECOGNIZES THAT TAIWAN'S U.N. BID

WOULD BE PROFOUNDLY DESTABILIZING. SOME HAVE CALLED THE U.S. POSITION "STRATEGIC AMBIGUITY," BUT THERE IS A BIPARTISAN CONSENSUS IN THE U.S. THAT DEFINING IN ADVANCE OUR REACTION TO CROSS-STRAITS TENSIONS WOULD SERVE ONLY TO DRAMATIZE RATHER THAN COOL DOWN REACTIONS ON ALL SIDES.

~~C O N F I D E N T I A L~~ SECTION 02 OF 03 SINGAPORE 001314

E.O. 12958: DECL: 3/20/06

TAGS: PREL, CH, TW, SN, US

SUBJECT: U/S TARNOFF DISCUSSES REGIONAL RELATIONS WITH SINGAPORE PM GOH CHOK TONG, FOCUSES ON TAIWAN STRAITS

7. ~~(C)~~ LEE TENG-HUI ALSO RECOGNIZES THE RISKS OF CONTINUING TAIWAN'S U.N. BID. WHILE HE MAY NOT HAVE THE POLITICAL LATITUDE TO RENOUNCE IT, HE MAY SEEK TO DEEMPHASIZE IT, PERHAPS BY SUGGESTING IT BE PURSUED OVER A LONGER TIMEFRAME. THE U.S. HAS TOLD LEE HE SHOULD RISE ABOVE THE DISPUTE AND TAKE A LONGER VIEW. WE ARE CONCERNED, HOWEVER, THAT BEIJING MAY HAVE "PERSONALIZED" THE PROBLEM AND ASK FOR TOO MUCH FROM TAIWAN, INSISTING THAT LEE TENG-HUI HUMILIATE HIMSELF. ASSUMING THAT LEE MAKES THE KIND OF STATEMENT WE ANTICIPATE, THE U.S. AND OTHERS SHOULD POINT OUT TO BEIJING THAT HE HAD MADE A MAJOR EFFORT TO GO HALF-WAY AND THEY SHOULD RECIPROCATE. WE HAVE TOLD LEE THAT WE WILL JUDGE HIS INITIATIVE ON ITS OWN MERITS, NOT BY HOLDING IT HOSTAGE TO A FAVORABLE PRC REACTION.

8. ~~(C)~~ GOH RESPONDED THAT TAIWAN HAS ALSO WORKED TO ESTABLISH RELATIONS WITH A NUMBER OF LESS DEVELOPED COUNTRIES, SENEGAL FOR ONE. THIS EFFORT IS NOT CONSISTENT WITH ITS ONE-CHINA POLICY AND SHOULD BE FROZEN. THE SOLUTION TO CURRENT PROBLEMS LIES WITH ONE MAN -- LEE TENG-HUI -- NOT WITH CHINA. TARNOFF COUNTERED THAT IN CONTRAST TO UN MEMBERSHIP, TAIWAN'S EFFORTS TO HAVE RELATIONS WITH SMALL COUNTRIES IS A MINOR EXPANSION OF BILATERAL RELATIONS WHICH IS NO THREAT TO CHINA'S PRIMACY ON THE INTERNATIONAL SCENE. IT IS FAR LESS IMPORTANT THAN TAIWAN'S CAMPAIGN FOR U.N. MEMBERSHIP AND SHOULD NOT BE MADE A POINT OF CONTENTION.

WILL CHINA PROJECT POWER?

10. ~~(C)~~ GOH SAID THAT HE REMAINED CONCERNED ABOUT THE PERSONAL EFFECT OF PRESIDENT LEE TENG-HUI ON CROSS-STRAIT TENSIONS. HE RECALLED KOO CHEN-FU OF TAIWAN'S STRAITS EXCHANGE FOUNDATION HAD TOLD HIM DURING AN APEC MEETING THAT PRESIDENT LEE HAD TWO WEAKNESSES IN DEALING WITH THE PRC. FIRST, HE DID NOT UNDERSTAND CHINA. FOR EXAMPLE, HE REMAINED MORE COMFORTABLE SPEAKING JAPANESE THAN MANDARIN AND HAD LITTLE KNOWLEDGE OF, OR INTEREST IN CHINESE HISTORY. SECOND, HE REFUSED TO LISTEN TO ADVICE OR STICK TO A SCRIPT. BOTH WEAKNESSES WERE CAPTURED IN LEE'S USING A JAPANESE INSULT TO DESCRIBE THE BEIJING LEADERSHIP. GOH ADDED THAT HE HAD HEARD LEE REJECTED THE SENIOR MINISTER'S

SUGGESTION THAT HE WAS AN "OLDER FRIEND" OF TAIWAN THAN OF CHINA. LEE TENG-HUI REPORTEDLY RESPONDED THAT THE SENIOR MINISTER WAS A FRIEND OF TAIWAN'S LATE PRESIDENT JIANG JING-KUO, NOT HIMSELF.

11. (S) TARNOFF THEN ASKED GOH WHETHER CHINA'S CURRENT CAMPAIGN OF PRESSURE AGAINST TAIWAN IS AN ABERRATION OR A REFLECTION OF A CHINESE TENDENCY TO PROJECT POWER AROUND ITS PERIPHERY, E.G., IN THE SPRATLEYS? GOH RESPONDED THAT HE DID NOT SEE CHINA PROJECTING MILITARY POWER OVER THE NEXT TEN TO TWENTY YEARS. IT IS PREOCCUPIED WITH ECONOMIC DEVELOPMENT AND ACCOMPANYING DOMESTIC SOCIAL AND POLITICAL PROBLEMS SUCH AS PEASANT MIGRATION. DOMESTIC TENSIONS COULD RISE AS INCOME INEQUALITIES GROW AND CHINESE PERCEIVE THAT OFFICIAL CORRUPTION AND "GUANXI" ARE BEING USED TO KEEP OPPRESS THE POOR. FOR THESE REASONS, CHINA WILL AVOID ANY MOVE WHICH WOULD DISCOMFORT ITS NEIGHBORS. CHINA HAS BEEN VERY RECEPTIVE TO SINGAPOREAN ENCOURAGEMENT TO ADHERE TO INTERNATIONAL NORMS, E.G., BY STATING THAT ITS CLAIM TO THE SPRATLEYS WAS NOT INTENDED TO INTERFERE WITH FREEDM OF NAIGATION.

12. (S) BEYOND TEN TO TWENTY YEARS, CHINA'S INTERNATIONAL STRATEGY WILL DEPEND ON WHAT OTHERS DO. WILL THE U.S. REMAIN A BALANCING FORCE IN THE REGION, WILL JAPAN REARM, WILL THE U.S. SUPPORT CHINA'S ECONOMIC DEVELOPMENT? IF CHINA SEES ITS ASPIRATION TO BECOME A NEWLY INDUSTRIALIZED ECONOMY (NIE) FRUSTRATED, IT COULD BECOME A "SPOILER," A REACTION SINGAPORE IS SEEKING TO PREVENT.

13. (S) TARNOFF SAID HE WELCOMED ASEAN'S CONSTRUCTIVE ENGAGEMENT WITH CHINA, ENCOURAGING IT NOT TO PURSUE CERTAIN COURSES OF ACTION. GOH OBSERVED THAT HAVING REGULAR MEETINGS WITH CHINESE LEADERS, OFTEN FIVE OR SIX TIMES A YEAR, HAS MADE IT POSSIBLE TO DEVELOP A HIGH LEVEL OF PERSONAL TRUST WHILE RAISING ISSUES OF CONCERN TO BOTH SIDES. ASEAN STATES HAD ALSO WELCOMED PRIVATE UNOFFICIAL VISITS BY TAIWAN PRESIDENT LEE TENG-HUI IN THE PAST, AND THEY WOULD BE WILLING TO DO SO AGAIN IF CONDITIONS PERMIT. TARNOFF URGED ASEAN TO USE ITS CONTACTS WITH BOT
~~C O N F I D E N T I A L~~ SECTION 03 OF 03 SINGAPORE 001314

E.O. 12958: DECL: 3/20/06

TAGS: PREL, CH, TW, SN, US

SUBJECT: U/S TARNOFF DISCUSSES REGIONAL RELATIONS WITH SINGAPORE PM GOH CHOK TONG, FOCUSES ON TAIWAN STRAITS

CHINA AND TAIWAN TO ENCOURAGE RESTRAINT.

MAINTAINING U.S. REGIONAL PRESENCE

14. (S) TARNOFF NOTED THAT THE U.S. CONSIDERS ITS CONTINUED PRESENCE IN THE REGION A FACTOR FOR STABILITY. THERE IS BROAD SUPPORT IN THE U.S. FOR OUR PRESENCE, EVEN IN THE MIDST OF THE ONGOING POLITICAL CAMPAIGN. DESPITE

SOME DIFFICULTIES, RELATIONS CONTINUE TO BE STRONG WITH JAPAN. GOH ASKED WHAT THE U.S. WOULD DO IN A WORST CASE SCENARIO -- IF JAPAN AND KOREA ASKED THE U.S. TO CLOSE ITS BASES THERE? TARNOFF RESPONDED THAT WE APPRECIATE THE ACCESS TO FACILITIES WHICH SINGAPORE HAS OFFERED; WE KNOW THAT SINGAPORE IS NOT OFFERING TO REPLACE BASES IN JAPAN OR KOREA. GOH SAID LAUGHINGLY THAT THE WHOLE OF SINGAPORE WOULD NOT BE BIG ENOUGH. HE ASKED IF IT WERE POSSIBLE THAT A FEW MORE COUNTRIES WOULD ACCEPT A.S. PRESENCE. THE AMBASSADOR ASKED WHAT COUNTRIES DID GOH THINK MIGHT BE WILLING TO ACCEPT SUCH A U.S. PRESENCE. GOH SUGGESTED BRUNEI MIGHT BE READY, AND THE PHILIPPINES IN A YEAR. VIETNAM WOULD WELCOME SHIP VISITS AND PERHAPS A BASE AT SOME TIME IN THE FUTURE. TARNOFF SAID THAT HAVING A U.S. PRESENCE IN ADDITIONAL COUNTRIES WOULD BE A HELPFUL POLITICAL SIGNAL. IN MALAYSIA AND INDONESIA, INCREASED U.S. PRESENCE WOULD HAVE TO BE PACKAGED AS A COMMERCIAL ARRANGEMENT, PERHAPS AS ADDITIONAL ACCESS TO SHIP REPAIR FACILITIES.

ASEM POSITIVE AND CONCRETE, NOT ANTI-U.S.

15. (S) PM GOH THEN TURNED THE CONVERSATION TO THE RECENTLY CONCLUDED ASEM, REVIEWING THE POSITIVE ATMOSPHERE OF THE MEETING, ITS CONCRETE TRADE AND INVESTMENT INITIATIVES, THE BALANCE OF ECONOMIC AND POLITICAL ISSUES AND THE LEADERS' DECISION NOT TO INCREASE PARTICIPATION AT THIS TIME. GOH RECALLED THAT HE HAD SOUGHT TO PERSUADE CHINA PRIOR TO THE MEETING TO INCLUDE TAIWAN, BUT LI PENG HAD REBUFFED THE IDEA BECAUSE THE MEETING WOULD DISCUSS POLITICAL AS WELL AS ECONOMIC ISSUES. THE INCLUSION OF POLITICAL ISSUES MADE THE APEC PRECEDENT OF TAIWAN PARTICIPATION INAPPROPRIATE. IN THE LONGER TERM, SINGAPORE HOPED THAT AUSTRALIA COULD ALSO BE INCLUDED; "ASIA" SHOULD BE A POLITICAL RATHER THAN ETHNIC CONSTRUCT. ASEM, HE ADDED, WAS NOT INTENDED TO EXCLUDE THE U.S., ONLY TO TAKE CARE OF AN INTER-REGIONAL LINKAGE WHICH HAD NOT RECEIVED SUFFICIENT ATTENTION. TARNOFF RESPONDED THAT HE APPRECIATED GOH'S STATEMENT; HE RECOGNIZED THAT ASIA'S RELATIONS WITH EUROPE HAD NOT DEVELOPED AS RAPIDLY AS THOSE WITH THE U.S. AS LONG AS ASEM WAS AN OPEN RATHER THAN EXCLUSIONIST ARRANGEMENT, IT WAS CONSTRUCTIVE.

16. (S) IN CONCLUDING, GOH STRESSED ONCE MORE THAT SINGAPORE WELCOMES THE CONTINUED U.S. ROLE IN ASIA. IT BELIEVES THAT THE U.S. IS THE ONLY POWER WHICH CAN INFLUENCE TAIWAN AND ITS PRESIDENT.

17. (U) THIS CABLE HAS BEEN CLEARED BY U/S TARNOFF.

END TEXT. CHORBA
BT
#1314

NNNN

SECT: SECTION: 01 OF 03
<^SECT>SECTION: 02 OF 03
<^SECT>SECTION: 03 OF 03

SSN: 1314
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TOR: 960322043353 M2143666
<^TOR>960322043455 M2143667
<^TOR>960322043700 M2143670

DIST: SIT: KRISTOFF NSC SUETTINGER
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Cable

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 LINE2: ZNY SSSSS ZZH
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 LINE4: FM SECSTATE WASHDC
 OSRI: RUEHC
 DTG: 221851Z MAR 96
 ORIG: SECSTATE WASHDC
 TO: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS PRIORITY
 RUEHIN/AIT TAIPEI PRIORITY 0000
 RUEHLO/AMEMBASSY LONDON PRIORITY 0000
 RUEHRO/AMEMBASSY ROME PRIORITY 0000
 RUESLE/AMCONSUL SHANGHAI PRIORITY 0000
 RUEHMO/AMEMBASSY MOSCOW PRIORITY 0000
 RUCNDT/USMISSION USUN NEW YORK PRIORITY 0000
 RHHMUNA/USCINCPAC HONOLULU PRIORITY

DECLASSIFIED
PER E.O. 13526
 2015-0686-M (1.52)
 KBH 6/12/2019

INFO: ////
 SUBJ: // INR ASSESSMENT 1/ - PRC/TAIWAN: THE MORNING
 AFTER (96-20, 3-22-96)

DOD/ISA/AP FOR ELKENBERRY, NSC FOR KRISTOFF/SUETTINGER,
 NSC FOR LANDIS, DIA FOR (b)(3) LONDON FOR HALL

TEXT: ~~SECRET~~ STATE 058875

USTR FOR SANDS/LEHR

E.O. 12958: DECL: 3/22/06 1.6X1
 TAGS: CH, PINR, PGOV, PREL
 SUBJECT: // INR ASSESSMENT 1/ - PRC/TAIWAN: THE MORNING
 AFTER (96-20, 3-22-96)

DOD/ISA/AP FOR ELKENBERRY, NSC FOR KRISTOFF/SUETTINGER,
 NSC FOR LANDIS, DIA FOR (b)(3) LONDON FOR HALL

THE FOLLOWING INR ASSESSMENT WAS PRODUCED BY THE OFFICE
 OF EAST ASIA AND PACIFIC ANALYSIS AND IS PROVIDED FOR
 YOUR INFORMATION AND COMMENT.

1. CLASSIFIED BY PAULA CAUSEY. OFFICE DIRECTOR INR/EAP.
 REASON: 1.5 (D)
2. ~~(S)~~ RETURN TO THE STATUS QUO ANTE ON THE TAIWAN
 ISSUE IS HIGHLY PROBLEMATIC -- THE PRE-ELECTION DRAMA HAS
 CAUSED A HARDENING OF POSITIONS ON BOTH SIDES OF THE
 STRAIT. BEIJING WILL NOT GIVE UP ITS COERCIVE DIPLOMACY
 UNTIL IT PERCEIVES THAT TAIWAN'S DRIFT TOWARD
 INDEPENDENCE HAS BEEN CHECKED; TAIPEI, IN TRYING TO GAIN
 THE BEST CROSS-STRAIT BARGAINING POSITION, WILL CONTINUE
 TO SEEK A HIGHER INTERNATIONAL PROFILE.

CHINA'S POLICY RETROGRESSION

3. (S) SINCE LATE LAST YEAR BEIJING INCREASINGLY HAS EVINCED A "STRUGGLE1' MENTALITY TOWARD TAIPEI AND WASHINGTON THAT REFLECTS INCREASED DISTRUST OF BOTH AND RESULTS IN STIFFER CRITERIA FOR PROOF OF "SINCERITY." ELITE AND POPULAR SENTIMENT HAVE INTENSIFIED, REINFORCING LEADERS' ATTITUDES THAT THEY ARE DEALING WITH TAIWAN SEPARATISM AND US HEGEMONISM

4. (S) AFTER THE ELECTION CHINESE LEADERS WILL SEEK STRONGER SIGNALS THAN BEFORE ON TAIWAN'S INTENT TO LIMIT ITS INTERNATIONAL PROFILE AND ENGAGE IN SERIOUS REUNIFICATION TALKS. BEIJING IS UNLIKELY TO ACCEPT EMPTY GESTURES AND WILL BE SUSPICIOUS OF PROMISES FOR FUTURE CHANGE.

BEIJING'S DEMANDS ON TAIPEI

5. (S) PREMIER LI PENG HAS THREATENED WITH A SMILE THAT A "PEACEFUL AND STABLE ENVIRONMENT" IN TAIWAN IS "NOT DIFFICULT TO ACHIEVE," BEING DEPENDENT SOLELY ON TAIWAN'S NEW PRESIDENT PURSUING A NEW COURSE OF ACTION. BEIJING OFFICIALS HAVE SUGGESTED THAT A WITHDRAWAL OF TAIWAN'S UN BID OR MOVEMENT ON DIRECT COMMUNICATION LINKS ARE INITIAL ACTIONS THAT WOULD SPEAK LOUDER THAN WORDS. BUT BEIJING HAS MADE CLEAR THAT A SERIES OF SUSTAINED MOVES WILL BE NECESSARY TO MAKE A MAJOR DIFFERENCE.

6. (S) OFFICIAL PRONOUNCEMENTS THAT CHINA'S POLICY OF "PEACEFUL REUNIFICATION" HAS NOT CHANGED ARE DISINGENUOUS. THE CARROT-AND-STICK POLICY SINCE 1979 SOUGHT A PEACEFUL RESOLUTION, MAINTAINING THE MILITARY OPTION AS A LAST RESORT. RECENT MEDIA COMMENTARY SUGGESTS BEIJING HAS TAKEN A STEP BACK TOWARD A "TWO-HANDED" POLICY THAT HARD-LINERS HAD ADVOCATED -- AND DENG XIAOPING HAD VETOED -- SEVERAL TIMES SINCE THE MID-1980S.

7. (S) THE HALLMARK OF THIS APPROACH IS INTERVENTION IN TAIWAN POLITICS, INCLUDING THROUGH MILITARY INTIMIDATION, ECONOMIC LURES, OR SOCLO-ECONOMIC SABOTAGE. THE RESUMPTION OF OFFICIAL PRC OBSERVANCES OF THE FEBRUARY 28 ANNIVERSARY OF THE 1947 MASSACRE OF TAIWANESE BY CHIANG KAL-SHEK'S KMT, COMBINED WITH PLEDGES TO "PROTECT" THE TAIWAN PEOPLE AGAINST "SPLITTIST" LEADERS WHO ARE DRAGGING TAIWAN INTO "CHAOS," ARE THROWBACKS TO PRE-1979 PROPAGANDA. THOUGH BEIJING IS UNLIKELY TO REVERT TO OFFERS TO "LIBERATE TAIWAN," IT APPEARS TO BE APPLYING TO TAIWAN THE SAME INTRUSIVE TACTICS IT USED IN HONG KONG TO ISOLATE GOVERNOR PATTEN, MARGINALIZE THE DEMOCRATS, AND

BUILD A PRO-PRC CONSTITUENCY.

TAIWAN COUNTS THE VOTES

8. (S) REGARDLESS OF HIS MARGIN OF VICTORY, LEE TENG-HUL

WILL FACE A THIN MAJORITY IN THE TWO HALVES OF THE LEGISLATIVE BRANCH, MAKING BOTH TAIWAN AND THE CROSS-STRAIT RELATIONSHIP DIFFICULT TO MANAGE. DEBATE HAS RAGED OVER THE EFFECT A WIDE MARGIN OF VICTORY WOULD HAVE ON LEE'S CROSS-STRAIT STRATEGY. RUNNING-MATE LIEN CHAN HAS STATED THAT LEE NEEDS AT LEAST 50 PERCENT OF THE VOTE TO 1, HAVE THE MANDATE TO TALK WITH MAINLAND CHINA OTHERWISE BEIJING COULD REFUSE TO TALK BECAUSE WE DO NOT REPRESENT THE MAJORITY OF THE PEOPLE. " BUT THE VALUE OF EVEN A SIZABLE ELECTORAL MANDATE IS PROBABLY NEGLIGIBLE IN VIEW OF TAIWAN'S CHANGING POLITICAL CLIMATE.

DOMESTIC SEA-CHANGE

9. (C) BEFORE THE DEMOCRATIC REFORMS THAT ALLOWED THE EMERGENCE OF OPPOSITION PARTIES, SUCH AS THE PRO-INDEPENDENCE DEMOCRATIC PROGRESSIVE PARTY PDI AND THE PRO-REUNIFICATION CHINA NEW PARTY (CNP) KMT PRESIDENTS DOMINATED BOTH THE LEGISLATIVE YUAN (LY) AND THE NATIONAL ASSEMBLY. AFTER THE DECEMBER 1995 LY ELECTIONS, HOWEVER, THE KMT'S MAJORITY DWINDLED TO ONE SEAT. TOMORROW'S "OTHER" ELECTION -- TO FILL THE ASSEMBLY'S 334 SEATS -- WILL PROBABLY SEE SERIOUS EROSION OF KMT CONTROL OF THAT CHAMBER AS WELL. IF THE KMT SHOULD LOSE EFFECTIVE CONTROL OF THE LY'S LAW-MAKING FUNCTIONS AND THE ASSEMBLY'S CONSTITUTIONAL-AMENDMENT POWERS, LEE COULD FIND THAT HIS POPULAR MANDATE DOES NOT TRANSLATE INTO POLITICAL POWER.

CROSS-STRAIT CATCH-22

10. (C) DURING THE CAMPAIGN TAIPEI'S OFFERS OF A MODUS VIVENDI WITH BEIJING REPRESENTED MORE SOUND THAN SUBSTANCE. TAIPEI WAS WILLING TO NEGOTIATE, FOR EXAMPLE, IF THE PRC WOULD RENOUNCE THE USE OF MILITARY FORCE AGAINST IT. LEE ASSURED AN AUDIENCE ON MARCH 20 THAT TAIWAN REMAINS DEVOTED TO ULTIMATE REUNIFICATION WITH THE MAINLAND, AS LONG AS IT IS DONE "UNDER A SYSTEM OF FREEDOM, DEMOCRACY, AND EQUITABLE WEALTH IN THE FUTURE."

BRASS TACKS

11. (C) WHEN HE GOES BACK TO WORK ON MONDAY, LEE TENG-HUL WILL NEED TO PUT ASIDE THE CAMPAIGN RHETORIC AND FOCUS ON GOVERNANCE AND STATESMANSHIP HE MUST FIRST DETERMINE WHETHER THE KMT WILL WORK IN COALITION OR GO IT ALONE. AN ALLIANCE WITH THE DPP HAS BEEN RUMORED, BUT SUCH A POTENTIALLY PRO-INDEPENDENCE UNION WOULD BE ANATHEMA TO BEIJING. A DEAL WITH THE CNP, THOUGH REASSURING TO BEIJING, WOULD RISK ALIENATING NATIVE TAIWANESE AND SYMPATHETIC DPP SUPPORTERS WHO ARE LEE'S NATURAL ALLIES.

12. (C) DURING HIS MAY 20 INAUGURAL ADDRESS LEE WILL PROBABLY OFFER CONCESSIONS TO BEIJING ON THE "THREE LINKS" -- SHORTHAND FOR DIRECT CROSS-STRAIT TRANSPORT,

TRADE, AND COMMUNICATION TIES--AS WELL AS ON HIGH-LEVEL TALKS BETWEEN BEIJING AND TAIPEI. THE FORMER IS A MAINLAND DEMAND THAT HAS ALREADY BEEN VETTED TO THE POINT WHERE BEIJING MAY NO LONGER VIEW IT AS MUCH OF A CONCESSION; THE LATTER IS MAINLY IN TAIWAN'S INTEREST. LEE ALSO REPORTEDLY IS PLANNING TO CONVOKE A "NATIONAL CONFERENCE" TO MAP OUT THE NEXT PHASE OF THE CROSS-STRAIT RELATIONSHIP IN CONCRETE TERMS, BUT THIS MAY BE MORE A CONCESSION TO THE POLITICAL REALITY OF ERODING KMT INSTITUTIONAL POWER THAN A GENUINE EFFORT TO FORGE A NEW APPROACH.

13. (C) BEFORE COMMITTING HIMSELF TO ENGAGING IN SERIOUS TALKS ABOUT EVENTUAL REUNIFICATION, HOWEVER, LEE WILL WANT TO ESTABLISH THE STRONGEST POSSIBLE BARGAINING POSITION FOR TAIWAN. HE HAS GIVEN EVERY INDICATION THAT HE INTENDS TO DO SO BY CONTINUING TO SEEK TAIWAN MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS. BEIJING WILL NOT BE PLEASED. (CHAMRIN/JGARRIGA)

TALBOTT

BT

#8875

NNNN

SECT: SECTION: 01 OF 01

SSN: 8875

TOR: 960322140644 M2144812

DIST:

SIT: KRISTOFF NSC SUETTINGER

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Cable

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 RUEHHK/AMCONSUL HONG KONG 7714
 RUEHML/AMEMBASSY MANILA 3555
 RUEHJA/AMEMBASSY JAKARTA 1476
 RUEHGP/AMEMBASSY SINGAPORE 5550
 RUEHGZ/AMCONSUL GUANGZHOU 6502
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 RUEHSH/AMCONSUL SHENYANG 2696
 RUESLE/AMCONSUL SHANGHAI 4646
 RUEHKO/AMEMBASSY TOKYO 3978
 SUBJ: TAIWAN VOTES FOR A PRESIDENT

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.53)
 KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 04 TAIPEI 001383

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06
 TAGS: PGOV, PREL, TW, CH
 SUBJECT: TAIWAN VOTES FOR A PRESIDENT

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR AIT/T.
 REASON: 1.5 (B) AND (D).

2. (S) SUMMARY: ON MARCH 23, THE PEOPLE OF TAIWAN WILL, FOR THE FIRST TIME, DIRECTLY ELECT THEIR PRESIDENT. ALTHOUGH THE CURRENT CAMPAIGN HAS SEEN ITS SHARE OF MUD-SLINGING, THE CAMPAIGNING HAS RUN SMOOTHLY AND THE BALLOTING WILL DOUBTLESS BE FREE AND FAIR. UNRELENTING PRESSURE FROM THE PRC IN RECENT MONTHS HAS -- AT LEAST IN THE EYES OF THE OUTSIDE WORLD -- TURNED THIS ELECTION INTO A REFERENDUM ON TAIWAN'S RELATIONS WITH MAINLAND CHINA. PRESIDENT LEE, HELPED BY BEIJING'S PRESSURE, SHOULD HAVE LITTLE TROUBLE WINNING COMFORTABLY AND SHOULD OBTAIN THE FIFTY PERCENT OF THE VOTE THAT HE IS SEEKING. DESPITE HIS CAMPAIGN'S MANY PROBLEMS, THE DPP'S PENG MING-MIN SHOULD BE ABLE TO COME IN SECOND PLACE, WITH INDEPENDENTS LIN YANG-

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KANG AND CHEN LI-AN TRAILING THE PACK. IF THESE PREDICTIONS ARE ACCURATE, LEE, WHO HAS INSISTED HE SEEKS EVENTUAL REUNIFICATION BUT HAS REFUSED TO BOW TO MAINLAND INTIMIDATION, WILL HAVE A STRONG MANDATE TO DEAL WITH BEIJING -- AND THE LEADERSHIP IN ZHONGNANHAI WILL HAVE TO FACE UP TO THE OBVIOUS FAILURE OF THEIR CROSS-STRAIT POLICY OF RECENT MONTHS. END SUMMARY.

(NOTE: THIS CABLE REFLECTS THE MANY INVALUABLE CONTRIBUTIONS OF AIT/K.)

3. ~~(S)~~ ALTHOUGH OFFICIAL CAMPAIGNING FOR THE PRESIDENTIAL ELECTION ONLY BEGAN ONE MONTH AGO, THE FOUR CANDIDATES HAVE BEEN ON THE STUMP SINCE LONG BEFORE THAT. BY THE MIDDLE OF LAST FALL, THE KMT'S LEE AND THE DPP'S PENG WERE ALREADY TRAVELLING AROUND THE COUNTRY SPEAKING FOR THEIR PARTY'S CANDIDATES IN LAST DECEMBER'S LEGISLATIVE YUAN (LY) ELECTION. FOLLOWING THE MID-NOVEMBER DECISION BY THE NEW PARTY (CNP) TO SUPPORT INDEPENDENT LIN YANG-KANG'S BID FOR THE PRESIDENCY, LIN AND RUNNING MATE HAU PEI-TSUN ALSO BEGIN SPEAKING AT RALLIES FOR CNP LEGISLATIVE CANDIDATES. EVEN INDEPENDENT PRESIDENTIAL HOPEFUL CHEN LI-AN HELPED SOME OF HIS SUPPORTERS IN THE LY ELECTIONS. WITH ONLY OCCASIONAL SHORT RESPITES, ALL FOUR CANDIDATES HAVE BEEN VIGOROUSLY CAMPAIGNING EVER SINCE.

CAMPAIGNING, TAIWAN STYLE

4. ~~(S)~~ POLITICAL CAMPAIGNING IS CHANGING IN TAIWAN, PARTICULARLY AT THE NATIONAL LEVEL. IMPORTANTLY, THE STANGLEHOLD OF THE KMT OVER THE MASS MEDIA HAS EVAPORATED. THE PRINT MEDIA AND CABLE TELEVISION NETWORKS NOW GO TO GREAT LENGTHS TO ENSURE ROUGHLY EQUAL COVERAGE OF THE FOUR CANDIDATES. (KMT OPERATIVES POINT OUT THAT THIS HAS LED TO A SITUATION WHERE MAJOR POLICY SPEECHES BY THE INCUMBENT PRESIDENT RECEIVE ROUGHLY EQUAL COVERAGE WITH OFF-HAND COMMENTS BY A CANDIDATE WHO WILL BE LUCKY TO GET TEN PERCENT OF THE VOTE.) JUST AS IMPORTANT, EVEN THOUGH THE KMT HAS VASTLY GREATER RESOURCES THAN ANY OTHER POLITICAL ENTITY ON THIS ISLAND, NONE OF LEE'S COMPETITORS APPEAR SHORT OF MONEY. ALL SEEM TO BE ABLE TO AFFORD PLENTY OF ADVERTISEMENTS IN THE PRINT MEDIA, AS WELL AS EVEN MORE EXPENSIVE SPOTS ON BOTH CABLE AND BROADCAST TELEVISION STATIONS.

5. (U) STILL, WHILE THE CANDIDATES HAVE PLAYED CONSIDERABLE ATTENTION TO THE MEDIA DURING THIS CAMPAIGN, THEY HAVE NOT ABANDONED MORE TRADITIONAL TAIWAN METHODS OF CAMPAIGNING. ALL OF THE CANDIDATES HAVE GNE IN FOR FUND RAISING DINNERS, PARADES, AND "STREET SWEEPING" I.E., WALKING DOWN THE STREETS TO PRESS THE FLESH OF PROSPECTIVE VOTERS. (ALTHOUGH MANY OF THESE ACTIVITIES WOULD APPEAR FAMILIAR TO MOST U.S. VOTERS, THE LION DANCES AND SEEMINGLY UNCEASING

EXPLOSIONS OF FIRECRACKERS THAT ACCOMPANY THE CANDIDATES WHEREVER THEY GO WOULD DOUBTLESS SEEM MORE EXOTIC.) WHILE THERE HAVE BEEN A FEW CHARGES OF VOTE-BUYING, THE CAMPAIGN AT THIS POINT APPEARS TO HAVE BEEN THE CLEANEST ONE YET IN TAIWAN. ELECTION VIOLENCE HAS
~~CONFIDENTIAL~~ SECTION 02 OF 04 TAIPEI 001383

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06
TAGS: PGOV, PREL, TW, CH
SUBJECT: TAIWAN VOTES FOR A PRESIDENT

ALSO BEEN ALMOST NON-EXISTENT.

THE ISSUES

6. ~~(S)~~ DESPITE THE FACT THAT TAIWAN IS ONLY NOW ON THE VERGE OF COMPLETING ITS TRANSITION TO DEMOCRATIC RULE, SURPRISINGLY FEW CONTENTIOUS ISSUES AROSE DURING THE CAMPAIGN. NONE OF THE CANDIDATES WOULD DARE PUBLICLY VOICE ANY MISGIVINGS ABOUT THE DEMOCRATIZATION PROCESS ITSELF. FOR EXAMPLE, LIN YANG-KANG'S VICE PRESIDENTIAL CANDIDATE, HAU PEI-TSUN, IS REVILED BY MANY ON THE ISLAND FOR HAVING ALLEGEDLY OPPOSED RAPID DEMOCRATIZATION. ON THE CAMPAIGN TRAIL, HOWEVER, HE HAS CONTINUALLY UNDERSCORED HIS PERSONAL COMMITMENT TO DEMOCRACY AND EVEN INSISTED THAT DURING HIS 1990-93 STINT AS PREMIER HE FORCED A RECALCITRANT LEE TENG-HUI TO ACCEPT FULL DEMOCRATIZATION (A CLAIM THAT IS LUDICROUS EVEN BY THE STANDARDS OF A HEATED ELECTORAL CAMPAIGN).

7. ~~(S)~~ SIMILARLY, FOR A SOCIETY WHERE THE MEDIA TREATS A SIX PERCENT GNP GROWTH RATE AS THE EQUIVALENT OF THE GREAT DEPRESSION, THERE HAS ALSO BEEN SURPRISINGLY LITTLE DEBATE ABOUT ECONOMIC POLICY. THERE MAY BE SOME DISAGREEMENT HERE REGARDING THE SIZE OF THE SAFETY NET THE GOVERNMENT SHOULD ERECT FOR THE LEAST FORTUNATE. THERE IS NO DISAGREEMENT, HOER, THAT PRIVATE INDUSTRY MUST CONTINUE TO BE THE ENGINE OF TAIWAN'S PROSPERITY. THERE IS ALSO CONSIDERABLE CONSENSUS AMONG THE CANDIDATES -- AND THE PUBLIC -- THAT TAIWAN MUST CONTINUE TO EVOLVE FROM A LABOR INTENSIVE ECONOMY TO A HIGH-TECHNOLOGY ONE AND THAT TAIWAN SHOULD CONTINUE TO INTERNATIONALIZE AND LIBERALIZE ITS ECONOMY.

8. ~~(S)~~ FINALLY, ALTHOUGH AT THE LAST MOMENT HIS OPPONENTS HAVE TRIED TO FOCUS ATTENTION ON THE QUESTION OF LEE TENG-HUI'S CHARACTER, FOR THE MOST PART THERE HAS BEEN RELATIVELY LITTLE ATTENTION DURING THE CAMPAIGN TO QUESTIONS OF GOVERNMENT CORRUPTION AND INEFFICIENCY. THIS OF COURSE IS IN STARK CONTRAST TO LAST DECEMBER'S LY ELECTION, WHEN ATTACKS ON ALLEGED KMT CORRUPTION LAY AT THE HEART OF THE CAMPAIGNS OF MANY CNP CANDIDATES (AND LIKELY PLAYED THE KEY ROLE IN THE VICTORY OF MANY OF THOSE CANDIDATES). THIS DOES

NOT, HOWEVER, REFLECT A CONSENSUS AMONG THE CANDIDATES NOT TO RAISE SUCH ISSUES. RATHER, IT IS PRIMARILY DUE TO THE FACT THAT LEE'S CHALLENGERS HAVE BEEN FORCED BY THE PRC ACTIONS OF RECENT MONTHS TO SPEND MOST OF THEIR TIME DISCUSSING CROSS-STRAIT POLICY.

BIG BROTHER DOMINATES THE ELECTION

9. ~~(C)~~ THE PRC HAS OF COURSE CONTINUED TO PRESSURE TAIWAN EVER SINCE THE FIRST MISSILE EXERCISES LAST JULY. HOWEVER, THE PRC'S MARCH 5 ANNOUNCEMENT THAT IT WOULD HOLD ANOTHER ROUND OF MISSILE EXERCISES VERY CLOSE TO TAIWAN'S TWO LARGEST PORTS, COUPLED WITH BEIJING STATEMENTS THAT IMPLIED THAT THE GOAL OF THE EXERCISES WAS TO AFFECT THE OUTCOME OF THE ELECTION, ENSURED THAT ALL FOUR CANDIDATES WOULD HAVE TO FOCUS ON CROSS-STRAIT ISSUES IN THE CRITICAL LAST WEEKS OF THE CAMPAIGN.

10. ~~(C)~~ THE TWO INDEPENDENTS, WHO HAD ALL ALONG BLAMED LEE TENG-HUI FOR THE DETERIORATION IN RELATIONS WITH BEIJING, HAD NO CHOICE BUT TO CONTINUE TO DO SO. IN CONTRAST, PENG MING-MIN OF THE DPP COULD NOT ABANDON HIS PARTY'S TRADITIONAL PRO-INDEPENDENCE POSITION IN THE FACE OF PRESSURE FROM THE PRC. THUS, LEE TENG-HUI FOUND HIMSELF COMFORTABLY IN THE MIDDLE ON THE ISSUE THAT DOMINATED THE LAST WEEKS OF THE CAMPAIGN: HE COULD PROCLAIM THAT LIN AND CHEN WERE WILLING TO SELL OUT TAIWAN TO APPEASE BEIJING AND THAT PENG WOULD LEAD THE COUNTRY TO THE BRINK OF WAR. FINALLY, THE U.S. DECISION TO SEND TWO AIRCRAFT CARRIERS TO THE REGION REASSURED MANY VOTERS THAT THE ELECTIONS WOULD PROCEED ON SCHEDULE AND THAT BEIJING'S INCREASINGLY SHRILL ATTACKS ON LEE COULD BE SAFELY IGNORED.

~~C O N F I D E N T I A L~~ SECTION 03 OF 04 TAIPEI 001383

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06

TAGS: PGOV, PREL, TW, CH

SUBJECT: TAIWAN VOTES FOR A PRESIDENT

CRYSTAL BALL TIME

11. ~~(C)~~ IN SHORT, IF THE PRC'S GOAL WAS TO ENSURE A LOWER VOTE TOTAL FOR LEE TENG-HUI, ITS ACTIONS APPEAR TO HAVE BEEN COUNTER-PRODUCTIVE. FOR QUITE SOME TIME NOW, LEE TENG-HUI HAS BEEN SAYING THAT HE WOULD NEED OVER 50 PERCENT OF THE TOTAL VOTE TO CLAIM A SOLID MANDATE FROM THE PEOPLE. A MONTH AND A HALF A GO, THIS GOAL LOOKED AMBITIOUS, WITH MOST PUNDITS (INCLUDING THOSE WITH KMT TIES) PREDICTING THAT LEE WOULD PROBABLY GET 45 TO 48 PERCENT OF THE VOTE.

12. ~~(C)~~ IN RECENT WEEKS, HOWEVER, THERE APPEARS TO

HAVE BEEN A SWING TOWARD LEE AMONG THE ELECTORATE. HIS CAMPAIGN HAS CLEARLY BEEN GATHERING MOMENTUM, IN PART BECAUSE BEIJING'S THREATS HAVE RALLIED MANY TO HIS CAUSE, IN PART BECAUSE OF HIS OPPONENTS' GAFFES ON CROSS-STRAIT RELATIONS, AND IN PART BECAUSE HE IS PERSONALLY POPULAR WITH A LARGE SEGMENT OF THE POPULATION (PARTICULARLY AMONG ETHNIC TAIWANESE AND HAKKAS, WHO TOGETHER COMPRISE MORE THAN 85 PERCENT OF THE POPULATION). FINALLY, WHILE SOME MAINLANDERS WHO HAVE TRADITIONALLY SUPPORTED THE KMT MIGHT VOTE FOR LIN YANG-KANG OR CHEN LI-AN IN THIS ELECTION, PRESIDENT LEE WILL CLEARLY BENEFIT FROM A HUGE CROSS-OVER OF VOTERS WHO HAVE TRADITIONALLY SUPPORTED THE DPP. THE CNP SAYS THAT 40-50 PERCENT OF THE DPP'S TRADITIONAL VOTERS WILL CAST BALLOTS FOR LEE, WHILE THE DPP'S SECRETARY GENERAL PUTS THE FIGURE AT 35-40 PERCENT. IF THE CROSS-OVER OF DPP SUPPORTERS IS THIS SIGNIFICANT, PRESIDENT LEE SHOULD BE ABLE TO OBTAIN 50-55 PERCENT OF THE VOTES CAST.

13. (C) DESPITE THE LIKELIHOOD THAT HE WILL LOSE THE VOTES OF MANY TRADITIONAL SUPPORTERS OF THE PARTY, THE DPP'S PENG MING-MIN SHOULD STILL COME IN SECOND PLACE IN THE ELECTION, WITH PERHAPS 20-25 PERCENT OF THE VOTE. LIN YANG-KANG HAS BEEN HURT MOST BY THE CAMPAIGN'S FOCUS ON CROSS-STRAIT RELATIONS; HIS EAGERNESS TO CUT A DEAL WITH BEIJING HAS DISCREDITED HIM IN THE EYES OF MANY POTENTIAL ETHNIC TAIWANESE SUPPORTERS. THUS, WE DO NOT CREDIT REPORTS CIRCULATED BY HIS OWN CAMP THAT HE WILL GET OVER 20 PERCENT OF THE VOTE AND BELIEVE THAT LIN WILL MORE LIKELY END UP WITH SOMETHING LIKE 15-20 PERCENT OF THE VOTE. FINALLY, ALTHOUGH CHEN LI-AN MIGHT GET SOME SUPPORT BECAUSE OF HIS CREDENTIALS AS A GOOD BUDDHIST, HIS CAMPAIGN APPEARS MIRED IN FOURTH PLACE. HE WILL LIKELY BE HURT BY A RELUCTANCE OF MANY VOTERS HERE TO THROW VOTES AWAY ON A CANDIDATE WITH NO CHANCE OF WINNING AND THUS WILL BE LUCKY TO WIN ANYTHING NEAR TEN PERCENT OF THE VOTE.

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COMMENT

14. (C) MOST FOREIGN PUNDITS WILL BE WATCHING THE RESULTS OF THE MARCH 23 ELECTION FOR CLUES AS TO THE LIKELY DEVELOPMENT OF CROSS-STRAIT RELATIONS OVER THE COMING MONTHS. IF IT COMES TO PASS, THE MOST LIKELY OUTCOME -- WITH LEE GETTING OVER FIFTY PERCENT OF THE TOTAL VOTE AND PENG ENDING UP IN SECOND PLACE -- WOULD APPEAR A STRONG REPUDIATION OF BEIJING. STILL, IT WOULD ALSO PROVIDE LEE -- WHO HAS CONSISTENTLY REAFFIRMED HIS COMMITMENT TO IMPROVING RELATIONS WITH THE MAINLAND AND TO EVENTUAL REUNIFICATION -- WITH THE STRONG BASE HE NEEDS TO BEGIN TO TAKE POSITIVE STEPS TO ADDRESS CROSS-STRAIT TENSIONS.

15. (C) FROM A LONGER PERSPECTIVE, HOWEVER, THE ELECTION ITSELF IS PERHAPS MORE IMPORTANT THAN THE ACTUAL RESULTS. THIS ELECTION WILL MARK THE COMPLETION

OF TAIWAN'S DEMOCRATIZATION. WHILE SOME MAY QUIBBLE THAT TAIWAN'S DEMOCRACY IS NOT PERFECT, IT IS REAL AND UNDENIABLE -- AND SUPPORTED BY THE PEOPLE. THE PROCESS OF DEMOCRATIZATION HAS BEEN CARRIED OUT HERE AMAZINGLY SMOOTHLY IN A RELATIVELY SHORT PERIOD OF TIME. AS OF RIGHT NOW, 1pLE ACT, THE PROCESS ALSO APPEARS IRREVERSIBLE.

~~C O N F I D E N T I A L~~ SECTION 04 OF 04 TAIPEI 001383

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06

TAGS: PGO}, PREL, TW, CH

SUBJECT: TAIWAN VOTES FOR A PRESIDENT

AS PRESIDENT LEE IS FOND OF POINTING OUT, PERHAPS IT IS THIS PROCESS -- AND NOT ANY TRIPS TO CORNELL OR SUPPOSED DIVINATION BY BEIJING OF WHAT ACTUALLY LIES IN LEE'S HEART -- THAT MAKES THE LEADERS OF THE PRC SO UNCOMFORTABLE. TAIWAN IS ON THE VERGE OF PROVING THAT A CHINESE SOCIETY CAN ELECT ITS OWN LEADER.

PASCOE

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#1383

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SECT: SECTION: 01 OF 04
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 RUEHUL/AMEMBASSY SEOUL 7588
 RUEHBJ/AMEMBASSY BEIJING 6203
 SUBJ: RELIGIOUS INFLUENCE IN TAIWAN'S PRESIDENTIAL
 - ELECTION

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.54)
 KBH 6/12/2019

TEXT:
~~CONFIDENTIAL~~ SECTION 01 OF 02 TAIPEI 001385

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06

TAGS: PGOV, PNAT, SCUL, KPRP, TW

SUBJECT: RELIGIOUS INFLUENCE IN TAIWAN'S PRESIDENTIAL
 - ELECTION

1. (U) CLASSIFIED BY CHRISTOPHER J. LAFLEUR, DEPUTY
 DIRECTOR, AIT/T. REASON: 1.5 (D).

2. SUMMARY: DESPITE EARLY CONCERN THAT RELIGION
 COULD PLAY A DIVISIVE ROLE IN THE CURRENT PRESIDENTIAL
 ELECTION CAMPAIGN, ALL INDICATIONS ARE THAT RELIGIOUS
 ISSUES HAVE HAD LITTLE INFLUENCE IN THE RACE AS IT
 MOVES TOWARD ITS MARCH 23 CONCLUSION. ONE CANDIDATE,
 INDEPENDENT CHEN LI-AN, HAS SOUGHT TO EXTRACT POLITICAL
 CAPITAL FROM HIS CONNECTION TO BUDDHISM. ANOTHER, PRO-
 INDEPENDENCE CANDIDATE PENG MING-MIN, A PRESBYTERIAN,
 HAS CRITICIZED THE USE OF RELIGION FOR POLITICAL GAIN,
 BUT NONETHELESS STANDS TO BENEFIT FROM THE PRO-
 INDEPENDENCE POLITICAL AGENDA OF THE TAIWAN
 PRESBYTERIAN CHURCH. ALTHOUGH BOTH CANDIDATES SEEM TO
 HAVE RECEIVED SOME SUPPORT FROM SOME LEADERS OF THEIR
 RESPECTIVE RELIGIONS, THERE IS NO INDICATION THAT THESE
 RELIGIOUS GROUPS WILL VOTE AS BLOCS FOR THEIR LEADERS'

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FAVORED CANDIDATES. END SUMMARY.

3. (SBU) POLITICS AND RELIGION HAVE TRADITIONALLY BEEN DISTINCT FROM ONE ANOTHER IN TAIWAN SOCIETY. EARLY IN THE CURRENT PRESIDENTIAL CAMPAIGN, HOWEVER, CHEN LI-AN'S OPEN EFFORTS TO CURRY FAVOR WITH MEMBERS OF HIS RELIGIOUS GROUP SPARKED SOME CONCERN THAT THE CAMPAIGN COULD DEGENERATE INTO A RELIGIOUS BATTLEFIELD. AS ELECTION DAY DRAWS NEAR, SUCH CONCERN APPEARS TO HAVE BEEN EXAGGERATED; RELIGION HAS NOT PLAYED A DIVISIVE ROLE IN THE CAMPAIGN. THERE IS LITTLE EVIDENCE TO SUGGEST THAT ANY RELIGIOUS GROUP HERE WORKS AS A SIGNIFICANT VOTING BLOC OR THAT ANY RELIGIOUS LEADER COULD BE COUNTED ON TO DELIVER MORE THAN A MODICUM OF VOTES IN SUPPORT OF ANY PARTICULAR CANDIDATE. NONETHELESS, THE INTERPLAY BETWEEN RELIGION AND POLITICS DURING THE CURRENT CAMPAIGN HAS BEEN INTERESTING AS ONE BUDDHIST CANDIDATE HAS APPEALED FOR VOTES BASED UPON HIS RELIGIOUS IDENTIFICATION WHILE A DIFFERENT RELIGIOUS GROUP HAS CHOSEN TO SUPPORT A CANDIDATE BASED UPON THAT GROUP'S OWN PRO-INDEPENDENCE POLITICAL AGENDA.

CHEN LI-AN: THE BUDDHIST CONNECTION

4. (SBU) WITH AN ESTIMATED 4 TO 5 MILLION FOLLOWERS OF BUDDHISM IN TAIWAN (ROUGHLY 20 PERCENT OF THE POPULATION), THE INTRODUCTION OF A VOCALLY DEVOUT BUDDHIST, CHEN LI-AN, INTO THE PRESIDENTIAL RACE LAST AUGUST RAISED SOME CONCERN THAT RELIGIOUS ISSUES COULD INFLAME THE CAMPAIGN. SHORTLY AFTER CHEN ANNOUNCED HIS CANDIDACY, IT WAS REPORTED THAT BUDDHIST AND TAOIST GROUPS WERE SEEKING TO AMASS SUPPORT ON HIS BEHALF AND THAT CERTAIN RESPECTED BUDDHIST MONKS WOULD OPENLY SUPPORT HIM. CHEN HIMSELF LACED HIS CAMPAIGN WITH RELIGIOUS TERMINOLOGY AND EVENTS WHICH CARRIED THE FLAVOR OF ASCETICISM. FOR HIS MOST WIDELY PUBLICIZED EVENT, CHEN WALKED FOR 18 DAYS AROUND THE ISLAND ACCOMPANIED BY A NUMBER OF OTHER DEVOUT BUDDHISTS.

5. (S) CHEN'S MOST PROMINENT BUDDHIST SUPPORTER IS THE FOUNDING MASTER OF KAOHSIUNG'S FOKUANGSHAN BUDDHIST SOCIETY, MASTER HSING YUN. (HSING'S FOLLOWERS ORGANIZED CHEN'S WALKING TOUR OF THE ISLAND.) ALTHOUGH HSING YUN HAS NOT PUBLICLY CALLED ON HIS FOLLOWERS TO SUPPORT CHEN'S PRESIDENTIAL BID, HE HAS ANNOUNCED HIS PERSONAL SUPPORT FOR CHEN. THE FOKUANGSHAN ORGANIZATION, FOUNDED IN 1967, IS ONE OF TAIWAN'S LARGEST AND MOST INFLUENTIAL BUDDHIST ORGANIZATIONS. IT CLAIMS 2 MILLION ADHERENTS ISLAND-WIDE, INCLUDING A RESIDENT COMMUNITY OF 3,000 MONASTICS, STUDENTS AND OTHERS AT FOKUANGSHAN ITSELF, AND OVERSEAS BRANCHES INCLUDING THE HSI LAI TEMPLE IN LOS ANGELES. NEVERTHELESS, TAIWAN'S BUDDHIST SECTS ARE BY NO MEANS UNITED AND THE QUESTION OF HOW CHEN'S FOKUANGSHAN SUPPORT WILL TRANSLATE INTO BUDDHIST VOTES REMAINS TO

BE SEEN. A NUMBER OF CONTACTS HAVE TOLD AIT THAT CHEN'S RELIGIOUS AFFILIATION WILL NOT MEAN MUCH IN THE WAY OF BUDDHIST VOTES.

6. ~~(S)~~ ONE GAUGE OF BUDDHIST SUPPORT FOR THE CHEN CANDIDACY MAY BE FOUND IN HUALIEN COUNTY ON TAIWAN'S ~~C O N F I D E N T I A L~~ SECTION 02 OF 02 TAIPEI 001385

DEPARTMENT ALSO FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06

TAGS: PGOV, PNAT, SCUL, KPRP, TW

SUBJECT: RELIGIOUS INFLUENCE IN TAIWAN'S PRESIDENTIAL
- ELECTION

EAST COAST. HUALIEN IS THE HOME OF ANOTHER LARGE AND INFLUENTIAL BUDDHIST COMMUNITY, THE TZU CHI BUDDHIST SOCIETY. NOTWITHSTANDING THE EFFORTS OF CHEN LI-AN (AND OTHER CANDIDATES) TO GAIN THE ENDORSEMENT OF TZU CHI'S MASTER CHENG YEN, THIS BUDDHIST ORGANIZATION HAS MAINTAINED POLITICAL NEUTRALITY. INDEED, NEW PARTY PRESIDENTIAL CANDIDATE LIN YANG-KANG'S DAUGHTER, A FORMER TZU CHI LEADER, WAS ASKED TO LEAVE THE MONASTERY DUE TO HER PARTISAN SUPPORT FOR HER FATHER. DURING AN EARLY MARCH VISIT TO HUALIEN, AITOFFS WERE TOLD THAT HUALIEN'S VOTE TALLY FOR CHEN AND LIN COMBINED IS LIKELY TO BE LESS THAN THIRTY PERCENT IN THIS FOUR-CANDIDATE PRESIDENTIAL RACE. NEITHER CHEN NOR LIN ARE EXPECTED TO FARE ANY BETTER ISLAND-WIDE. ALL INDICATIONS ARE THAT SPIRITUAL KINSHIP WILL NOT BE MUCH OF A DRAWING CARD IN THIS ELECTION.

PENG MING-MIN AND THE PRESBYTERIAN AGENDA

7. ~~(S)~~ IN CONTRAST WITH CANDIDATE CHEN LI-AN'S ATTEMPT TO USE RELIGION TO GARNER VOTES, OPPOSITION DEMOCRATIC PROGRESSIVE PARTY (DPP) CANDIDATE PENG MING-MIN ASSERTS THAT THE USE OF RELIGION FOR POLITICAL BENEFIT CREATES DISCORD AND IS IMMORAL. NONETHELESS, PENG FINDS HIMSELF THE BENEFICIARY OF THE TAIWAN PRESBYTERIAN CHURCH'S PRO-INDEPENDENCE POLITICAL AGENDA. THE CHURCH MAINTAINS THAT IT, LIKE PENG, OPPOSES THE USE OF RELIGIOUS IDEOLOGY FOR POLITICAL GAIN AS BEING SOCIALLY DIVISIVE. HOWEVER, AS EXPLAINED TO AITOFFS BY THE CHURCH'S FORMER SECRETARY-GENERAL, REVEREND KAO CHUN-MING, PRESBYTERIAN CHURCH SUPPORT FOR PENG, HIMSELF A PRESBYTERIAN, IS WHOLLY DIVORCED FROM PENG'S RELIGIOUS CONVICTIONS. REVEREND KAO STATES THE CHURCH HAS LONG SUPPORTED A PRO-TAIWAN INDEPENDENCE POLITICAL AGENDA RATHER THAN ANY PARTICULAR CANDIDATE. WHILE REVEREND KAO SPEAKS HIGHLY OF PRESIDENT LEE TENG-HUI, ALSO A PRESBYTERIAN, AND SUGGESTS THAT PRESIDENT LEE'S AGENDA AND THAT OF THE CHURCH ARE VERY CLOSE, HIS CHURCH'S SUPPORT FOR THE DPP'S PENG MING-MIN IS DUE IN LARGE PART TO PENG'S LONG-HELD AND OPEN SUPPORT FOR TAIWAN INDEPENDENCE.

8. (C) IT IS WIDELY THOUGHT THAT PENG'S PRESBYTERIAN SUPPORT PLAYED A KEY ROLE IN HIS VICTORY IN THE DPP PRIMARY RACE. HOWEVER, AS IN THE CASE OF BUDDHIST SUPPORT FOR CHEN LI-AN, THE TRANSLATION OF PENG'S PRESBYTERIAN SUPPORT INTO VOTES ON MARCH 23 IS LIKELY TO BE SLIM. WHILE VOCAL FOR THEIR SIZE, THE TAIWAN PRESBYTERIAN COMMUNITY HAS ONLY 220,000 MEMBERS. OF THOSE, REVEREND KAO ESTIMATES, ONLY SIXTY PERCENT CAN BE EXPECTED TO VOTE FOR PENG MING-MIN, LONG IN EXILE FROM TAIWAN, WITH THE REMAINING FORTY PERCENT BACKING PRESIDENT LEE. LEE TENG-HUI IS MORE FAMILIAR, WELL-LIKED, A PRESBYTERIAN IN HIS OWN RIGHT, AND HIS THOUGHTS ON TAIWAN INDEPENDENCE, REVEREND KAO BELIEVES, ARE SIMILAR TO THOSE OF PENG MING-MIN.

COMMENT

9. (C) AGAIN, THIS IS A STORY OF A DOG THAT IS NOT BARKING. FOR A VARIETY OF REASONS, INCLUDING THE TRADITIONAL SEPARATION OF CHURCH AND STATE HERE AND THE FACT THAT MOST VOTERS ARE LEERY OF MOVES THAT MIGHT DIVIDE SOCIETY, ATTEMPTS TO USE RELIGION AS A POLITICAL TOOL APPEAR TO BE FOUNDERING. IN THIS AND A VARIETY OF WAYS, TAIWAN'S DEMOCRATIC CULTURE IS SURPRISINGLY MATURE.

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SECT: SECTION: 01 OF 02
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 SUBJ: TAIWAN ELECTION: LEE SWEEPS TO VICTORY,
 - PRO-INDEPENDENCE CANDIDATE SECOND
 TEXT:
~~CONFIDENTIAL~~ SECTION 01 OF 03 TAIPEI 001391

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 KBH 6/12/2019

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06
 TAGS: PGOV, PREL, TW, CH
 SUBJECT: TAIWAN ELECTION: LEE SWEEPS TO VICTORY,
 - PRO-INDEPENDENCE CANDIDATE SECOND

1. CLASSIFIED BY CHRISTOPHER J. LAFLEUR, DEPUTY
 DIRECTOR, AIT/T. REASON: 1.5 (D).

2. ~~(S)~~ SUMMARY: ON MARCH 23, PRESIDENT LEE GAINED 54
 PERCENT OF THE TOTAL VOTE TO SWEEP TO VICTORY IN THE
 FIRST DIRECT PRESIDENTIAL ELECTION IN TAIWAN'S HISTORY.
 PENG MING-MIN OF THE PRO-INDEPENDENCE DPP STOOD IN
 SECOND PLACE, ALTHOUGH HIS 21 PERCENT OF THE TOTAL VOTE
 WAS MUCH LOWER THAN THE ONE HIS PARTY HAS OBTAINED IN
 RECENT ISLAND-WIDE ELECTIONS. STILL, THE FINAL VOTE
 WILL INEVITABLY BE SEEN AS A REJECTION BY TAIWAN VOTERS
 OF PRC ATTEMPTS TO INFLUENCE THE ELECTION RESULTS: THE
 TWO CANDIDATES ACCEPTABLE TO BEIJING AND MOST CRITICAL
 OF LEE'S CROSS-STRAIT POLICY, INDEPENDENTS LIN YANG-
 KANG AND CHEN LI-AN, WERE ONLY ABLE TO ATTRACT 15
 PERCENT AND 10 PERCENT OF THE VOTE RESPECTIVELY. BY

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PROVIDING LEE WITH ENOUGH OF A POPULAR BASE TO MANEUVER, THE ELECTION -- WHICH MARKED THE COMPLETION OF TAIWAN'S DEMOCRATIC TRANSITION -- MIGHT ALSO SET THE STAGE FOR NEW PROGRESS IN CROSS-STRAIT RELATIONS. END SUMMARY.

3. (C) MARCH 23 DAWNED SLIGHTLY CLOUDY IN TAIPEI AND CLEAR OVER MUCH OF THE REST OF THE COUNTRY -- GOOD OMENS FOR THE KMT'S LEE TENG-HUI, WHOM MOST ANALYSTS FIGURED WOULD RECEIVE A BOOST FROM A LARGE TURN-OUT. ACCORDING TO THE COMMON WISDOM, SUPPORTERS OF THE THREE OPPOSITION CANDIDATES WOULD COME OUT RAIN OR SHINE, WHILE MANY WHO MIGHT OTHERWISE VOTE FOR LEE WOULD STAY SNUG IN THEIR HOMES IF THE WEATHER WAS FOUL. ONE OF LIN YANG-KANG'S LIEUTENANTS HAD EARLIER IN THE WEEK PUT IT TO US VERY SUCCINCTLY, "IF THE WEATHER IS GOOD, WE DON'T STAND A CHANCE AGAINST LEE." IN THE END, THE GODS SMILED ON THE INCUMBENT, PROVIDING GOOD ENOUGH WEATHER TO LEAD TO A TURNOUT OF SOME 75 PERCENT OF REGISTERED VOTERS ISLAND-WIDE (UP SIGNIFICANTLY FROM THE 67 PERCENT RATE FOR LAST DECEMBER'S LEGISLATIVE YUAN ELECTION).

4. (U) VOTING PROCEEDED SMOOTHLY AT TAIWAN'S 12,000 PLUS POLLING STATIONS, WHICH OPENED AT 0800 HOURS LOCAL AND CLOSED AT 1600 HOURS LOCAL. WE HAVE NOT YET HEARD OF VIOLENCE AT ANY OF THE POLLING STATIONS, NOR OF ANY CHARGES OF VOTE FRAUD. VOTE COUNTING -- WHICH IS HEAVILY COMPUTERIZED HERE -- PROCEEDED QUICKLY. BY EARLY IN THE EVENING, LOCAL TELEVISION STATIONS WERE REPORTING THAT LEE TENG-HUI WAS PULLING AWAY TO WHAT LOOKED LIKE AN INSURMOUNTABLE LEAD. BY 1900 HOURS LOCAL TIME, TELEVISION STATIONS WERE ANNOUNCING THAT LEE HAD ALREADY OBTAINED MORE THAN HALF OF THE TOTAL VOTES CAST. FINAL TALLIES SHOWED THE INCUMBENT GETTING SOME 54 PERCENT OF THE TOTAL VOTES CAST. PENG MING-MIN OF THE DPP PLACED SECOND IN THE RACE, GETTING 21 PERCENT OF THE TOTAL VOTE, WHILE INDEPENDENTS LIN YANG-KANG AND CHEN LI-AN OBTAINED 15 PERCENT AND 10 PERCENT RESPECTIVELY.

5. (U) THE MAGNITUDE OF LEE'S VICTORY WAS DUE LARGELY TO THE STRENGTH OF HIS SHOWING IN TAIWAN PROVINCE, WHICH IS HOME OF 85 PERCENT OF THE ISLAND'S ELECTORATE. LEE OBTAINED NEARLY 60 PERCENT OF THE TOTAL VOTE IN THE PROVINCE. THE INCUMBENT WON A SOLID VICTORY IN EVERY DISTRICT OF THE PROVINCE EXCEPT LIN YANG-KANG'S HOME COUNTY OF NANTOU, WHERE THE INDEPENDENT CHALLENGER PICKED UP A 48 PERCENT PLURALITY. LEE DID NOT DO QUITE AS WELL IN TAIPEI CITY, WHERE HE STILL CAPTURED A PLURALITY OF NEARLY 40 PERCENT OF THE VOTE. (THIS FIGURE REPRESENTED A SIZEABLE INCREASE FROM THE 28 PERCENT OF THE TOTAL VOTE THAT KMT CANDIDATES CAPTURED IN TAIPEI CITY IN LAST DECEMBER'S LY ELECTION.)

FEW SURPRISES

6. (X) THE FINAL VOTE TOTALS CONTAINED RELATIVELY FEW SURPRISES. IN RECENT WEEKS, LEE TENG-HUI HAD BEGUN TO EXPAND HIS EARLY LEAD IN THE RACE, MAKING IT CLEAR THAT HE WOULD PROBABLY BE ABLE TO ACHIEVE HIS SELF-IMPOSED GOAL OF 50 PERCENT OF THE TOTAL VOTES CAST. HUGE
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~~C O N F I D E N T I A L~~ SECTION 02 OF 03 TAIPEI 001391

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

E.O. 12958: DECL: 03/22/06

TAGS: PGOV, PREL, TW, CH

SUBJECT: TAIWAN ELECTION: LEE SWEEPS TO VICTORY,
- PRO-INDEPENDENCE CANDIDATE SECOND

NUMBERS OF TRADITIONAL DPP SUPPORTERS OBVIOUSLY VOTED FOR LEE THIS TIME AROUND; IN CONTRAST TO THE 21 PERCENT OF THE VOTE RECEIVED BY PENG, DPP CANDIDATES HAD RECEIVED AROUND ONE-THIRD OF THE TOTAL VOTES CAST IN EACH OF THE LAST THREE ISLAND-WIDE ELECTIONS. STILL, ENOUGH ACTIVISTS REMAINED LOYAL TO THE PARTY TO ENSURE THAT PENG EASILY GRABBED SECOND PLACE IN THE FOUR-MAN RACE. IN THE CLOSING WEEKS OF THE CAMPAIGN, LEE'S WORKERS HAD CREATED A SENSE OF CRISIS AMONG HIS SUPPORTERS BY MAINTAINING THAT THE INCUMBENT MIGHT NOT REACH HIS FIFTY PERCENT GOAL. IN CONTRAST, PENG'S SUPPORTERS HAD CREATED A SENSE OF URGENCY WITHIN THE DPP BY FANNING FEARS THAT HE MIGHT END UP PLACING THIRD (AFTER LIN YANG-KANG), A RESULT THAT COULD HAVE PRECIPITATED A CRISIS IN THE PARTY.

7. (X) AS FOR THE TWO INDEPENDENTS, LIN AND CHEN, THEIR CAMPAIGNS ULTIMATELY SMACKED HEAD ON INTO DEMOGRAPHIC AND IDEOLOGICAL REALITY. LACKING PARTY BASES (AND HAVING BOTH COME FROM WITHIN THE RULING KMT POWER STRUCTURE), THE TWO INDEPENDENTS STOOD FOR LITTLE OTHER THAN PERSONAL OPPOSITION TO LEE TENG-HUI. THIS OF COURSE WAS A RISKY STRATEGY TO START WITH, GIVEN LEE'S PERSONAL POPULARITY, PARTICULARLY AMONG THE ETHNIC TAIWANESE AND HAKKAS WHO CONSTITUTE 85 PERCENT OF THE ISLAND'S POPULATION. (IN ADDITION TO RECEIVING CREDIT FOR HIS CONTRIBUTIONS TO TAIWAN'S DEMOCRATIZATION, LEE IS A TAIWANESE SPEAKER WHO IS AT LEAST PARTLY OF HAKKA EXTRACTION.) LIN YANG-KANG, WHO IS ETHNIC TAIWANESE HIMSELF, HAD HOPED THAT HIS LONG RECORD OF PUBLIC SERVICE WOULD HELP HIM MOUNT AN EFFECTIVE CHALLENGE TO LEE, WHILE CHEN LI-AN (AN ETHNIC MAINLANDER) HOPED THAT STRONG SUPPORT FROM SECTORS OF TAIWAN'S BUDDHIST COMMUNITY (SEPTTEL) WOULD DO THE SAME

FOR HIM. PERHAPS NEVER REALISTIC IN THE FIRST PLACE, THESE HOPES BECAME DOOMED WHEN PRC THREATS AND BULLYING FORCED ALL FOUR CANDIDATES TO FOCUS THEIR CAMPAIGNS ON CROSS-STRAIT RELATIONS IN THE LAST CRUCIAL WEEKS BEFORE THE ELECTION.

FOCUSSING ON THE WRONG ISSUES

8. (C) LIN AND CHEN HAD LITTLE CHOICE BUT TO CONDEMN LEE'S HANDLING OF CROSS-STRAIT RELATIONS; THEY WERE, AFTER ALL, RUNNING PRIMARILY ON A PLATFORM OF PERSONAL OPPOSITION TO THE INCUMBENT PRESIDENT. INEVITABLY, HOWEVER, IN CRITICIZING LEE'S CONDUCT OF RELATIONS WITH THE MAINLAND, LIN AND CHEN (DESPITE PROTESTATIONS TO THE CONTRARY) APPEARED TO CONDONE BEIJING'S MILITARY EXERCISES AND THREATS AGAINST TAIWAN. THEIR REPEATED CALLS TO AVOID ACTIONS THAT MIGHT PROVOKE BEIJING SMACKED OF APPEASEMENT FOR MANY HERE. SIMILARLY, THEIR CONDEMNATIONS OF THE U.S. DECISION TO SEND AIRCRAFT CARRIERS TO THE AREA STRUCK MOST VOTERS AS DOWNRIGHT BIZARRE. THUS, THE CAMPAIGN'S FOCUS ON CROSS-STRAIT RELATIONS MADE IT VIRTUALLY IMPOSSIBLE FOR THE TWO INDEPENDENTS TO EXPAND THEIR RELATIVELY NARROW BASES OF SUPPORT.

THE NATIONAL ASSEMBLY ELECTION

9. (U) THERE WERE ALSO RELATIVELY FEW SURPRISES WITH RESPECT TO THE ELECTIONS HELD THE SAME DAY FOR TAIWAN'S 334-MEMBER NATIONAL ASSEMBLY (NA). ONCE TAIWAN'S PREMIER ELECTED BODY, THE NA HAS SEEN ITS POWERS ATROPHY TO THE POINT WHERE IT NOW DOES LITTLE THAN CONFIRM PRESIDENTIAL APPOINTEES AND AMEND THE CONSTITUTION (SEPTEL). AS EXPECTED, THE KMT -- WHICH HAD HELD AN OVERWHELMING 78 PERCENT MAJORITY IN THE OUTGOING NA -- FOUND ITS CONTROL CONSIDERABLY WEAKENED, OBTAINING SOME 55 PERCENT OF THE SEATS IN THE INCOMING NA. MANY DPP SUPPORTERS WHO HAD VOTED FOR LEE APPARENTLY SUPPORTED THE PARTY'S NA CANDIDATES; THE DPP WAS ABLE TO OBTAIN ALMOST 30 PERCENT OF THE NA SEATS. FINALLY, THE NEW PARTY (CNP) ALSO DID FAIRLY WELL, CAPTURING SOME 14 PERCENT OF THE SEATS (SLIGHTLY MORE THAN THE 13 PERCENT OF THE SEATS IT CONTROLS IN THE
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~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TAIPEI 001391

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

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E.O. 12958: DECL: 03/22/06
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LEGISLATIVE YUAN). THE REST OF THE SEATS WILL BE HELD BY INDEPENDENTS AND BY ONE MEMBER OF THE RADICAL GREEN PARTY. THE NEW MAKEUP OF THE NA WILL ENSURE THAT THE RULING KMT WILL HAVE TO AT LEAST OBTAIN DPP SUPPORT IF IT IS TO OBTAIN THE THREE-FOURTHS MAJORITY NECESSARY FOR THE PASSAGE OF ANY CONSTITUTIONAL AMENDMENTS.

COMMENT

10. (X) THE PRC MADE NO SECRET OF THE FACT THAT IT HOPED TO USE MILITARY EXERCISES AND THE THREAT OF FORCE TO ALTER THE OUTCOME OF THIS ELECTION. THE PRC LEADERSHIP ACHIEVED JUST THE OPPOSITE OF WHAT THEY WANTED: BEIJING'S ACTIONS PROBABLY GAVE LEE TENG-HUI THE BOOST HE NEEDED TO GET OVER THE 50 PERCENT HUMP, WHILE AT THE SAME TIME ENSURING THAT THE PRC'S FAVORITE TWO CANDIDATES WERE NOT ABLE TO GET MORE THAN A QUARTER OF THE VOTE.

11. (X) LEE TENG-HUI HAS OBTAINED THE SOLID MANDATE HE HAS INDICATED HE WOULD NEED IN ORDER TO MOVE FORWARD FROM THIS SIDE ON IMPROVING THE CROSS-STRAIT RELATIONSHIP. HIS MANDATE WILL ALSO INCREASE HIS LEVERAGE IN DEALING WITH DOMESTIC ISSUES, INCLUDING REFORMING THE KMT AND ESTABLISHING A FUNCTIONING MAJORITY WITHIN THE LEGISLATURE. IN HIS VICTORY SPEECH, PRESIDENT LEE CALLED FOR NATIONAL UNITY AND STRESSED THE NEED TO HEAL THE WOUNDS CREATED BY THIS ELECTION. HE ALSO ONCE AGAIN IMPLIED THAT HE WILL BE SEEKING IN THE COMING WEEKS TO CONVENE A NATIONAL CONFERENCE TO ADDRESS BOTH TAIWAN'S DOMESTIC AGENDA AND NEXT STEPS IN THE CROSS STRAIT RELATIONSHIP.

12. (X) ULTIMATELY, HOWEVER, PERHAPS THE MOST SIGNIFICANT FACT ABOUT THIS EVENT WAS THAT IT WAS, PURE AND SIMPLE, THE FIRST DIRECT ELECTION OF A PRESIDENT IN THE HISTORY OF TAIWAN (OR IN THE HISTORY OF ANY CHINESE SOCIETY, FOR THAT MATTER). THE SMOOTHNESS AND DETERMINATION WITH WHICH THE ELECTION WAS CARRIED OUT IN THE FACE OF UNRELENTING PRESSURE BY A MUCH LARGER NEIGHBOR SUGGESTS, HOWEVER, THAT IT WILL NOT BE THE LAST.

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SECT: SECTION: 01 OF 03
<^SECT>SECTION: 02 OF 03
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SIT: NSC
PRT: BASS BERGER DOHSE FUERTH LAKE SENS SIT{C2} SODERBERG

Cable

PREC: IMMEDIATE
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 LINE3: O 251105Z MAR 96
 LINE4: FM AMEMBASSY BEIJING
 OSRI: RUEHBJ
 DTG: 251105Z MAR 96
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 RUEHIN/AIT TAIPEI 0261
 RUEHSH/AMCONSUL SHENYANG 4325
 RUESLE/AMCONSUL SHANGHAI 0629
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 RUEHGZ/AMCONSUL GUANGZHOU 1673
 RHHMUNA/USCINCPAC HONOLULU HI
 ZEN/AMCONSUL CHENGDU
 SUBJ: CHINA PORTRAYS TAIWAN ELECTION AS A MANDATE FOR
 LEE TENG-HUI TO IMPROVE CROSS-STRAIT RELATIONS

DECLASSIFIED
 PER E.O. 13526

2015-0686-M (1.59)
 KBH 6/12/2019

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 02 BEIJING 009250

E.O. 12958: DECL: 03/25/2006

TAGS: PREL, PGOV, PROP, CH, TW

SUBJECT: CHINA PORTRAYS TAIWAN ELECTION AS A MANDATE FOR
 LEE TENG-HUI TO IMPROVE CROSS-STRAIT RELATIONS

1. (U) CLASSIFIED BY W.A. STANTON, POLMINCOUNS.

REASON: 1.5(D).

2. ~~(S)~~ SUMMARY: IN RESPONSE TO THE MARCH 23 TAIWAN
 PRESIDENTIAL ELECTION, THE PRC OFFICIAL MEDIA IS CLAIMING
 VICTORY FOR BEIJING'S ANTI-TAIWAN INDEPENDENCE CAMPAIGN,
 CITING THE SHOWING OF DEMOCRATIC PROGRESSIVE PARTY (DPP)
 CANDIDATE PENG MING-MIN AS EVIDENCE. DRAMATICALLY
 DROPPING ITS RECENT VITRIOLIC ATTACKS ON LEE TENG-HUI,
 BEIJING IS NOW URGING THE TAIWAN LEADER TO TAKE STEPS TO
 IMPROVE CROSS-STRAIT RELATIONS, INCLUDING DISCUSSIONS ON
 AN END TO HOSTILITIES AND THE PARTIAL OPENING OF DIRECT
 LINKS BETWEEN TAIWAN AND THE MAINLAND. WHILE CLEARLY
 INTENDING TO OFFER AN OPENING TO LEE TENG-HUI, BEIJING
 HAS COVERED ITSELF BY SOURCING THE IDEAS FOR IMPROVING
 RELATIONS TO MEDIA AND ACADEMIC SOURCES IN TAIWAN.
 BEIJING, WHICH WILL WAIT TO SEE WHAT LEE DOES BEFORE
 OFFERING ANY COMMITMENTS OF ITS OWN, CAN RE-START ITS
 ANTI-LEE CAMPAIGN IF IT DOES NOT LIKE WHAT IT HEARS. END
 SUMMARY.

3. (U) ON MARCH 23 THE OFFICIAL XINHUA NEWS AGENCY ISSUED TWO REPORTS ON THE TAIWAN ELECTION, WHICH WERE PUBLISHED IN THE MARCH 24 "PEOPLE'S DAILY" AND READ DURING THE MIDDLE OF THE MARCH 24 EVENING TELEVISION NEWS PROGRAM. IN ONE REPORT, "A RESPONSIBLE PERSON" FROM THE INFORMATION OFFICE OF THE STATE COUNCIL TAIWAN AFFAIRS OFFICE (TAO) STRESSED THAT "THE CHANGE IN THE METHOD OF PRODUCING THE LEADER OF TAIWAN" DID NOT ALTER THE FACT THAT TAIWAN WAS A PART OF CHINA'S TERRITORY. THE TAO SPOKESMAN URGED THE PEOPLE OF TAIWAN TO JOIN WITH ALL CHINESE PEOPLE TO OPPOSE TAIWAN INDEPENDENCE AND MAKE EFFORTS TO ACHIEVE REUNIFICATION.

4. (U) THE SECOND REPORT, SOURCED TO TAIWAN MEDIA AND INCLUDED TOGETHER WITH THE STATEMENT OF THE TAO SPOKESMAN, NOTED THAT LEE TENG-HUI RECEIVED 54 PERCENT OF THE VOTES, AND THAT THE PRO-TAIWAN INDEPENDENCE PENG WING-MIN RECEIVED "ONLY" 21 PERCENT, LESS THAN THE COMBINED VOTE TOTAL FOR LIN YANG-KANG AND CHEN LI-AN. THE REPORT STRESSED THAT PENG'S 21 PERCENT WAS A BIG DROP FROM THE DPP VOTE SHARE IN 1993 (41 PERCENT) AND 1995 (33 PERCENT). PEOPLE BELIEVED, THE REPORT CONTINUED, THAT BEIJING'S STRUGGLE AGAINST SPLITTISM AND TAIWAN INDEPENDENCE HAD DEMONSTRATED THE RESOLVE OF THE CHINESE PEOPLE TO DEFEND SOVEREIGNTY AND TERRITORIAL INTEGRITY, STRIKING A BIG BLOW TO THE INDEPENDENCE FORCES. CALLS FROM WITHIN TAIWAN TO END HOSTILITIES AND DEVELOP RELATIONS WITH THE MAINLAND WERE GROWING STRONGER, ACCORDING TO THE REPORT. IN AN APPARENT REFERENCE TO LEE TENG-HUI, THE REPORT STATED THAT CERTAIN TAIWAN LEADERS -- IN RESPONSE TO POPULAR DEMAND AND TO WIN VOTES -- HAD NO CHOICE BUT TO REPEATEDLY EXPRESS OPPOSITION TO TAIWAN INDEPENDENCE AND SUPPORT FOR REUNIFICATION. FACTS PROVED, THE ARTICLE CONCLUDED, THAT THE BROAD MASSES IN TAIWAN WANTED TO MAINTAIN STABILITY, DEVELOP CROSS-STRAIT RELATIONS AND CAST ASIDE TAIWAN INDEPENDENCE.

5. (U) THE MARCH 25 "PEOPLE'S DAILY" CARRIED A LONGER XINHUA COMMENTARY, TITLED "DEVELOPING CROSS-STRAIT RELATIONS IS THE GREATEST HOPE OF THE PEOPLE -- TAIWAN PUBLIC OPINION VIEWS THE ELECTION." CITING TAIWAN MEDIA AND ACADEMIC SOURCES, THE COMMENTARY EXPANDED ON THE SAME THEMES EXPRESSED THE PREVIOUS DAY, EMPHASIZING THAT THE ANTI-INDEPENDENCE STRUGGLE CONDUCTED BY BEIJING AND ITS SUPPORTERS HAD DELIVERED A STRONG BLOW TO THE TAIWAN INDEPENDENCE MOVEMENT, RESULTING IN A WEAK SHOWING BY THE DPP. THE COMMENTARY POINTED TO THE FACT THAT THE COMBINED "THIRD FORCE" OF LIN YANG-KANG AND CHEN LI-AN RECEIVED A HIGHER VOTE TOTAL THAN PENG MING-MIN, THE PRO-INDEPENDENCE DPP CANDIDATE.

6. (U) MANY PEOPLE IN TAIWAN, THE COMMENTARY CONTINUED, HAD EXPRESSED THE HOPE OF MAINTAINING STABILITY AND IMPROVING CROSS-STRAIT RELATIONS. IN THE ELECTION CAMPAIGN COMPETITION FOR VOTES, LEE TENG-HUI HAD BEEN COMPELLED TO SAY FREQUENTLY THAT HE WAS FOR REUNIFICATION, WOULD NOT ENGAGE IN TAIWAN INDEPENDENCE, AND WOULD UNDERTAKE TO IMPROVE CROSS-STRAIT RELATIONS

AFTER THE ELECTION. CITING TAIWAN SOURCES, THE COMMENTARY STRESSED THE NEED FOR LEE TENG-HUI TO IMPROVE CROSS-STRAIT RELATIONS, NEGOTIATE RATHER THAN ENGAGE IN CONFRONTATION, AND READJUST MAINLAND POLICY, FOR EXAMPLE, BY DISCUSSING THE TERMINATION OF HOSTILITIES WITH THE MAINLAND AND CARRYING OUT PART OF THE "THREE DIRECT

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~~C O N F I D E N T I A L~~ SECTION 02 OF 02 BEIJING 009250

E.O. 12958: DECL: 03/25/2006
TAGS: PREL, PGOV, PROP, CH, TW
SUBJECT: CHINA PORTRAYS TAIWAN ELECTION AS A MANDATE FOR LEE TENG-HUI TO IMPROVE CROSS-STRAIT RELATIONS

LINKS." LEE SHOULD NOT AGAIN GO BACK ON HIS WORDS AND PLAY A TWO-FACED GAME, THE COMMENTARY SAID, NOTING THE NEGATIVE ECONOMIC CONSEQUENCES FOR TAIWAN OF PROLONGED TENSION WITH THE MAINLAND.

COMMENT

7. ~~(S)~~ CLAIMING VICTORY IN ITS CAMPAIGN AGAINST THE FORCES OF TAIWAN INDEPENDENCE, BEIJING HAS DRAMATICALLY CHANGED THE TONE AND FOCUS OF ITS RHETORIC ON TAIWAN FOLLOWING LQE TENG-HUI'S SUBSTANTIAL VICTORY IN THE ISLAND'S MARCH 23 PRESIDENTIAL ELECTION. DROPPING, AT LEAST FOR NOW, ITS NEGATIVE MUD-SLINGING CAMPAIGN AGAINST LEE, BEIJING NO LONGER ACCUSES HIM OF BEING THE ARCH-VILLAIN OF TAIWAN INDEPENDENCE -- A ROLE NOW CONSIGNED ONLY TO THE DPP'S PENG MING-MIN. CHINA IS ISSUING A POSITIVE MESSAGE TO LEE, CALLING ON THE TAIWAN LEADER TO IMPROVE RELATIONS WITH THE MAINLAND, STATING PLAINLY THAT IT IS TIME FOR LEE TO FULFILL HIS CAMPAIGN PLEDGE TO DO SO.

8. ~~(S)~~ WHILE OFFERING LEE A CLEAR OPENING, BEIJING IS ALSO WAITING TO SEE WHAT HE DOES BEFORE MAKING ANY COMMITMENTS OF ITS OWN TO IMPROVE RELATIONS. BEIJING COULD EASILY RE-START ITS ANTI-LEE CAMPAIGN -- IN VARYING DEGREES OF INTENSITY -- IF IT DOES NOT LIKE WHAT IT HEARS FROM TAIWAN LEADERS IN THE COMING DAYS AND WEEKS. BY SOURCING TO TAIWAN ALL OF THE IDEAS FOR IMPROVING RELATIONS THAT IT HAS DESCRIBED, BEIJING IS PREPARED TO SHIFT DIRECTION RAPIDLY WITHOUT FEAR OF EMBARRASSMENT.
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SECT: SECTION: 01 OF 02
<^SECT>SECTION: 02 OF 02
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SIT: NSC
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Cable

PREC: PRIORITY
 CLASS: ~~CONFIDENTIAL~~
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 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC PRIORITY 5097
 INFO: RUEHBJ/AMEMBASSY BEIJING 6223
 SUBJ: TAIWAN'S PRESIDENTIAL ELECTION

DECLASSIFIED
 PER E.O. 13526

2015-0636-M (1.60)
 KBH 6/12/2019

TEXT:

~~CONFIDENTIAL~~ TAIPEI 001421

FOR THE SECRETARY, ASSISTANT SECRETARY LORD, AND
 ASSISTANT SECRETARY SHATTUCK FROM PAAOE

E.O. 12958: DECL: 03/25/06
 TAGS: PGOV, PREL, TW, US
 SUBJECT: TAIWAN'S PRESIDENTIAL ELECTION

1. CLASSIFIED BY B. YNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (B)

2. ~~(S)~~ AS YOU BEGIN A NEW WEEK MANAGING THE PRESS OF
 WORLD ISSUES, I HOPE YOU WILL ALLOW YOURSELF A MINUTE
 TO REFLECT ON THE INCREDIBLY GOOD NEWS OF TAIWAN'S
 PRESIDENTIAL ELECTION. PRC THREATS AND U.S. AIRCRAFT
 CARRIERS ASIDE, THE REAL STORY HERE IS THAT U.S.
 EFFORTS OVER FORTY-FIVE YEARS HAVE HELPED TRANSFORM A
 TOUGH AUTHORITARIAN REGIME WITH A NARROW SUPPORT BASE
 INTO A STRONG AND VIBRANT DEMOCRACY. BASED SOLIDLY IN
 A PROSPEROUS MIDDLE CLASS, TAIWAN'S DEMOCRACY IS NO
 HOTHOUSE FLOWER THAT IS EASILY MANIPULATED BY
 DEMAGOGUES OR LIKELY TO COLLAPSE BECAUSE OF A WEAK
 ECONOMY. WHAT HAS EVOLVED UNDER OUR EXAMPLE,
 ENCOURAGEMENT, AND OCCASIONAL PRESSURE IS THE KIND OF
 DEMOCRACY WE HAVE STOOD FOR AROUND THE WORLD, AN OPEN
 SOCIETY IN WHICH PEOPLE FREELY CHOOSE THEIR OWN
 LEADERS.

3. ~~(S)~~ WE ARE OCCASIONALLY PRONE TO TALK ABOUT
 EMPOWERMENT IN RATHER DRY, ACADEMIC TERMS OR WITH
 FINGERS CROSSED HOPING THAT THE RESULTS OF AN ELECTION
 WILL LAST BEYOND A FEW MONTHS. BUT OUT ON THE STREETS
 AND IN THE SHOPS OF TAIPEI ON SATURDAY, THE EMPOWERMENT
 OF THE PEOPLE WAS PALPABLE. THERE HAVE BEEN ELECTIONS
 IN TAIWAN SINCE THE FIFTIES, AND THEY GAINED REAL
 IMPORTANCE IN THE EIGHTIES WHEN LEGISLATORS AND TOP

PROVINCIAL AND CITY LEADERS BEGAN TO COMPETE IN SERIOUS ELECTIONS. BUT IT IS DIFFERENT WHEN THE MAN ON THE STREET KNOWS THAT HE AND HIS FELLOW VOTERS HAVE THE POWER TO DECIDE WHO THE PRESIDENT WILL BE. THEY WERE VOTING FOR THE MOST POWERFUL FIGURE ON THE ISLAND, AND THE REAL DIFFERENCES BETWEEN THE CANDIDATES AND PRESSURE FROM BEIJING LEFT NO DOUBT IN THE VOTERS' MINDS THAT THEIR CHOICE MADE A DIFFERENCE. WHEN I TALKED WITH ORDINARY PEOPLE ABOUT THE ELECTION ON SATURDAY, THEY GLOWED WITH PRIDE, KNOWING THAT THEY WERE GOING TO MAKE THE DECISION FOR THEMSELVES. EVERY PERSON I CHATTED WITH HAD VOTED OR WOULD IN THE NEXT HOUR OR SO (SEVENTY-SIX PERCENT OF TAIWAN'S VOTERS DID VOTE), AND THEY WERE QUICK TO TELL ANYONE WHO WOULD LISTEN THAT THEY TOOK THEIR RESPONSIBILITY SERIOUSLY.

4. ~~(C)~~ AS WE (PROPERLY) FOCUS ON POLICY AND U.S. INTERESTS IN THIS REGION, THERE IS A TENDENCY TO PASS OFF LEE TENG-HUI'S STATEMENTS ON THE HISTORIC IMPORTANCE OF THE ELECTION TO THE CHINESE PEOPLE AS THE USUAL CAMPAIGN RHETORIC. I, LIKE OTHERS, HAVE GENERALLY ASSUMED THAT BEIJING'S PRIMARY CONCERN IS THE "TAIWANIZATION" OF THE LEADERSHIP ON THE ISLAND AND THE IMPLICATIONS OF THE ELECTION FOR A PERMANENT SEPARATION OF THE ISLAND FROM THE MAINLAND. IT ALSO HAS SEEMED THAT ONLY A COMBINATION OF MISINFORMATION ABOUT THE APPEAL OF TAIWAN INDEPENDENCE AND CLASSIC LEADERSHIP INFIGHTING COULD LEAD BEIJING TO PURSUE POLICIES SO OBVIOUSLY COUNTER TO ITS LONG-TERM INTERESTS IN THE REGION AND WITH THE UNITED STATES. HOWEVER, SEEING PEOPLE IN TAIWAN CAST THEIR VOTES IN THIS ELECTION, I'M NOT SO SURE ANYMORE THAT LEE MAY NOT HAVE SOMETHING WHEN HE POINTS TO THE POWER (AND FEAR OF THAT POWER) OF DEMOCRACY. AS I TALKED TO PEOPLE ABOUT VOTING, I COULD NOT HELP BUT WONDER IF THE LEADERS IN BEIJING MAY NOT BE BETTER INFORMED THAN WE THINK AND REALLY ARE AFRAID THAT THE TAIWAN DEMOCRATIC EXAMPLE COULD INFECT THE PRC INTELLIGENTSIA AND FURTHER WEAKEN THE LEGITIMACY OF THE REGIME. THAT, AT LEAST, COULD EXPLAIN WHY THEIR MOVES SEEM SO OUT OF PROPORTION TO THE TAIWAN INDEPENDENCE THREAT.

5. ~~(C)~~ WHATEVER THE READING OF THE ELECTION IN BEIJING AND WITH FULL KNOWLEDGE OF THE CHALLENGES IT ADDS TO OUR DIFFICULT PROBLEMS WITH CHINA, SATURDAY'S ELECTION WAS, NEVERTHELESS, A GENUINE ACHIEVEMENT U.S. POLICYMAKERS SHOULD TAKE A MOMENT TO SAVOR.

PASCOE
BT
#1421

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SECT: SECTION: 01 OF 01

SSN: 1421

TOR: 960325055621 M2146859

DIST:

SIT: HARMON KRISTOFF NORRIS SUETTINGER SUM SUM2

SIT: NSC

PRT: BASS BERGER DOHSE FUERTH HARMONPTR LAKE SENS SIT{C2} SODERBERG

Cable

PREC: PRIORITY
 CLASS: ~~SECRET~~
 LINE1: PAASZYUW RUEHINA1423 0860439-SSSS--RHEHAAX.
 LINE2: ZNY SSSSS ZZH (CCY-MARGIN-025A)
 LINE3: P 260439Z MAR 96 ZDS
 LINE4: [redacted] (b)(3)

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.63]
 KBH 6/12/2019

OSRI: RUEHIN
 DTG: 260439Z MAR 96

ORIG: [redacted] (b)(3)

TO: RHHMUNA/USCINCPAC HONOLULU HI//J2/J23/J3/J5// PRIORITY
 [redacted] (b)(3) PRIORITY
 RUEHC/SECSTATE WASHDC PRIORITY 5100

[redacted] (b)(3)

RUEKCCG/OSD WASHDC//ISA-EAP// PRIORITY
 RHHMSCC/JICPAC HONOLULU HI//CC// PRIORITY

INFO: ////

SUBJ: [redacted] (b)(3) TAIWAN MILITARY STATUS--ONE
 VIEW (U)

TEXT:

~~SECRET~~ [redacted] (b)(3)

EXDIS
 C O R R E C T E D COPY X EXCESSIVE RIGHT MARGIN
 DEPARTMENT FOR AIT/W

EO 13526 3.5c, (b)(3)

EXDIS

////RETRANSMISSION OF REPORT DATED 8 FEB 96/////

E.O. 12958

TAGS: PINR, MASS, MOPS, MARR, TW, CH, US.

SUBJ: (U) [redacted] (b)(3) TAIWAN MILITARY STATUS--ONE
 VIEW (U)

WARNING: (U) THIS IS A DOD HUMINT SYSTEM INTELLIGENCE
 INFORMATION SPECIAL REPORT CONTAINING SENSITIVE INFORMATION.
 STRICT CONTROL IS REQUIRED. NO FURTHER DISSEMINATION OR
 RELEASE OF INFORMATION IS PERMITTED WITHOUT THE APPROVAL OF
 THE ORIGINATOR.

SERIAL: [redacted] (b)(3)
 AREA: [redacted]

SUBJECT: [REDACTED] (b)(3) TAIWAN MILITARY STATUS--ONE VIEW (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT
FINALLY EVALUATED INTELLIGENCE. REPORT
CLASSIFIED ~~S-E-C-R-E-T~~ - / SPECAT /

[REDACTED]
(b)(3)

[REDACTED]
EO 13526 1.4c, EO 13526 3.3(b)(1)

SUMMARY: (S) REPORT FORWARD'S [REDACTED] (b)(3) COMMENTS ON
MILITARY MORALE AND SUPPORT CAPABILITY; CGS GEN ((LO));
PRESIDENT LEE'S CONTROL OF THE MILITARY; MILITARY AND
PRESIDENTIAL POLITICS; NEW PARTY POLITICS; CAPABILITY TO
STAND AGAINST THE PRC; GPWD; "SALE" OF PASSPORTS/VISAS.

TEXT: 1. (S) MILITARY PROBLEMS. [REDACTED] (b)(3) THE
TAIWAN MILITARY IS IN "BAD SHAPE." IN PARTICULAR, MORALE,
MAINTENANCE, AND LOGISTICS ARE MAJOR PROBLEM AREAS. AS AN
EXAMPLE, IN REGARD TO MAINTENANCE/LOGISTICS, LESS THAN FIFTY
(50) PERCENT OF THE ARMY'S MOTOR TRANSPORT TRUCKS ARE
OPERABLE. [REDACTED] (b)(3) PROBLEMS OF THIS SORT WITH
AN OFFICER SERVING AS A KINMEN ISLAND-BASED BATTALION
COMMANDER WHO REVEALED THAT ALL UNIT HUMVEE VEHICLES WERE
OPERATING WITH BALD TIRES WITH NO REPLACEMENTS AVAILABLE.
ANOTHER ARMY UNIT COMMANDER COULD NOT GET TIRES FOR HIS V-150
SCOUT VEHICLES--REPORTEDLY NONE WERE AVAILABLE IN ARMY
LOGISTICS STOCKS. IN REALITY, [REDACTED] (b)(3) THERE WERE
QAT THAT TIMEQ 40,000 SUCH TIRES IN ARMY LOGISTICS STOCKS.
THE LOGISTICS SYSTEM IS SO BAD THAT THERE IS A CONTINUING
BREAKDOWN BETWEEN UNIT REQUIREMENTS AND LOGISTICS
SUPPORT.

A. (C) NEED FOR U.S. ADVISORS. [REDACTED] (b)(3) U.S.
ADVISORS ARE BADLY NEEDED TO ASSIST IN RECOVERING THE TAIWAN
MILITARY'S LOGISTICS AND MAINTENANCE AREAS. [REDACTED] (b)(3)
CULTURAL "PROBLEMS" PRECLUDE THE TAIWAN MILITARY FROM
CURING MANY OF THESE PROBLEMS. THESE "PROBLEMS" INCLUDE
UNWILLINGNESS/INABILITY TO: ADMIT DEFICIENCIES, REPORT BAD
NEWS UP THE CHAIN OF COMMAND, AND ASSUME RESPONSIBILITY. U.S.
ADVISORS, IN THE FORM OF RETIRED U.S. MILITARY PERSONNEL, ARE
BADLY NEEDED, FIRST TO REINSTATE A U.S. PRESENCE (WITH A
FAR-REACHING IMPACT ON REDEVELOPING THE TAIWAN MILITARY'S
VIEW OF THE U.S., PARTICULARLY BY THOSE WHO WILL LEAD THE
MILITARY IN THE FUTURE) AND, SECONDLY, TO FIX THE PROBLEMS
IN THE TAIWAN MILITARY.

B. (C) AS AN EXAMPLE GIVEN [REDACTED] (b)(3) (HIGHLIGHTING THE
SITUATION DESCRIBED IN PARA I ABOVE), THE TAIWAN ARMY NEEDS AT
LEAST TWO TO THREE ADVISORS IMBEDDED WITHIN EACH ARMY
DIVISION TO FIX THE LOGISTICS PROBLEMS. TO MAKE THIS TYPE OF

INITIATIVE WORK, THESE PERSONNEL WOULD HAVE TO BE GIVEN BROAD AUTHORITY TO MAKE THINGS HAPPEN. (b)(3) THIS TYPE OF INITIATIVE COULD MAKE A DRASTIC POSITIVE IMPACT ON TAIWAN MILITARY COMBAT READINESS. HOWEVER, AT THE SAME TIME, THE TAIWAN MILITARY LEADERSHIP HAS CURRENTLY WRITTEN OFF SUCH A POSSIBILITY, BELIEVING THAT THE U.S. WOULD NOT SUPPORT SUCH AN IMPORTANT INITIATIVE, EVEN THOUGH IT WOULD NOT INVOLVE U.S. ACTIVE DUTY MILITARY OR "FORMALLY" INVOLVE THE U.S. AT A POLICY LEVEL.

2. (S) CHIEF OF GENERAL STAFF GENERAL ((LO)) PEN-LI. UNDER NORMAL CONDITIONS GENERAL ((LO)) COULD BE EXPECTED TO REMAIN AT HIS POST FOR TWO YEARS. WHY TWO YEARS? (b)(3) (b)(3) THIS IS A CULTURAL "THING." LO MUST SERVE A STANDARD TWO-YEAR TOUR OR IT WOULD INVOLVE A SIGNIFICANT LOSS OF FACE TO LO AND TO OTHERS INVOLVED IN HIS ASSIGNMENT. HOWEVER, IF THE PRESIDENT COULD PERSUADE LO TO MAKE A "VOLUNTARY" RETIREMENT FOR SOME REASON ("MEDICAL," OTHER), THIS SITUATION COULD BE FINESSED. LO WAS THE ONLY CHOICE FOR THE POSITION AT THE TIME OF THE DECISION TO INSTALL HIM AS THE CGS. WHILE LO HAD PREVIOUSLY BEEN ASSOCIATED WITH ((HAU)) PEI-TSUN, HE QLOQ HAD BEEN -QUICK TO ADJUST. LO, (b)(3) HAS A "GUERRILLA" SIMPLISTIC) VIEW OF THE MILITARY: THE BASES SHOULD BE NEAT AND CLEAN, EVERYTHING SHOULD BE IN GOOD PHYSICAL ORDER. HE HAS NO APPRECIATION OF MODERN TECHNOLOGY AND SYSTEMS, AND HIS MAJOR INCLINATION IS TO MAINTAIN THE STATUS QUO. THERE WILL BE NO SIGNIFICANT CHANGES OR MODERNIZATION MOVES WHILE HE REMAINS IN THE CGS POSITION.

3. (S) PRESIDENT LEE AND THE MILITARY OFFICER CORPS. PRESIDENT LEE WILL SPUR BIG CHANGES SOON IN THE TAIWAN MILITARY LEADERSHIP, A PURGE OF SORTS. THIS CHANGE WILL START (PUBLICLY) IN JANUARY THROUGH MARCH, THE RATE DEPENDING ON WHEN LEE ASSESSES THAT HE HAS COMPLETE CONTROL AND A CONDITION OF GUARANTEED REELECTION IN THE MARCH 1996 PRESIDENTIAL ELECTION.

A, (S) PRESIDENT LEE KNOWS WHO WITHIN THE TAIWAN MILITARY LEADERSHIP SUPPORTS HIM, AND WHO DOES NOT. MANY OF THE SENIOR OFFICERS NOT SUPPORTING LEE HAVE BEEN IDENTIFIED AND WILL BE REMOVED. LEE HAS "TENTACLES EVERYWHERE." WHEN ASKED TO ELABORATE ON THIS POINT, (b)(3) ONE OF THE BIG SOURCES OF LEE'S INFORMATION ON THE TAIWAN MILITARY IS HIS WIFE. MRS LEE IS PRESIDENT OF THE TAIWAN MILITARY'S ANTI-AGGRESSION LEAGUE, AND IN THE COURSE OF HER ACTIVITIES IN THIS ORGANIZATION WHICH INCLUDES THE WIVES OF VIRTUALLY ALL OF TAIWAN'S SENIOR MILITARY LEADERSHIP SHE HAS A CLOSE ASSOCIATION WITH THE WIVES OF GENERALS OF NATIVE TAIWANESE DESCENT. SELECTED WIVES OF THESE TAIWANESE GENERALS FEED INFORMATION TO LEE'S WIFE, WHO IN TURN FEEDS IT TO THE PRESIDENT.

B. (S) THE PRESIDENT'S "NEW SON," ((SU)) CHIH-CHENG QINFORMALLY, THE CONFIDENTIAL SECRETARY TO THE PRESIDENT; FORMALLY, THE DIRECTOR OF THE PRESIDENTIAL OFFICEQ, IS ALSO A MAJOR PLAYER IN REGARD TO THE PRESIDENT AND THE MILITARY.

PREVIOUSLY A JOURNALIST, SU HAS HEAVY INFLUENCE WITH THE NEWSPAPERS. HE CONTINUOUSLY USES THE PRESS TO FLOAT LEE'S ISSUES, GAUGING PUBLIC REACTION TO VARIOUS PRESIDENTIAL INITIATIVES BEFORE THEY ARE FORMALLY ANNOUNCED OR INITIATED. THIS IS OFTEN DONE BEFORE MAJOR ISSUES ARE SURFACED. THE PRESS IS ALSO USED TO "ANNOUNCE" MILITARY LEADERSHIP MOVES, PROMOTIONS, AND RETIREMENTS. TWO NEWSPAPERS IN PARTICULAR ("TZE YOU SHIH PAO" -- "LIBERTY TIMES" -- WAS ONE SPECIFICALLY CITED) ARE "ALWAYS" ACCURATE IN THESE ANNOUNCEMENTS.

C. (S) ONE EXAMPLE OF AN OFFICER TO BE REPLACED. GEN ((CHENG)) PANG-CHIH, PRESIDENT OF THE ARMED FORCES UNIVERSITY, IS A PRESIDENTIAL TARGET FOR REPLACEMENT. LEE TENG-HUI WANTS HIM TO RETIRE. A PREVIOUS AIDE TO QNOW NEW PARTY VICE PRESIDENTIAL HOPEFULQ GENERAL ((HAU)) PO-TSUN, CHENG CONTINUES TO PAY RESPECT TO HAU, VISITING HIM EVERY BIRTHDAY. (b)(3)
(b)(3) A PHOTO WAS TAKEN OF CHENG WITH HAU. THIS PHOTO WAS PASSED BY MILITARY COUNTER INTELLIGENCE TO THE PRESIDENT.

(1) (S) LEE TENG-HUI WANTS TO REPLACE CHENG WITH CURRENT ARMY CINC GENERAL ((LEE)) CHENG-LIN. IN TURN, ONE OF THE CURRENT VICE CHIEFS OF THE GENERAL STAFF, ARMY LTGEN ((LEE)) CHIEN-CHUNG WOULD BECOME THE NEW ARMY CINC (b)(3) OF INTEREST, LTGEN ((LEE)) CHIEN-CHUNG HAS AMONG HIS VARIOUS RESPONSIBILITIES THAT OF DIRECTION AND CONTROL OF THE MILITARY'S VARIOUS INTELLIGENCE ORGANIZATIONS. (b)(3)
LEE CHIEN-CHUNG'S WIFE IS ONE OF THOSE WHO IS VERY CLOSE TO PRESIDENT LEE'S WIFE: SHE IS RICH AND GIVES "GREAT" GIFTS TO THE FIRST LADY TO ENHANCE HER POSITION AND THAT OF HER HUSBAND.

4. (S) THE MILITARY AND PRESIDENTIAL POLITICS. MANY OFFICERS DISAGREE WITH THE PRESIDENT'S POLITICS. JUNIOR AND MID-LEVEL OFFICERS ARE, IN VERY HEAVY NUMBERS, ASSOCIATING THEMSELVES

WITH TAIWAN'S NEW PARTY (NP) (b)(3)
DISTINCTION BETWEEN SECOND/THIRD GENERATION MAINLANDERS AND NATIVE TAIWANESE. (b)(3) INDEPENDENT CONVERSATIONS WITH NUMBERS OF JUNIOR OFFICERS WOULD INDICATE THAT THE NEW PARTY IS GETTING THIS SUPPORT FROM JUNIOR AND MID-GRADE OFFICERS FROM BOTH ETHNIC GROUPS. (b)(3) THE SENIOR OFFICERS, FOR THE MOST PART, REMAIN ALIGNED WITH THE KMT. MOST OF THESE SENIOR OFFICERS ARE OF MAINLAND ORIGIN, WITH FEW NATIVE TAIWANESE OFFICERS HOLDING IMPORTANT POSITIONS. AFTER THE PRESIDENT FEELS SECURE IN HIS REELECTION, MANY CHANGES WILL BE MADE IN THE SENIOR OFFICER CORPS, AND LEE'S PICKS WILL INCLUDE MANY TAIWANESE. AGAIN, PRESIDENT LEE'S MAJOR ADVISORS IN THESE MATTERS ARE THE WIVES OF SENIOR TAIWANESE OFFICERS AND HIS "ADOPTED SON," ((SU)) CHIH-CHENG.

5. (S) GENERAL POLITICAL WARFARE DEPARTMENT (GPWD). WHEN ASKED HOW THE GPWD PLAYED IN ALL THIS, (b)(3)
(b)(3) THE GPWD IS MUCH LESS IMPORTANT NOW THAN PREVIOUSLY, AND IS BEING ATTACKED BY PRESIDENT LEE. HOWEVER, THE GPWD IS STILL NEEDED AND, AS A RESULT, WILL NOT BE DISBANDED. THE GPWD IS BEING RESHAPED BY LEE, AS HE DIRECTS THE REPLACEMENT OF SENIOR PERSONNEL.

6. (S) HOW DOES THE LIN/HAU NEW PARTY PRESIDENTIAL BID

IMPACT? (b)(3) IT IS UNLIKELY THAT THE NEW PARTY'S PRESIDENTIAL/VICE PRESIDENTIAL CANDIDATES OFFER A SIGNIFICANT OBSTACLE TO LEE TENG-HUI'S REELECTION. IF LIN/HAU SHOULD BE ELECTED, THERE ARE MANY SIGNIFICANT PROBLEMS IN REGARD TO THE MILITARY. THEY WOULD HAVE TO REPLACE MUCH OF THE SENIOR MILITARY LEADERSHIP TO ENSURE THEIR CONTROL. HOWEVER, HAU PO-TSUN NO LONGER HAS ANY GREAT INFLUENCE IN THE ARMY -- PRESIDENT LEE HAS BEEN LARGELY SUCCESSFUL IN ROOTING IT OUT. THEREFORE, IN THE UNLIKELY EVENT THAT LIN/HAU WERE ELECTED, THERE WOULD BE A PROBABLE POWER STRUGGLE IN THE MILITARY WITH MANY INHERENT PROBLEMS AND RESULTANT INSTABILITY.

7. (S) THE TAIWAN MILITARY AND CONFRONTATION WITH THE PRC. WHEN ASKED ABOUT VIEWS ON RELIABILITY OF THE TAIWAN MILITARY IN THE EVENT OF A SIGNIFICANT CONFRONTATION WITH THE PRC,

(b)(3) THE MILITARY WOULD PROBABLY HOLD SO LONG AS TAIWAN'S ECONOMY AND SOCIETY REMAINED STABLE. HOWEVER, IN THE EVENT OF SOCIAL INSTABILITY, MANY GOVERNMENT OFFICIALS, BUSINESSMEN, AND PEOPLE WITH MONEY AND CONNECTIONS WOULD LEAVE TAIWAN. UNDER THESE CONDITIONS, IF THERE WAS A CONFRONTATION WITH THE PRC, THE TAIWAN POPULACE WOULD PROBABLY NOT RESIST. THE PREVALENT THINKING IS THAT WE QTHE TAIWAN POPULACEQ ARE "ALL CHINESE." THE SECOND AND THIRD GENERATION MAINLANDERS WOULD HOPE TO RECEIVE "SPECIAL TREATMENT" IN THE EVENT OF CAPITULATION TO THE MAINLAND. (b)(3) THERE EXISTS A FEELING THAT UNDER THIS KIND OF SITUATION, THE PRC MIGHT PERHAPS METE OUT HARSHER TREATMENT TO THE NATIVE TAIWANESE THAN TO THE SECOND/THIRD GENERATION MAINLANDERS.

8. (C) SELLING PASSPORTS AND VISAS. (b)(3) COMPANIES HAVE BEEN FORMED, RUN/MANNED BY RETIRED SERVICEMEN, WHO ARE "SELLING" PASSPORTS AND VISAS. THE PEDDLING OF THESE SERVICES IS MAINLY TO RETIRED MILITARY PERSONNEL; HOWEVER, THERE ARE SOME SALES INITIATIVES DIRECTED AT JUNIOR AND MID-LEVEL OFFICERS ON ACTIVE DUTY. ONE DESTINATION CITED IS PUERTO RICO.

9. (S) ANNUAL ARMED FORCES UNIVERSITY TRIP. THIS YEAR'S TRAVEL BY OFFICERS IN SENIOR TRAINING COURSES FOCUSED ON EUROPE AND EASTERN EUROPE. THE ITINERARY INCLUDED POLAND, CZECHOSLOVAKIA, HUNGARY, FRANCE, SCANDINAVIA, AND POSSIBLY AUSTRIA AND GERMANY. (b)(3) NO SPECIFIC COMMENTS ON THE ITINERARY, BUT IMPLIED THAT THIS TRAVEL EMPHASIZED TAIWAN'S GROWING EUROPE/EAST EUROPEAN ORIENTATION.

COMMENTS: (b)(3) 1. (S) THE INFORMATION IN THIS REPORT PROVIDES SOME NEW LOOKS AT THE WORKINGS OF THE UPPER ECHELONS OF THE TAIWAN MILITARY AND SOME CLUES REGARDING THE DYNAMICS OF SENIOR MILITARY OFFICER ASSIGNMENTS AND PROMOTIONS. (b)(3)

2. (S) THE COMMENTS ON THE LIKELIHOOD OF THE TAIWAN MILITARY STANDING FIRM IN THE FACE OF A PRC CONFRONTATION IS INTERESTING, AND PROVIDES ONE MORE INPUT ON A SUBJECT WHICH DEFIES PREDICTABILITY. WHAT IS IMPORTANT IS THE

IDENTIFICATION OF OTHER FACTORS AND PREVALENT FEELINGS WHICH ARE CRITICAL IN UNDERSTANDING HOW CIRCUMSTANCES COULD UNFOLD IN THE EVENT TAIWAN WERE PLACED IN A POSITION OF SIGNIFICANT STRESS BY THE PRC.

3. (S) TAIWAN PRESIDENT LEE'S ABILITY TO "LOOK INTO" AND MAINTAIN CONTROL OF THE TAIWAN MILITARY IS A TOPIC OF CONTINUING INTEREST AND SPECULATION. NOW-RETIRED ADMIRAL ((LIU)) HO-CHIEN WAS CLEARLY A PRIMARY ACTOR IN STRIPPING AWAY MUCH OF GENERAL ((HAU)) PEI-TSUN'S PREVIOUS POWER AND INFLUENCE IN THE TAIWAN MILITARY, ESPECIALLY THE ARMY, UNDER LEE'S STEWARDSHIP. HOWEVER, IN TYPICAL CHINESE CULTURAL FASHION, THE CLEAN LINES OF ORGANIZATIONAL STRUCTURE AND RESPONSIBILITY ARE OFTEN NOT THE TELLING DISTRIBUTION OF POWER AND INFLUENCE.

A. (S) THE ROLL OF PRESIDENTIAL OFFICE DIRECTOR ((SU)) CHIH-CHENG AN DISCOUNTED, AND MAY, IN FACT, BE CONTROLLING ELEMENTS IN THE PROCESS OF WHO ADVANCES TO SENIOR LEVELS IN THE MILITARY. IT WOULD NOT BE BEYOND "NORMAL" PRACTICE FOR THE SENIOR OFFICER IN CHARGE OF MILITARY INTELLIGENCE MATTERS (VICE CHIEF OF THE GENERAL STAFF ARMY LTGEN ((LEE)) CHIEN-CHUNG) TO INFLUENCE MATTERS TO HAVE THE ARMY CINC MOVED UPWARDS QAND OUTWARDSQ TO PRESIDENT OF THE ARMED FORCES UNIVERSITY SO THAT HE ((LEE)) MOVES INTO THE POWERFUL ARMY CINC POSITION. THE RIGHT PHOTOGRAPH PUT INTO THE PRESIDENT'S HANDS CAN BE POWERFUL STUFF, WHEN IT SO "CLEARLY" SHOWS WHERE THE CURRENT ARMED FORCES UNIVERSITY PRESIDENT'S LOYALTIES "CLEARLY" LIE.

A. (S) ((SU)) CHIH-CHENG BECAME CLOSE TO PRESIDENT LEE AS A CONSEQUENCE OF THE DEATH OF LEE'S SON. ((SU)), A CLASSMATE OF LEE'S SON AND CLOSE TO HIM AT THE TIME OF HIS DEATH, HAS BEEN UNOFFICIALLY "ADOPTED" BY THE PRESIDENT AND HAS BECOME A REAL POWER IN THE PRESIDENT'S OFFICE. IT APPEARS THAT HE IS THE GATEKEEPER FOR THE PRESIDENT: ANYONE WHO WOULD SEE THE PRESIDENT MUST COME THROUGH ((SU)) FIRST.

4. (S) TLS WILL LOOK FURTHER INTO THE ISSUE OF PASSPORT/VISA SALES. WHILE NOT SURPRISING, THE EXISTENCE, MECHANICS, AND SCOPE OF THIS PRACTICE NEED TO BE UNDERSTOOD. THE FACT THAT PUERTO RICO WAS IDENTIFIED AS A DESTINATION LOCATION IS IMPORTANT. THIS, OBVIOUSLY, HAS IMPLICATIONS REGARDING POTENTIAL ILLEGAL ENTRY INTO THE U.S. AND ALIEN-SMUGGLING.

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(b)(3)

~~S E C R E T~~ -- SPECAT

(b)(3)

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SECT: SECTION: 01 OF 01

SSN: 1423

TOR: 960326063707 M2148810

DIST:

SIT: NSC

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PREC: PRIORITY
 CLASS: ~~CONFIDENTIAL~~
 LINE1: PAACZYUW RUEHINA1439 0860819-CCCC--RHEHAAX.
 LINE2: ZNY CCCCC ZZH
 LINE3: P 260819Z MAR 96
 LINE4: FM AIT TAIPEI
 OSRI: RUEHIN
 DTG: 260819Z MAR 96
 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC PRIORITY 5118
 INFO: RUEHBJ/AMEMBASSY BEIJING 6225
 RUEHML/AMEMBASSY MANILA 3571
 RUEHJA/AMEMBASSY JAKARTA 1484
 RUEHGP/AMEMBASSY SINGAPORE 5563
 RUEHUL/AMEMBASSY SEOUL 7601
 RUEKJCS/DIA WASHDC
 RUEHSH/AMCONSUL SHENYANG 2707
 RUEHKO/AMEMBASSY TOKYO 3996
 RUEHGZ/AMCONSUL GUANGZHOU 6519
 RHHMUNA/CINCPAC HONOLULU HI
 RUESLE/AMCONSUL SHANGHAI 4662
 RHHMSCC/JICPAC HONOLULU HI
 RUEHHK/AMCONSUL HONG KONG 7738
 RUEHBK/AMEMBASSY BANGKOK 5061
 SUBJ: TAIWAN: AFTERMATH OF THE ELECTION
 TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 03 TAIPEI 001439

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

BEIJING PASS CHENGDU

E.O. 12958: DECL: 03/24/06

TAGS: PGOV, PREL, TW, CH

SUBJECT: TAIWAN: AFTERMATH OF THE ELECTION

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR, AIT/T.
 REASON: 1.5 (D).

2. ~~(c)~~ SUMMARY: IN THE AFTERMATH OF TAIWAN'S MARCH 23 ELECTION, PRESIDENT LEE AND OTHER SENIOR KMT OFFICIALS ARE TRAVELLING THE COUNTRY THANKING THE VOTERS; RESIDENTS ARE CONGRATULATING THEMSELVES ON HOLDING FREE AND FAIR POLLS; AND EVERYONE IS TRYING TO FIGURE WHAT WILL COME NEXT BOTH IN CROSS-STRAIT RELATIONS AND TAIWAN'S DOMESTIC POLITICS. WITH RESPECT TO THE DOMESTIC SCENE, THE MAJOR OPPOSITION PARTY, THE PRO-INDEPENDENCE DPP, SEEMS TO BE EVEN IN MORE DISARRAY THAN NORMAL, THEREBY INCREASING THE OPTIONS FOR PRESIDENT LEE TENG-HUI. WITH RESPECT TO CROSS-STRAIT RELATIONS, LIEN CHAN AND OTHER OFFICIALS REPEATEDLY

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STRESS THEIR COMMITMENT TO EVENTUAL REUNIFICATION, BUT NO ONE HAS YET MAPPED OUT THE CONCRETE STEPS THAT TAIWAN WILL TAKE TO RELAX TENSIONS. PRESIDENT LEE IS BIDDING HIS TIME BEFORE COMMITTING HIMSELF TO NEXT STEPS IN BOTH AREAS. END SUMMARY.

A FREE AND FAIR ELECTION

3. (S) BOTH TAIWAN AND INTERNATIONAL OBSERVERS AGREED THAT TAIWAN'S MARCH 23 COMBINED PRESIDENTIAL AND NATIONAL ASSEMBLY ELECTION WAS BOTH FREE AND FAIR. THERE WAS NO VIOLENCE ON ELECTION DAY AND NO CHARGES TO DATE OF ELECTION FRAUD. PEOPLE HERE HAVE REACTED TO THE ELECTION WITH A COMBINATION OF PRIDE AND MATURITY. EVEN THOSE WHO VOTED AGAINST LEE APPEAR PROUD OF THE PROCESS ITSELF. WHILE DISAPPOINTED, SUPPORTERS OF THE DEFEATED CANDIDATES DO NOT DISPUTE THAT THE ELECTION ACCURATELY REFLECTED THE MOOD OF THE TAIWAN ELECTORATE. SIMILARLY, THE DEFEATED CANDIDATES ALL CONDUCTED THEMSELVES WITH DIGNITY IN THE IMMEDIATE AFTERMATH OF THE ELECTION, CONGRATULATING LEE AND LIEN AND STRESSING THE RIGHT OF THE PEOPLE TO CHOOSE THEIR OWN LEADERS. (SHORTLY THEREAFTER, HOWEVER, DEFEATED VICE PRESIDENTIAL CANDIDATE LIN YANG-KANG WAS TELLING THE PRESS THAT -- IN LIGHT OF PRC ATTITUDES -- LEE'S REELECTION WOULD ENDANGER THE PEOPLE OF TAIWAN.)

THANKS FOR YOUR VOTE

4. (U) IN THE IMMEDIATE AFTERMATH OF THE VOTE, A JUBILANT LEE TENG-HUI EMBARKED ON A CROSS-ISLAND TOUR TO THANK THE PEOPLE FOR THEIR VOTES. ACCOMPANIED BY HIS VICE PRESIDENT-ELECT, PREMIER LIEN CHAN, AND A HOST OF OTHER SENIOR KMT OFFICIALS, PRESIDENT LEE HUGGED CHILDREN DRANK CHAMPAGNE, AND PROMISED THE ROARING CROWDS THAT GREETED HIM THAT HE WOULD WORK TO IMPROVE CROSS-STRAIT RELATIONS -- AND TO ALLOW THE PEOPLE OF TAIWAN TO PROSPER: "I KNOW YOU WANT STABILITY AND YOU WANT TO MAKE MONEY. LET'S STRIVE TOGETHER FOR IT."

THOUGHTS ON CROSS-STRAIT RELATIONS

5. (U) AS ALWAYS, PREMIER LIEN CHAN STRUCK AN ACCOMMODATING NOTE DURING A MARCH 25 PRESS CONFERENCE, REITERATING TAIWAN'S COMMITMENT TO REUNIFICATION AND CALLING UPON THE PRC TO REESTABLISH LINES OF COMMUNICATION WITH TAIPEI. LIEN SAID THAT THE INITIALLING OF A PEACE AGREEMENT WITH THE PRC WOULD BE A MAJOR STEP THAT WOULD REQUIRE THE CONSENSUS OF ALL SECTORS OF TAIWAN SOCIETY. HE ACKNOWLEDGED THAT A NATIONAL CONFERENCE WOULD BE ONE WAY TO FORGE SUCH A CONSENSUS, BUT POINTED OUT THAT THERE WERE ALSO OTHER WAYS IN WHICH THE AUTHORITIES COULD OBTAIN THE VIEWS OF OPINION LEADERS.

6. (U) MEANWHILE, ECONOMICS MINISTER P.K. CHIANG WAS ACKNOWLEDGING THAT OPENING DIRECT COMMUNICATIONS, TRANSPORTATION, AND INVESTMENTS LINKS WITH THE PRC
BT
#1439

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~~C O N F I D E N T I A L~~ SECTION 02 OF 03 TAIPEI 001439

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

BEIJING PASS CHENGDU

E.O. 12958: DECL: 03/24/06

TAGS: PGOV, PREL, TW, CH

SUBJECT: TAIWAN: AFTERMATH OF THE ELECTION

WOULD BE DESIRABLE FOR TAIWAN'S ECONOMY; CHIANG WARNED, HOWEVER, THAT NATIONAL SECURITY CONSIDERATIONS WOULD DETERMINE WHETHER TAIWAN COULD GO AHEAD WITH THE THREE DIRECT LINKS. FOR HIS PART, TAIWAN GOVERNOR JAMES SOONG, ACCOMPANYING PRESIDENT LEE IN THE SOUTH OF TAIWAN, STRUCK AN AGGRESSIVELY UPBEAT STANCE ON CROSS-STRAIT RELATIONS. ACCORDING TO SOONG, SHOULD THE PRC AGREE TO HOLD FREE AND FAIR ELECTIONS, REUNIFICATION COULD OCCUR WITHIN FOUR YEARS.

THE DPP: UNDER PRESSURE

7. (C) WHILE THE KMT LEADERSHIP WAS BUSY PATTING ITSELF ON THE BACK, THE DPP APPEARED IN SERIOUS TROUBLE. SHIH MING-TEH RESIGNED AS DPP CHAIRMAN IMMEDIATELY AFTER THE ELECTION TO TAKE RESPONSIBILITY FOR HIS PARTY'S POOR SHOWING. MOST DPP LEADERS WERE VERY DISAPPOINTED BY THE 21 PERCENT VOTE FOR THEIR CANDIDATE, PROFESSOR PENG MING-MIN. IN CONTRAST, THE DPP CANDIDATE IN THE LAST MAJOR ELECTION, FOR GOVERNOR OF TAIWAN IN DECEMBER 1994, WON 39 PERCENT OF THE VOTE IN THE PROVINCE (ALL OF TAIWAN EXCLUDING TAIPEI AND KAOHSIUNG MUNICIPALITIES). NO ONE EXPECTED THE DPP TO DO AS WELL THIS TIME, AGAINST AN INCUMBENT AND POPULAR PRESIDENT LEE TENG-HUI; HOWEVER, PENG WON ONLY 20 PERCENT AMONG THESE SAME VOTERS.

8. (C) CHAIRMAN SHIH HAD ALREADY BEEN UNDER FIRE FOR AN ATTEMPT TO WORK WITH THE CHINESE NEW PARTY (CNP) IN THE LEGISLATURE EARLIER THIS YEAR. THIS "GRAND ALLIANCE" BACKFIRED AMONG DPP GRASS-ROOTS SUPPORTERS WHO STRONGLY OPPOSE THE CNP'S IDEOLOGICAL COMMITMENT TO ULTIMATE REUNIFICATION WITH THE MAINLAND. SENIOR DPP LEADERS HAD ALREADY PREDICTED TO AIT THAT IT WOULD BE

IMPOSSIBLE FOR SHIH TO BE REELECTED CHAIRMAN IN THE DPP PARTY CONGRESS TO BE HELD IN JUNE IF HE HAD CHOSEN TO RUN. NOW, AN INTERIM CHAIRMAN WILL BE CHOSEN, FROM AMONG THE ELEVEN MEMBERS OF THE PARTY'S CENTRAL STANDING COMMITTEE, BY THE DPP'S 31-MEMBER CENTRAL EXECUTIVE COMMITTEE -- WHICH IS EXPECTED TO HOLD AN EXTRAORDINARY SESSION SOON.

OFFERING A CABINET POSITION TO THE DPP?

9. ~~(S)~~ THE DPP'S TROUBLES HAVE STRENGTHENED THE POSSIBILITY THAT PRESIDENT LEE MIGHT USE HIS IMPRESSIVE 54 PERCENT MANDATE TO TRY TO PUT TAIWAN'S DOMESTIC POLITICS IN ORDER. THE IMPRESSION THAT THE DPP'S TRADITIONAL BACKERS HAVE BEEN ALIENATED BY THE PARTY'S "GRAND ALLIANCE" WITH THE NEW PARTY MAKES IT THAT MUCH MORE LIKELY THAT INDIVIDUALS OR FACTIONS WITHIN THE PARTY MIGHT SEEK ACCOMMODATION WITH THE POPULAR PRESIDENT LEE. YAO ENG-CHI, LY MEMBER AND EXECUTIVE DIRECTOR OF THE KMT'S POLICY COMMITTEE, CONFIRMED TO AIT ON MARCH 25 THAT THE RULING PARTY WOULD LIKELY OFFER CABINET SEATS IN ORDER TO ATTRACT INDIVIDUAL DPP LAWMAKERS "ALL WE NEED IS TEN," HE POINTED OUT, "AND WE WILL HAVE A SOLID MAJORITY." INTERESTINGLY, YAO DOWNPLAYED THE POSSIBILITY OF A NATIONAL CONFERENCE ON CROSS-STRAIT AND DOMESTIC ISSUES. "IF WE DO GET A FUNCTIONING MAJORITY IN THE LEGISLATIVE YUAN (LY), WE CAN WORK THOSE ISSUES IN THE LEGISLATURE," HE ASSERTED.

NO FINAL DECISIONS YET

10. ~~(S)~~ PRESIDENTIAL SECRETARY GENERAL WU PO-HSIUNG MADE IT CLEAR IN A CONVERSATION WITH THE DIRECTOR ON MARCH 26 THAT PRESIDENT LEE WAS CURRENTLY HOLDING HIS CARDS CLOSE TO HIS VEST. ACCORDING TO WU, LEE UNDERSTOOD THE NEED TO -- AND WOULD IN THE FUTURE -- TAKE STEPS TO IMPROVE CROSS-STRAIT RELATIONS. HOWEVER, LEE FELT THE NEED TO GET SOME SORT OF POPULAR BACKING FOR ANY MOVES HE MIGHT MAKE. LIKE YAO, WU STRESSED
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~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TAIPEI 001439

DEPARTMENT FOR EAP/RSP/TC AND AIT/WASHINGTON

BEIJING PASS CHENGDU

E.O. 12958: DECL: 03/24/06

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TAGS: PGOV, PREL, TW, CH
 SUBJECT: TAIWAN: AFTERMATH OF THE ELECTION

THAT LEE MIGHT NOT NECESSARILY NEED TO CONVENE A NATIONAL CONFERENCE -- HE MIGHT SIMPLY HOLD A SERIES OF CONSULTATIONS WITH IMPORTANT INDIVIDUALS FROM ALL SECTORS OF SOCIETY.

11. (S) SIMILARLY, WU MAINTAINED THAT PRESIDENT LEE HAD NOT YET DECIDED ON CABINET SHUFFLES -- INCLUDING A REPLACEMENT FOR LIEN CHAN, WHO WILL LIKELY BE REPLACED AS PREMIER AFTER HE IS SWORN IN AS VICE PRESIDENT ON MAY 20. (WU HIMSELF IS RUMORED TO BE ONE OF THE LEADING CANDIDATES FOR THE PREMIER SLOT.) WU ALSO CONFIRMED THAT LEE WAS LOOKING TO SPLIT OFF A LARGE PORTION OF THE DPP; HE POINTED OUT, HOWEVER, THAT A FEW INDIVIDUAL DPP MEMBERS WOULD NOT BE ENOUGH TO CREATE A FUNCTIONING MAJORITY FOR THE KMT IN THE LEGISLATURE AND IN THE NATIONAL ASSEMBLY. INSTEAD, THE KMT WOULD HAVE TO WOO AN ENTIRE DPP FACTION. STILL, WU NOTED, LEE FELT THERE WAS NO NEED TO RUSH INTO NEGOTIATIONS. BY WAITING, WU SAID, LEE COULD ACTUALLY INCREASE THE PRESSURE ON THE DPP FACTIONS.

COMMENT

12. (S) THIS IS STILL THE MORNING AFTER QUITE A PARTY. WHILE WE EXPECT MOVEMENT SHORTLY, PRESIDENT LEE AND HIS KMT ARE STILL SAVORING HIS VICTORY AND HAVE NOT YET GOTTEN AROUND TO DEFINITELY DECIDING NEXT STEPS ON CROSS-STRAIT AND DOMESTIC ISSUES. ALTHOUGH LEE'S PERSONAL POPULARITY IS NOT IN DOUBT, HE WILL HAVE TO WORK HARD TO ENSURE PUBLIC SUPPORT FOR WHATEVER STEPS HE MAY TAKE TO IMPROVE THE CROSS-STRAIT RELATIONSHIP. IN THIS CONTEXT, THE WRAPPING UP OF THE PRC'S MILITARY EXERCISES AND THE MORE REASONABLE TONE EMANATING FROM BEIJING ARE DEFINITELY HELPFUL. THIS MORE REASONABLE ENVIRONMENT SHOULD MAKE IT EASIER FOR THE TAIWAN SIDE TO MOVE FORWARD WITH STEPS DESIGNED TO RELAX CROSS-STRAIT TENSIONS.

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 #1439

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SECT: SECTION: 01 OF 03
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SSN: 1439
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TOR: 960326051302 M2148663
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<^TOR>960326051437 M2148674

DIST:
SIT: KRISTOFF SUETTINGER
SIT: NSC

Cable

PREC: PRIORITY
 CLASS: CONFIDENTIAL
 LINE1: PAACZYUW RUEHBJA5532 0860752-CCCC--RHEHNSC.
 LINE2: ZNY CCCCC
 LINE3: P R 260752Z MAR 96 ZDK
 LINE4: (b)(3)

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.67]
 KBH 6/12/2019

OSRI: RUEHBJ
 DTG: 260752Z MAR 96

ORIG: (b)(3)
 TO: (b)(3)

INFO: RHHMHAH/CINCPACFLT PEARL HARBOR HI
 RHHMMCJ/JICPAC HONOLULU HI
 RUERZCA/CDR500THMIBDE CP ZAMA JA

(b)(3)

RUEKJCS/SECDEF WASHDC//USDP:ISA-AP//
 RHEHNSC/NSC WASHDC
 RUEHC/SECSTATE WASHDC//EAP-CM/INR//
 RHHMUNA/USCINCPAC HONOLULU HI//J5/J233//
 RUDMONI/ONI WASHDC
 RUEKJCS/JCS WASHDC
 RUENAAA/CNO WASHDC
 RUDMCAC/ONI CAC WASHDC

SUBJ: (b)(3) EXERCISES AGAINST TAIWAN TO
 CONTINUE, PLA(N) WANTS TO STAY ENGAGED(U)

(b)(3)

TEXT:

//////////////////// INCOMPLETE MESSAGE //////////////////////

~~C O N F I D E N T I A L~~ SECTION 01 OF 03 BEIJING CH

~~C O N F I D E N T I A L~~

SERIAL: (b)(3)
 COUNTRY: (b)(3)

SUBJ: (b)(3) EXERCISES AGAINST TAIWAN TO
 CONTINUE, PLA(N) WANTS TO STAY ENGAGED(U)

(b)(3)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY
 EVALUATED INTELLIGENCE. REPORT CLASSIFIED
~~C O N F I D E N T I A L~~.

DEPARTMENT OF DEFENSE

(b)(3)

EO 13526 1.4c, EO 13526 3.3(b)(1)

SUMMARY: (C) PLA WILL CONTINUE EXERCISES TO KEEP PRESSURE ON ((LEE)) TENG-HUI. ANTI-TAIWAN EXERCISES PA(KS IF ADM ((ZHANG))'S INVITATION TO THE U.S. AND THE PLA(N) SHIP VISIT IS STILL OPEN.

TEXT: 1. (C) (b)(3) BEIJING WILL SOON ANNOUNCE A FOURTH SERIES OF EXERCISES. THESE EXERCISES WILL BE HELD OPPOSITE TAIWAN IN GENERALLY THE SAME LOCATION AS THE PREVIOUS EXERCISES AND WILL CONSIST OF NAVAL, AIR AND AMPHIBIOUS TRAINING EVENTS. THIS FOURTH EXERCISE HOWEVER WILL NOT BE AS INTENSE OR CONDUCTED AT SUCH A HIGH LEVEL AS THE PREVIOUS EXERCISES. THERE WILL BE LITTLE MEDIA HYPE ASSOCIATED WITH THIS FOLLOW-ON EXERCISE. (b)(3) THE NEXT SERIES OF EXERCISES ARE SCHEDULED TO LAST FOR THREE WEEKS BUT THE DURATION OF THE EXERCISE WILL DEPEND ON WHAT LEE TENG-HUI DOES AFTER THE ELECTION. (b)(3) THE PRC MUST KEEP THE PRESSURE ON LEE UNTIL HE MAKES SOME POSITIVE OVERTURES TO BEIJING CONCERNING UNIFICATION.

2. (C) (b)(3) LEE COULD NOT BE TRUSTED AND DESPITE WHAT LEE HAS BEEN SAYING ABOUT SUPPORTING THE ONE CHINA POLICY, HIS ACTIONS PROVE HE WILL CONTINUE TO PUSH FOR INDEPENDENCE. (b)(3) EVEN THOUGH THE COMMUNIST PARTY FOUGHT BITTERLY AGAINST ((CHIANG)) KAI-SHEK AND THE GUOMINDANG, AFTER CHIANG FLED CHINA, HE STILL ADVOCATED THAT THERE WAS JUST ONE CHINA AND THIS ALLOWED THE TWO GOVERNMENTS TO EXIST SIMULTANEOUSLY. (b)(3) CHINA CAN LIVE WITH THIS SORT OF ARRANGEMENT AND WOULD ACCEPT A SIMILAR STATEMENT FROM LEE AS A STARTING POINT FOR DEALING WITH THE NEW DEMOCRACY IN TAIWAN. (b)(3) IF TAIWAN WOULD ONLY GENUINELY ACCEPT THE ONE CHINA POLICY, IT WOULD ALLOW DISCUSSION AND NEGOTIATION TO BEGIN BETWEEN BEIJING AND TAIWAN. (b)(3) THE PRC COULD LIVE WITH THIS SITUATION FOR EVEN 50 YEARS WITH NO PROBLEM. THE ONE THING BEIJING CANNOT ACCEPT IS ANY MOVEMENT TO INDEPENDENCE.

3. (C) (b)(3) IF LEE DID DECLARE INDEPENDENCE, THE PRC WOULD NOT USE MILITARY FORCE AGAINST TAIWAN. THE RECENT EXERCISES WERE MEANT TO SHOW TAIWAN HOW SERIOUS THE PRC IS CONCERNING THE TAIWAN ISSUE AND THE IMPACT THE PLA COULD HAVE ON TAIWAN'S ECONOMY. HOWEVER, (b)(3) (b)(3) NO MATTER WHAT LEE ACTUALLY SAID CONCERNING INDEPENDENCE, THE PLA WOULD NOT ATTACK TAIWAN.

4. (C) (b)(3) DESPITE THE BAD WEATHER THE LIVE FIRE EXERCISES WERE CONSIDERED AN OUTSTANDING SUCCESS. THE BAD

WEATHER PROVIDED MILITARY LEADERS AN OPPORTUNITY TO PROVE HOW GOOD THE MILITARY WAS AND HOW THE PLA WAS CAPABLE OF CONDUCTING WARFARE IN ALL TYPES OF WEATHER CONDITIONS. (b)(3)

(b)(3) DESPITE VERY HEAVY SEAS, STRONG WINDS, AND POOR VISIBILITY, BETTER THAN 75 PERCENT OF THE MISSILES AND NAVAL GUN ROUNDS HIT THE TARGETS. SENIOR MILITARY LEADERS VERY IMPRESSED AND PERSONALLY CONGRATULATED THE UNIT COMMANDERS PARTICIPATING IN THE EXERCISES. (b)(3) THE CDR'S OF ALL THREE SERVICES, IN ADDITION TO THE POLITICAL COMMISSAR OF THE NAVY, WERE ON HAND TO OBSERVE THE LIVE FIRE EXERCISE. (b)(3)

BT

#5532

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SECT: SECTION: 01 OF 03

SSN: 5532

TOR: 960326184328 M2150024

DIST:

SIT: KRISTOFF PASSDOWN SUETTINGER SUM SUM2 WISE

SIT: NSC

PRT: SIT{C2}

Cable

PREC: PRIORITY
 CLASS: ~~CONFIDENTIAL~~
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 LINE4: FM AIT TAIPEI
 OSRI: RUEHIN
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 ORIG: AIT TAIPEI
 TO: RUEHC/SECSTATE WASHDC PRIORITY 5170
 INFO: RHHMSCC/JICPAC HONOLULU HI
 RUEKJCS/DIA WASHDC
 RHHMUNA/CINCPAC HONOLULU HI
 RUEHSH/AMCONSUL SHENYANG 2716
 RUESLE/AMCONSUL SHANGHAI 4672
 RUEHHK/AMCONSUL HONG KONG 7756
 RUEHGZ/AMCONSUL GUANGZHOU 6531
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 RUEHGP/AMEMBASSY SINGAPORE 5574
 RUEHUL/AMEMBASSY SEOUL 7613
 RUEHML/AMEMBASSY MANILA 3582
 RUEHBJ/AMEMBASSY BEIJING 6239
 SUBJ: CROSS-STRAIT RELATIONS: TAIPEI MULLS NEXT
 - STEPS

TEXT:

~~C O N F I D E N T I A L~~ SECTION 01 OF 03 TAIPEI 001501

DEPARTMENT ALSO PASS AIT/W

E.O. 12958: DECL: 3/29/06

TAGS: PGOV, PREL, CH, TW

SUBJECT: CROSS-STRAIT RELATIONS: TAIPEI MULLS NEXT
 - STEPS

1. CLASSIFIED BY B. LYNN PASCOE, DIRECTOR AIT/T.
 REASON: 1.5 (B) AND (D).

2. ~~(C)~~ SUMMARY: ALTHOUGH ADVISORS AND PUNDITS HERE CONTINUE TO FLOAT SUGGESTIONS, PRESIDENT LEE HAS OBVIOUSLY NOT YET MADE A FINAL DECISION AS TO WHAT STEPS TO TAKE TO IMPROVE CROSS-STRAIT RELATIONS. ENCOURAGINGLY, THE MAJOR PLAYERS ON CROSS-STRAIT RELATIONS BELIEVE THAT TAIWAN NEEDS TO MOVE SOONER RATHER THAN LATER TO MAKE CONCILIATORY GESTURES BEFORE BEIJING RESUMES A BELLIGERENT ATTITUDE; THEY ALSO NOTE, HOWEVER, THAT SUSPICION OF BEIJING IN THIS SOCIETY HAS INCREASED TREMENDOUSLY BECAUSE OF THE PRC'S INTIMIDATION CAMPAIGN. A CONCRETE TAIWAN PROPOSAL WILL OCCUR ONLY AFTER PRESIDENT LEE GOES THROUGH SOME PUBLIC CONSENSUS EXERCISE; AFTERWARDS, TAIWAN WILL MOST LIKELY

DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.69]

KBH 6/12/2019

PUSH AHEAD WITH A PROPOSAL FOR TALKS AIMED AT ENDING THE STATE OF HOSTILITY BETWEEN THE TWO SIDES OF THE STRAIT COMBINED WITH PAST TAIWAN PROPOSALS FOR A PARTIAL IMPLEMENTATION OF THE THREE DIRECT LINKS. TAIWAN WILL ALSO CONTINUE TO PUSH FOR A RESUMPTION OF THE CROSS-STRAIT TALKS THE PRC CANCELED LAST SUMMER. MORE DRAMATIC GESTURES ON OPENING THE THREE LINKS, SIDETRACKING TAIWAN'S UN BID, OR A CROSS-STRAIT SUMMIT APPEAR MORE PROBLEMATIC. END SUMMARY.

3. (U) IMMEDIATE FEARS OF HOSTILITIES DISSIPATED HERE WITH THE U.S. DECISION TO DEPLOY U.S. NAVAL FORCES IN THE REGION TO MONITOR THE PRC'S MILITARY EXERCISES. TENSIONS HAVE EASED EVEN FURTHER, FOLLOWING THE ADOPTION OF A MORE REASONABLE TONE BY BEIJING IN THE DAYS FOLLOWING TAIWAN'S MARCH 23 PRESIDENTIAL ELECTION. STILL, THE CROSS-STRAIT RELATIONSHIP REMAINS THE DOMINANT TOPIC OF CONCERN FOR MUCH OF THE POPULATION. (ONE LOCAL POLL SHOWS 61 PERCENT OF THOSE SURVEYED LISTING CROSS-STRAIT TENSIONS AS THE NUMBER ONE PROBLEM FACING TAIWAN.)

PRESIDENT LEE
-----)n--

4. (U) AGAINST THIS BACKDROP, PRESIDENT LEE CONTINUES TO TRAVEL THE COUNTRY, THANKING BOTH CAMPAIGN WORKERS AND THE COMMON MAN FOR THEIR SUPPORT IN TAIWAN'S MARCH 23 PRESIDENTIAL ELECTION. REPORTEDLY, HE DISCUSSES CROSS-STRAIT RELATIONS WITH MANY OF THE PEOPLE HE MEETS. SINCE THE ELECTION, HIS PUBLIC PRONOUNCEMENTS ON CROSS-STRAIT RELATIONS HAVE COMBINED STATEMENTS PUTTING PRIORITY ON IMPROVING RELATIONS WITH BEIJING WITH AN AVERSION TO QUICK STEPS THAT MIGHT ENDANGER TAIWAN'S INTERESTS.

5. (U) FOR EXAMPLE, IN AN INTERVIEW WITH THE ASIAN WALL STREET JOURNAL, LEE INDICATED AN EAGERNESS TO BEGIN DISCUSSIONS WITH THE PRC ON A PACT TO END THE STATE OF THE HOSTILITIES. AT THE SAME TIME, HOWEVER, HE MAINTAINED THAT TAIWAN WOULD NOT ABANDON ITS EFFORTS TO GAIN GREATER RECOGNITION WITHIN THE U.N., EVEN THOUGH HE DID ADMIT THAT THOSE EFFORTS COULD ONLY BEAR FRUIT OVER THE LONG TERM. REPEATEDLY, LEE HAS WARNED AGAINST GIVING CONCESSIONS THAT THE PRC MIGHT POCKET WITHOUT OFFERING ANYTHING IN RETURN HE HAS ALSO STRESSED THAT THE ELECTION DID NOT GIVE HIM DICTATORIAL POWERS AND THAT HE WILL NEED TO BUILD CONSENSUS WITHIN SOCIETY FOR ANY STEPS THAT HE MIGHT TAKE WITH THE PRC. IN CONTRAST TO SEVERAL OF HIS ADVISORS WHO QUESTION THE WISDOM OF OPENING THE CONSULTATION PROCESS TOO WIDELY, LEE CONTINUES TO HINT THAT HE MAY CONVENE A NATIONAL CONFERENCE ON CROSS-STRAIT AND DOMESTIC ISSUES TO FORGE SUCH A CONSENSUS.

THE CLOCK IS TICKING

-

6. (G) IN HIS OWN PRONOUNCEMENTS ON CROSS-STRAIT RELATIONS, LEE HAS STRESSED A THEME THAT WE HAVE HEARD ECHOED BY MANY OF THE SENIOR FIGURES ON CROSS-STRAIT RELATIONS HERE; NAMELY, THAT NO FINAL DECISIONS HAVE YET BEEN MADE AS TO WHAT STEPS TAIWAN SHOULD TAKE TO IMPROVE THE RELATIONSHIP. STILL, ALL SEEM TO BE AWARE
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~~C O N F I D E N T I A L~~ SECTION 02 OF 03 TAIPEI 001501

DEPARTMENT ALSO PASS AIT/W

E.O. 12958: DECL: 3/29/06

TAGS: PGOV, PREL, CH, TW

SUBJECT: CROSS-STRAIT RELATIONS: TAIPEI MULLS NEXT
- STEPS

THAT TAIWAN IS WORKING AGAINST AN AS YET UNDEFINED DEADLINE.

7. (G) IN A CONVERSATION WITH THE DIRECTOR [REDACTED]

EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)

ACKNOWLEDGED

THAT IN RETROSPECT THE TAIWAN SIDE SHOULD HAVE RESPONDED MORE QUICKLY AND MORE POSITIVELY TO JIANG'S "EIGHT POINT" SPEECH OF JANUARY 1995. AT THAT POINT, [REDACTED] JIANG HAD BEEN UNDER THE INFLUENCE OF THOSE LIKE WANG DAOHAN, WHO WISHED TO PURSUE A FAIRLY MODERATE LINE TOWARD TAIWAN. THESE MODERATES APPEAR TO HAVE BEEN PUSHED ASIDE IN SUBSEQUENT MONTHS, TO THE POINT WHERE WANG DAOHAN HAD EVEN DESIRED TO GIVE UP HIS ROLE IN TAIWAN POLICY COMPLETELY. [REDACTED]

"IF YOU DO, WHOM WILL THERE BE LEFT TO TALK TO?")

8. (G) ECHOING AN ANALYSIS WE HAVE HEARD FROM MANY HERE IN RECENT DAYS, [3.3(b)(1), 3.3(b)(6)] THE TURN-AROUND IN BEIJING'S RHETORIC ON CROSS-STRAIT ISSUES HAD BEEN BREATHTAKING. CLEARLY, [REDACTED] LEE'S VICTORY AND THE U.S. NAVAL DEPLOYMENT HAD CREATED A SITUATION WHERE THE BEIJING LEADERSHIP WAS WILLING, AT LEAST FOR NOW, TO LISTEN TO THOSE PUSHING A MORE MODERATE LINE. [REDACTED] WARNED, HOWEVER, THAT THIS WAS PROBABLY ONLY A BREATHING SPACE; IF IN THE COMING MONTHS NO PROGRESS WAS MADE IN IMPROVING CROSS-STRAIT RELATIONS, THE PENDULUM IN BEIJING WOULD SWING BACK IN FAVOR OF THOSE ADVOCATING INCREASED PRESSURE AGAINST TAIPEI.

HOSTILITY TOWARD THE MAINLAND

9. (U) WHILE ACCEPTING THE URGENCY, TAIWAN'S POLICYMAKERS CLEARLY UNDERSTAND THAT ANY STEPS TO IMPROVE CROSS-STRAIT RELATIONS WILL HAVE TO BE TAKEN WITHIN THE CONTEXT OF THE INCREASE IN ANTI-PRC FEELING HERE. RECENT PUBLIC OPINION POLLS ARE STUNNING: ACCORDING TO THE MAINLAND AFFAIRS COUNCIL, IN THE WAKE OF BEIJING'S INTIMIDATION CAMPAIGN ONLY 1.5 PERCENT OF THE TAIWAN POPULACE FAVORS SPEEDY REUNIFICATION WITH THE MAINLAND. CONVERSELY, SUPPORT FOR RAPID INDEPENDENCE HAS GROWN FROM 2.5 PERCENT OF THOSE SURVEYED SIX MONTHS AGO TO 7.8 PERCENT NOW.

10. (C) A NUMBER OF OUR CONTACTS HAVE ALSO STRESSED THE INCREASED SUSPICION OF THE PRC HERE. CHINATRUST CHAIRMAN JEFFREY KOO TOLD THE DIRECTOR THAT HIS (ETHNIC TAIWANESE) BUSINESSMEN FRIENDS HAD COOLED TO THE IDEA THAT THE PRC WAS A GOOD PLACE TO MAKE MONEY. IN THE PAST FEW DAYS, THE TAIWANESE BUSINESS ELITE SEEMED TO BE COMING TO THE CONCLUSION THAT GIVEN THE PRC LEADERSHIP'S OBVIOUS IMPLACABLE HOSTILITY, TAIWAN MONEY SHOULD GO TO SOUTHEAST ASIA OR ELSEWHERE. TAKING A SIMILAR LINE ON THE CURRENT MOOD IN TAIPEI, SEF SECRETARY GENERAL CHIAO JEN-HO (A MAINLANDER BY BIRTH) POINTED OUT THAT ANY NEGOTIATIONS WITH THE MAINLAND THAT SEEMED GENUINELY GEARED TOWARD REUNIFICATION WOULD IMMEDIATELY EVOKE A FIRESTORM OF PROTEST HERE GIVEN BEIJING'S RECENT ACTIONS.

KICKING THE CAN DOWN THE ROAD

11. (C) THIS WARINESS OF THE PRC HELPS EXPLAIN THE APPARENT DESIRE ON THE PART OF THE TAIWAN AUTHORITIES TO PUT THEIR PRIORITY ON NEGOTIATIONS WITH BEIJING GEARED TOWARD TERMINATING THE CROSS-STRAIT STATE OF HOSTILITIES. TAIPEI HOPES THAT, SINCE IT WAS JIANG ZEMIN HIMSELF WHO FIRST RAISED THE PROPOSAL AS PART OF THE EIGHT POINTS, BEIJING CANNOT REJECT THE PROPOSAL OUT OF HAND. MOREOVER, PRELIMINARY DISCUSSIONS WOULD OCCUR AT THE WORKING LEVEL. ALL OUR INTERLOCUTORS POINT OUT THAT A SUMMIT BETWEEN JIANG ZEMIN AND LEE TENG-HUI WOULD APPEAR ALMOST IMPOSSIBLE TO WORK OUT AT THIS TIME. JIANG, THEY SPECULATE, COULD ONLY MEET WITH LEE IF THE LATTER WERE TO AGREE TO MEET IN A SUBORDINATE ROLE -- SOMETHING THAT WOULD BE TOTALLY

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~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TAIPEI 001501

DEPARTMENT ALSO PASS AIT/W

E.O. 12958: DECL: 3/29/06

TAGS: PGOV, PREL, CH, TW

SUBJECT: CROSS-STRAIT RELATIONS: TAIPEI MULLS NEXT

- STEPS

UNACCEPTABLE HERE.

12. (C) GIVEN THE REVULSION GENERATED BY THE PRC'S PRESSURE TACTICS OF RECENT MONTHS, IMMEDIATE MAJOR STEPS BY TAIPEI TO ASSUAGE BEIJING APPEAR PROBLEMATIC. PRESIDENT LEE'S STANCE AGAINST DROPPING TAIWAN'S UN BID REFLECTS A HESITANCY TO DO ANYTHING THAT MIGHT IMPLY A WILLINGNESS TO SURRENDER TAIWAN'S CLAIM TO SOVEREIGNTY. (SEVERAL OBSERVERS HAVE TOLD US THAT ANY SUCH MOVE WOULD HAVE A HEAVY COST HERE POLITICALLY.) SIMILARLY, THE THREE DIRECT LINKS ARE NOT DEAD -- AND THE TAIWAN AUTHORITIES ARE EAGER TO IMPLEMENT SOME OF THEM THROUGH BACK-DOOR METHODS SUCH AS THE OFF-SHORE TRANSPORTATION CENTERS THAT BEIJING IS SITTING ON. HOWEVER, BEIJING'S ACTIONS HAVE REIGNITED A HEATED DEBATE HERE BETWEEN THOSE WHO FEEL THAT THE THREE DIRECT LINKS ARE NEEDED TO ENSURE TAIWAN'S ECONOMIC VITALITY AND THOSE WHO FEEL THAT THEY WOULD ENDANGER TAIWAN'S SECURITY. THIS HAD EARLIER BEEN VIRTUALLY RESOLVED IN FAVOR OF THOSE SUPPORTING THE THREE LINKS, BUT RECENT CAMPAIGN STATEMENTS BY HAU PEI-TSUN AND OTHERS THAT SEEMED TO SUPPORT PRC POSITIONS HAVE BEEN TAKEN BY SOME TAIWANESE AS "PROOF" THAT THERE ARE PEOPLE IN TAIWAN ALL TOO WILLING TO DO BEIJING'S BIDDING.

COMMENT

13. (C) THE DEBATE IS UNDERWAY AMONG THE ELITE IN TAIPEI ON HOW TO DEAL WITH BEIJING IN THE WAKE OF ITS RECENT THREATS. THERE ARE THE USUAL ARGUMENTS ABOUT WHAT BEIJING MAY REALLY WANT AND WHAT STEPS IT MAY TAKE NEXT. BUT MORE FUNDAMENTALLY, BEIJING'S ACTIONS HAVE UNDERMINED IMPORTANT PARTS OF THE CONSENSUS THAT THE LEADERSHIP HAD FOSTERED OVER THE PAST COUPLE OF YEARS ON CROSS-STRAIT ISSUES. LEE AND HIS ADVISORS UNDERSTAND THE NEED FOR NEW STEPS TO MANAGE THEIR PROBLEMS WITH BEIJING, BUT THEY WILL NEED TO REBUILD A CONSENSUS BEFORE THEY CAN GO VERY FAR DOWN THE ROAD.

PASCOE

BT

#1501

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SECT: SECTION: 01 OF 03
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 RUEHIN/AIT TAIPEI 0000
 INFO: ////
 SUBJ: CHINESE EMBASSY DEMARCHES DEPARTMENT ON TAIWAN
 ARMS SALES

DECLASSIFIED
 PER E.O. 13526
 2015-0626-M (1.69a)
 KBH 6/12/2019

TEXT:
~~CONFIDENTIAL~~ STATE 064971

EXDIS

E.O. 12958: DECL: 04/01/2016
 TAGS: PREL, MASS, MARR, CH, TW, US
 SUBJECT: CHINESE EMBASSY DEMARCHES DEPARTMENT ON TAIWAN
 ARMS SALES

1. (U) CLASSIFIED BY JEFFREY A. BADER, DIRECTOR, OFFICE
 OF CHINESE ANJ(D).

SUMMARY

2. ~~(S)~~ CHINESE ACTING POLITICAL MINCOUNS WU ZURONG
 DEMARCHED EAP/CM DIRECTOR BADER MARCH 25 ON RECENT REPORTS
 OF NEW ARMS SALES TO TAIWAN. ACTING ON INSTRUCTIONS, WU
 ASSERTED THAT THE PROPOSED SALES "COMPLETELY VIOLATE" THE
 1982 SINO-U.S. JOINT COMMUNIQUE, AS WELL AS RECENT
 COMMITMENTS FROM THE U.S. SIDE ON ARMS SALES TO TAIWAN.
 THE SALES "SERIOUSLY ENCROACH ON CHINESE SOVEREIGNTY,
 INTERFERE IN CHINA'S INTERNAL AFFAIRS, AND CONNIVE WITH
 AND SUPPORT ELEMENTS BENT ON SPLITTING TAIWAN FROM CHINA,"
 WU DECLARED, AND THEREFORE WILL HAVE "VERY SERIOUS
 CONSEQUENCES." BADER REPLIED THAT THE U.S. HAD AGREED TO
 SUPPLY TWO SYSTEMS, BOTH OF WHICH WERE CLEARLY DEFENSIVE

AND THUS CONSISTENT WITH THE 1982 COMMUNIQUE. MOREOVER,
 BADER SAID, THE TAIWAN SIDE REQUESTED SEVERAL ITEMS WHICH
 WERE NOT APPROVED BECAUSE THEY MIGHT BE USED FOR OFFENSIVE
 PURPOSES, WHICH WOULD CONTRAVENE U.S. COMMITMENTS UNDER
 THE COMMUNIQUE.

3. BADER ALSO SAID THE RECENT CHINESE MILITARY EXERCISES

IN THE TAIWAN STRAIT DID NOT PRODUCE BEIJING'S DESIRED RESULT IN THE TAIWAN ELECTION. WITH THE ELECTION NOW OVER, IT IS TIME TO TURN THE PAGE. THE UNITED STATES WAS ENCOURAGED BY BEIJING'S RESTRAINED POST-ELECTION STATEMENTS, AND HOPED SUCH RESTRAINT WOULD HELP RESTORE AN ATMOSPHERE CONDUCIVE TO THE RENEWAL OF THE CROSS-STRAIT DIALOGUE. WU REPLIED THAT THE CHINESE POSITION ON TAIWAN HAS ALWAYS BEEN PEACEFUL REUNIFICATION UNDER THE RUBRIC OF "ONE COUNTRY, TWO SYSTEMS." AT THE SAME TIME, THE TAIWAN MATTER IS ENTIRELY AN INTERNAL AFFAIR, "WHICH BROOKS NO INTERFERENCE BY FOREIGN FORCES." WITH RESPECT TO WEAPONS SALES, THE CHINESE SIDE HOPES THAT THE UNITED STATES WOULD STRICTLY ADHERE TO ITS COMMITMENTS IN THE 1982 COMMUNIQUE. END SUMMARY.

DEMARCHES ON TAIWAN ARMS SALES: VERY HARMFUL TO RELATIONS

4. (X) ACTING MINISTER-COUNSELOR FOR POLITICAL AFFAIRS WU ZURONG CALLED ON EAP/CM DIRECTOR JEFFREY BADER AT THE DEPARTMENT MARCH 25 TO DELIVER A DEMARCHE ON U.S. ARMS SALES TO TAIWAN. WU WAS ACCOMPANIED BY POLITICAL SECTION FIRST SECRETARY SHEN WEILIAN; EAP/CM DESKOFF JOHN FOARDE TOOK NOTES FOR MR. BADER.

5. (X) MAKING CLEAR HE WAS ACTING ON INSTRUCTIONS FROM BEIJING, MINCOUNS WU CITED RECENT NEWS MEDIA REPORTS ABOUT U.S. ARMS SALES TO TAIWAN. WU ASSERTED THAT SUCH SALES "COMPLETELY VIOLATE" THE 1982 SINO-U.S. JOINT COMMUNIQUE, AS WELL AS RECENT COMMITMENTS FROM THE U.S. SIDE ON ARMS SALES TO TAIWAN. THE PROPOSED SALES "SERIOUSLY ENCROACH ON CHINESE SOVEREIGNTY, INTERFERE IN CHINA'S INTERNAL AFFAIRS, AND CONNIVE WITH AND SUPPORT ELEMENTS BENT ON SPLITTING TAIWAN FROM CHINA," WU DECLARED. BECAUSE OF THIS, THE SALES WILL HAVE VERY SERIOUS CONSEQUENCES. THE U.S. SIDE SHOULD STRICTLY ABIDE BY THE 1982 JOINT COMMUNIQUE, IMMEDIATELY STOP SELLING ARMS TO TAIWAN, REFRAIN FROM SUPPORTING OR CONNIVING WITH "SPLITTIST ACTIVITIES" OF THOSE SEEKING TAIWAN INDEPENDENCE, AND AVOID AGGRESSIVE ACTIONS IN THE TAIWAN STRAIT, WU CONCLUDED.

6. EAP/CM DIRECTOR BADER REPLIED BY ACKNOWLEDGING THAT THE U.S. SIDE HAD AGREED TO SUPPLY TWO SYSTEMS DURING RECENT TALKS WITH TAIWAN REPRESENTATIVES. BADER NOTED THAT "STINGER" MISSILE TECHNOLOGY HAD ALREADY BEEN APPROVED FOR TAIWAN --SINCE ABOUT 1994-- AND THAT THE SYSTEM'S PURPOSE IS ANTI-AIRCRAFT USE. ALTHOUGH THE RECENT TALKS ADDRESSED TAIWAN'S ACQUISITION OF A NEWER MODEL, THE PURPOSE OF THIS CLEARLY DEFENSIVE SYSTEM IS IDENTICAL: ANTI-AIRCRAFT. THUS, SALE OF THIS SYSTEM IS CONSISTENT WITH THE 1982 COMMUNIQUE. A NAVIGATIONAL RADAR SYSTEM WAS ALSO APPROVED, FOR NAVIGATION AND FLIGHT SAFETY, BADER SAID. THE SYSTEM WILL BE ESPECIALLY CONFIGURED FOR THIS PURPOSE AND HAS NO PRECISION TARGETING FUNCTION. THUS, THIS SYSTEM IS ALSO CONSISTENT WITH THE 1982 JOINT COMMUNIQUE. MOREOVER, BADER SAID, THE TAIWAN SIDE REQUESTED SEVERAL ITEMS WHICH WERE NOT APPROVED,

INCLUDING SUBMARINES. THESE ITEMS WERE NOT APPROVED PRECISELY BECAUSE THEY MIGHT BE USED FOR OFFENSIVE PURPOSES, WHICH WOULD VIOLATE U.S. COMMITMENTS UNDER THE 1982 JOINT COMMUNIQUE. THE UNITED STATES CONTINUES TO ABIDE BY ITS OBLIGATIONS UNDER THE COMMUNIQUE AND THE TAIWAN RELATIONS ACT.

6. BADER REFERRED TO WU'S STATEMENT ABOUT "RECENT COMMITMENTS," SAYING HE ASSUMED THAT WU WAS REFERRING TO CONVERSATIONS HELD DURING THE RECENT VISIT OF STATE COUNCIL FOREIGN AFFAIRS DIRECTOR LIU HUAQIU. BADER ASSURED MINCOUNS WU THAT THE COMMENTS OF SENIOR U.S. OFFICIALS DURING THE LIU VISIT WERE TAKEN INTO CONSIDERATION DURING LAST WEEK'S TALKS ON ARMS SALES WITH TAIWAN REPRESENTATIVES. THE SYSTEMS APPROVED FOR TAIWAN AS A RESULT OF THE TALKS WERE FULLY CONSISTENT WITH THOSE PRESENTATIONS.

7. BADER REMINDED WU THAT THE MARCH 8-25 CHINESE MILITARY EXERCISES IN THE TAIWAN STRAIT HAD A CONSIDERABLE IMPACT ON OPINION IN THE EAST ASIAN REGION AND IN THE UNITED STATES. THE REACTION IN THE UNITED STATES WAS UNIVERSALLY NEGATIVE. THE EXERCISES HAD LED INEVITABLY TO EVENTS IN THE U.S. THAT THE PRC COULD NOT HAVE WISHED TO PRECIPITATE. THEY HELPED CREATE A CLIMATE IN THE UNITED STATES IN WHICH CERTAIN DECISIONS WERE MADE AND CONGRESSIONAL RESOLUTIONS PASSED WHICH WE ARE CERTAIN THE PRC WOULD HAVE PREFERRED TO AVOID. IN ADDITION, THE CHINESE MILITARY EXERCISES WERE TAKEN INTO ACCOUNT WHEN ARMS SALES WERE DISCUSSED WITH TAIWAN REPRESENTATIVES. THE EXERCISES PLAINLY HAVE NOT LED TO THE RESULTS IN THE TAIWAN ELECTION DESIRED BY BEIJING, BADER SAID.

8. THE ELECTION IS NOW OVER, AND IT IS TIME TO TURN THE PAGE AND MOVE ON, BADER SAID. THE UNITED STATES HAS TAKEN NOTICE OF BEIJING'S STATEMENTS SINCE THE ELECTION, AND IS ENCOURAGED BY STATEMENTS SUGGESTING THAT BEIJING'S PREVIOUS HARD LINE WITH TAIWAN MAY NOW ADMIT OF SOME FLEXIBILITY. IN ADDITION, ANALYSTS AND COMMENTATORS IN CHINA SEEM TO BE AVOIDING DIRECT ATTACKS ON LEE TENG-HUL. THROUGH SUCH RESTRAINT, THE UNITED STATES WOULD HOPE TO SEE THE DEVELOPMENT OF AN ATMOSPHERE CONDUCIVE TO THE RENEWAL OF THE CROSS-STRAIT DIALOGUE, BADER SAID. WE HOPE THEY REPRESENT THE TURNING OF THE PAGE.

9. MINCOUNS WU REPLIED THAT THE CHINESE POSITION ON TAIWAN HAS ALWAYS BEEN VERY CLEAR AND HAS NEVER CHANGED: PEACEFUL REUNIFICATION UNDER THE RUBRIC OF "ONE COUNTRY, TWO SYSTEMS." AT THE SAME TIME, THE TAIWAN MATTER IS ENTIRELY AN INTERNAL AFFAIR, "WHICH BROOKS NO INTERFERENCE BY FOREIGN FORCES." THE 1982 JOINT COMMUNIQUE ON ARMS SALES PROVIDED THAT WEAPONS PROVIDED TO TAIWAN "WOULD BE REDUCED." THE CHINESE SIDE HOPES THAT THE UNITED STATES WOULD STRICTLY ADHERE TO ITS COMMITMENTS IN THE 1982 COMMUNIQUE. EXPRESSING HIS "PERSONAL VIEW," MINCOUNS WU DECLARED THAT WITH RESPECT TO TAIWAN, CHINA ALSO HOPES THAT LEE TENG-HUL AND THE TAIWAN AUTHORITIES "WOULD CHANGE

WHAT THEY'RE DOING," AND CEASE ACTIVITIES DESIGNED TO
CREATE "TWO CHINAS" OR "ONE CHINA, ONE TAIWAN." IF THEY
STICK TO THE ONE CHINA PRINCIPLE, WU OPINED, THE SITUATION
IN THE TAIWAN STRAIT WILL "SURELY BECOME CALM" AND BE
CONDUCTIVE TO DEVELOPING THE CROSS-STRAIT DIALOGUE.
CHRISTOPHER

BT

#4971

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DECLASSIFIED IN PART
 PER E. O. 13526

2015-0686-M [1.70]
 KBH 6/12/2019

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SUBJ: [redacted] (b)(3) CHINA WATCHERS' VIEW ON THE
 CARRIER DEPLOYMENTS (U)

TEXT:
~~CONFIDENTIAL~~ SECTION 01 OF 02 BEIJING CH
~~CONFIDENTIAL~~

SERIAL: [redacted]
 COUNTRY: [redacted] (b)(3)

SUBJ: [redacted] (b)(3) CHINA WATCHERS' VIEW ON THE
 CARRIER DEPLOYMENTS (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY
 EVALUATED INTELLIGENCE. REPORT CLASSIFIED
~~CONFIDENTIAL~~.

DEPARTMENT OF DEFENSE

[redacted] (b)(3)

(b)(3)

SUMMARY: (C) WESTERN AND ASIAN CHINA WATCHERS EXPRESS ADMIRATION AND SUPPORT FOR THE U.S. DECISION TO DEPLOY AIRCRAFT CARRIERS EAST OF TAIWAN. THEY BELIEVE THIS ACTION CAUSED THE PRC LEADERS TO MODERATE THEIR MILITARY ACTIONS VIS-A-VIS TAIWAN.

TEXT: 1. (C) AT A RECENT INFORMAL GATHERING OF CHINA WATCHERS THAT INCLUDED ASIAN AND WESTERN CHINA WATCHERS, MOST OF WHOM HAVE BEEN WORKING IN CHINA FOR AT LEAST TEN YEARS. SEVERAL ISSUES RELATED TO TAIWAN TENSION WERE DISCUSSED.

2. (C) IN AN UNSOLICITED MANNER AND ALMOST TO A PERSON, THE CHINA WATCHERS APPLAUDED IN VERY STRONG TERMS THE SENDING OF THE U.S. AIRCRAFT CARRIERS TO THE VICINITY OF TAIWAN. THEIR VIEW WAS THAT THIS FIRM ACTION TOOK THE CHINESE BY SURPRISE AND CAUSED THE PRC DECISION MAKERS TO RETHINK THE STRATEGY OF USING MILITARY PRESSURE TO INTIMIDATE TAIWAN. SEVERAL EVEN SUGGESTED THAT THE U.S. SHOULD HAVE SENT ONE OF THE CARRIERS THROUGH THE TAIWAN STRAIT. THE RATIONALE FOR THE SUPPORT OF THE CARRIER DEPLOYMENT EXPRESSED BY THESE CHINA WATCHERS WAS THAT THE U.S. WAS SENDING A BAD SIGNAL TO THE CHINESE LEADERSHIP IN NOT USING ITS OVERWHELMING MILITARY POWER TO DETER THE CHINESE MILITARY EFFORTS TO INTIMIDATE TAIWAN. BECAUSE THE U.S. HAD REACTED IN A RESTRAINED MANNER, THE PRC LEADERSHIP THOUGHT THEY HAD U.S. ACQUIESCENCE TO USE MILITARY FORCE TO INTIMIDATE TAIWAN. THE CHINA WATCHERS STRESSED THAT THE CHINESE UNDERSTAND AND RESPECT MILITARY POWER AND REACT TO THE CREDIBLE DISPLAY OF SUCH POWER.

3. (C) THE CHINA WATCHERS INDICATED THAT THEIR CHINESE MILITARY AND CIVILIAN CONTACTS WERE CAUGHT OFF GUARD BY THE U.S. DECISION TO DEPLOY THE TWO AIRCRAFT CARRIERS TO THE VICINITY OF TAIWAN. THE REDEPLOYMENT OF THE NIMITZ WAS AN ESPECIALLY STRONG SIGNAL THAT CAUSED NOT ONLY SURPRISE, BUT A SENSE OF FRUSTRATION. THE CHINA WATCHERS WERE CONVINCED THAT THIS DISPLAY OF U.S. MILITARY POWER PUT A CAP ON CHINESE MILITARY ACTIONS IN THE STRAIT AREA.

4. (C) THE CHINA WATCHERS ALSO STRESSED THAT THE RELATIVELY QUIET, BUT CONFIDENT WAY THE AIRCRAFT CARRIERS WERE MOVED INTO THE REGION ALSO ADDED TO THE EFFECT ON THE CHINESE. WHILE THEY THOUGHT THAT SOME U.S. AND INTERNATIONAL PRESS COVERAGE WAS UNNECESSARILY PROVOCATIVE, THE INTERVIEWS WITH THE "CARRIER COMMANDER" WERE ESPECIALLY APPROPRIATE. (b)(3) (b)(3) BELIEVES THE CHINA WATCHERS WERE REFERRING TO THE INTERVIEWS (b)(3) GAVE ABOARD THE INDEPENDENCE).

5. (C) THE CHINA WATCHERS BELIEVED THAT THE PLA HAS LOST A GREAT DEAL OF FACE AS A RESULT OF THE STRONG U.S. REACTION AND BECAUSE OF THE LARGE MARGIN OF THE ((LEE)) TENG-HUI VICTORY. ALTHOUGH THE PLA CLAIMED THAT THE MILITARY EXERCISES WERE A SUCCESS, MANY MILITARY AND CIVILIAN CONTACTS OF THE CHINA WATCHERS INDICATE OTHERWISE.

COMMENTS: (b)(3)

EO 13526 1.4c

2. (C) THESE CHINA WATCHERS ARE NEITHER PRO-AMERICAN NOR ANTI-CHINESE IN THEIR OUTLOOK. THEY ALL HAVE GREAT STAKES IN BT #5714

NNNN

~~C O N F I D E N T I A L~~ SECTION 02 OF 02 BEIJING CH

~~C O N F I D E N T I A L~~

SERIAL: [redacted]
COUNTRY: [redacted] (b)(3)

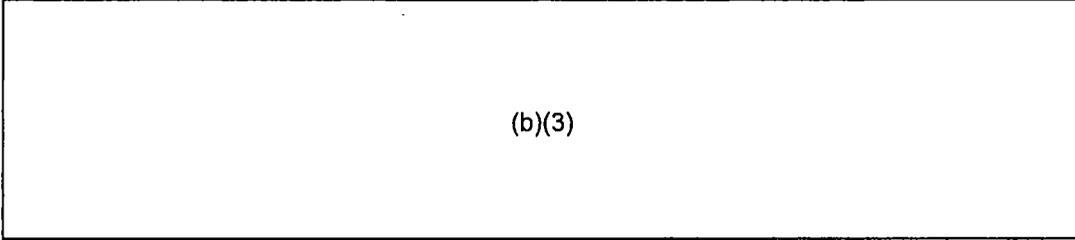
SUBJ: [redacted] (b)(3) CHINA WATCHERS' VIEW ON THE CARRIER DEPLOYMENTS (U)

CONTINUED CHINESE ECONOMIC PROGRESS AND PRC DOMESTIC AS WELL AS REGIONAL STABILITY. THEY HAVE MANY YEARS OF EXPERIENCE IN TOUGH NEGOTIATIONS WITH CHINESE CIVILIAN AND MILITARY BUREAUCRATS AND BUSINESSMEN.

3. (C) ADMITTEDLY, THEIR VIEWS ARE IMPRESSIONISTIC AND THE EVIDENCE THESE CHINA WATCHERS CITE IS ANECDOTAL, NEVERTHELESS, THEIR INSIGHTS ARE NOT WITHOUT MERIT. THESE INDIVIDUALS FOLLOW INTERNATIONAL AFFAIRS CLOSELY AND WERE FAMILIAR WITH PREVIOUS U.S. MILITARY INTERVENTIONS IN GRENADA, PANAMA AND THE GULF.

4. (C) [redacted] (b)(3) THIS UNSOLICITED OUTPOURING. [redacted] (b)(3) SAILING A CARRIER THROUGH THE STRAIT IN THE TIME PERIOD IMMEDIATELY PRECEDING THE 23 MARCH 1996 ELECTION WOULD HAVE BEEN PUSHING TOO HARD. THE USE OF U.S. MILITARY POWER IN THE PRE-ELECTION EMOTION-CHARGED ATMOSPHERE OF THE TAIWAN STRAIT REQUIRED FIRM, BUT SUBTLE EXECUTION. DUE TO THE EMOTION AND THE EARLIER PRC STATEMENTS, PRC LEADERS MIGHT HAVE VIEWED SENDING A CARRIER THROUGH THE STRAIT AS A DIRECT PROVOCATION THAT THEY COULD NOT LET GO UNCHALLENGED. KEEPING THE CARRIERS IN AN OPERATING AREA EAST OF TAIWAN SENT A STRONG MESSAGE THAT NEEDED LITTLE VISIBLE OR DIRECT CONFRONTATIONAL REINFORCEMENT. THE REALLY POWERFUL ACTOR NEED NOT AND SHOULD NOT OVERPLAY HIS HAND.

[redacted] (b)(3)



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 RUAHYAF/5AF YOKOTA AB JA
 RHHMUNA/USCINCPAC HONOLULU HI
 RUALSFJ/COMUSJAPAN YOKOTA AB JA
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 RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
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 RUHPHMS/COMMARFORPAC CAMP SMITH HI
 RUHBANB/OAFO CAMP BUTLER JA
 RUHBANA/III MEF CAMP BUTLER JA
 RUHGOAA/COMSEVENTHFLT
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 RUEHBJ/AMEMBASSY BEIJING 6063
 RUEKJCS/DIA WASHDC
 RUEHIN/AIT TAIPEI 2076
 SUBJ: AMBASSADOR-VFM BREAKFAST: POLITICAL TOPICS
 TEXT:
~~CONFIDENTIAL~~ SECTION 01 OF 03 TOKYO 002875

CINCPAC ALSO FOR FPA SALMON

E.O. 12958: DECL: 03/29/06
 TAGS: MaRR, PRELCH, TW, KS, JA, US
 SUBJECT: AMBASSADOR-VFM BREAKFAST: POLITICAL TOPICS

1. (U) CLASSIFIED BY: RUST DEMING, DCM, AMERICAN EMBASSY
 TOKYO. REASON: 1.5(D). EXEMPTION: 1.6 X5.

2. (S) SUMMARY: AT A WORKING BREAKFAST MARCH 29, THE
 AMBASSADOR AND VICE FOREIGN MINISTER HAYASHI DISCUSSED THE
 PRESIDENTIAL VISIT, PRC-TAIWAN TENSIONS, THE "LEGAL VACUUM"
 SURROUNDING USFJ USE OF THE SOBE COMMUNICATIONS FACILITY, THE
 OKINAWA PACKAGE, ACSA, THE NEED TO REVISE EXISTING US-JAPAN
 DEFENSE COOPERATION GUIDELINES, AND OTHER POLITICAL ISSUES.

DECLASSIFIED
 PER E.O. 13526
 2015-0626-m (1.71)
 KBH 6/12/2019

TOKYO 2832 REPORTS ON THE WHO 1998 DIRECTOR-GENERAL ELECTION ISSUE; SEPTELS WILL REPORT ON BILATERAL TRADE ISSUES AND KEDO FUNDING. HAYASHI PASSED A COPY OF A GOJ OFFICIAL PAPER ON TAKESHIMA ISLAND WHICH WE HAVE FAXED TO THE DEPARTMENT. END SUMMARY.

3. (X) VICE FOREIGN MINISTER HAYASHI HOSTED A WORKING BREAKFAST WITH THE AMBASSADOR ON MARCH 29. ACCOMPANYING HAYASHI WERE NORTH AMERICAN AFFAIRS BUREAU DIRECTOR-GENERAL ORITA AND NORTH AMERICAN AFFAIRS FIRST DIVISION (POLITICAL) DIRECTOR KONO. ACCOMPANYING THE AMBASSADOR WERE DCM DEMING AND POLMINCOUNS SILVER (NOTETAKER).

PRESIDENTIAL VISIT

4. (X) THE AMBASSADOR TOLD HAYASHI THAT HE HAD JUST HEARD THAT THE PRESIDENT WOULD STOP OVER IN CHEJUDO, SOUTH KOREA BEFORE ARRIVING IN JAPAN, BUT THIS STOPOVER WOULD NOT AFFECT THE ARRIVAL TIME IN JAPAN. THE PRESIDENT'S MEETING THERE WITH SOUTH KOREAN PRESIDENT KIM YOUNG-SAM WOULD SOON BE ANNOUNCED IN WASHINGTON AND SEOUL. ALSO, THE WHITE HOUSE HAD ACCEPTED PM HASHIMOTO'S HOSTING OF A QUIET, INFORMAL DINNER COMPRISED OF THE CLINTONS, THE HASHIMOTOS, AMBASSADOR AND MRS. MONDALE, AND AMBASSADOR AND MRS. SAITO ON THE FIRST EVENING. HAYASHI, WHO APPEARED TO HAVE LEARNED THIS INFORMATION FROM WASHINGTON, COMMENTED THAT LOGISTICS FOR THE PRESIDENTIAL VISIT WERE GOING VERY WELL.

PRC-TAIWAN TENSIONS

5. (X) HAYASHI SAID IT APPEARED THAT THE PRC'S EXERCISES IN THE TAIWAN STRAIT WERE OVER. THE QUESTION WAS WHAT BOTH SIDES WOULD DO NOW, WITH THE PRC CLOSELY WATCHING TAIWAN'S LEE TENG-HUI. HE SAID THE PRC WOULD ALSO BE WATCHING WHO FROM OTHER COUNTRIES WOULD ATTEND LEE'S MAY 20 INAUGURATION. THE GOJ, OF COURSE, WOULD NOT SEND AN OFFICIAL REPRESENTATIVE, BUT "PARTY LEADERS" WOULD ATTEND. HE ASKED WHO THE US WOULD SEND. THE AMBASSADOR SAID HE DIDN'T KNOW WHAT PLANS THERE WERE FOR US POLITICIANS TO ATTEND LEE'S INAUGURAL, BUT PROMISED TO ASK. GIVEN TAIWAN'S SUPPORT ON THE HILL, SAID THE AMBASSADOR, HE THOUGHT SOME US POLITICIANS MIGHT TRY TO EMBARRASS THE PRESIDENT OVER DEALINGS WITH LEE. CERTAINLY, COMPARED TO THE PRC, WHAT WAS HAPPENING ON TAIWAN WAS MORE ATTRACTIVE. HAYASHI SAID THAT JAPAN WOULD BRIEF THE US AS QUICKLY AS IT COULD ON PRC FOREIGN MINISTER QIAN'S MARCH 31-APRIL 3 VISIT TO JAPAN, PROBABLY EVEN BEFORE THE VISIT WAS OVER.

6. (X) THE AMBASSADOR THANKED JAPAN FOR ITS WORK TO CONVINCING THE PRC AND TAIWAN TO SHOW RESTRAINT. HAYASHI NOTED THAT JAPAN HAD GREATLY APPRECIATED US BRIEFINGS ON THE NOW PAST PRC-TAIWAN MILITARY TENSIONS. SOME OFFICIALS IN THE GOJ, HE SAID, HAD PANICKED, AND US BRIEFINGS HAD SUPPLIED A BALANCED VIEW, MAKING IT CLEAR THAT THE PRC DID NOT INTEND TO ATTACK TAIWAN. THE AMBASSADOR NOTED THAT OTHERS IN THE REGION SHOULD HAVE BEEN IMPRESSED BY THE CLOSE CONSULTATIONS BETWEEN THE US AND JAPAN OVER THE PRC-TAIWAN TENSIONS, AND THIS SHOULD CONTRIBUTE

TO A "SENSE OF STABILITY AND ASSURANCE."

TAKESHIMA ISLAND

BT
#2875

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~~C O N F I D E N T I A L~~ SECTION 02 OF 03 TOKYO 002875

CINCPAC ALSO FOR FPA SALMON

E.O. 12958: DECL: 03/29/06
TAGS: MARR, PREL, CH, TW, KS, JA, US
SUBJECT: AMBASSADOR-VFM BREAKFAST: POLITICAL TOPICS

7. (c) WITHOUT SUBSTANTIVE COMMENT, EXCEPT TO NOTE THAT THE US TAKES A NEUTRAL POSITION ON JAPANESE AND SOUTH KOREAN CLAIMS TO TAKESHIMA/TOKDO ISLAND, HAYASHI HANDED A JAPANESE OFFICIAL POSITION PAPER ON THE SUBJECT TO THE AMBASSADOR. WE WILL FAX THIS PAPER TO EAP/J ALEX ARVIZU, INR/GGI, AND EMBASSY SEOUL.

SOBE COMMUNICATIONS SITE

8. (c) ORITA MADE A SHORT PRESENTATION ON THE "LEGAL VACUUM" THAT WOULD LIKELY SURROUND THE SOBE COMMUNICATIONS SITE IN OKINAWA, OWING TO GOVERNOR OTA'S REFUSAL TO SIGN LAND LEASE EXTENSION PAPERS. THE GOJ, SAID ORITA, WOULD TRY TO MAKE THE "LEGAL VACCUM" AS SHORT AS POSSIBLE, AND HAS REQUESTED A PROVINCIAL COMMITTEE ON LAND EXPROPRIATION TO GRANT A SIX MONTH EXTENSION OF A LAND LEASE (THE CHIBANA PLOT) WHICH EXPIRES ON MARCH 31. HOWEVER, IT IS ALMOST CERTAIN THAT THE LEASE WILL NOT BE EXTENDED BY THE DEADLINE. ORITA SAID THERE MAY BE SOME DEMONSTRATIONS. HOWEVER, PRIME MINISTER HASHIMOTO AND CHIEF CABINET SECRETARY KAJIYAMA ARE DETERMINED TO AVOID ANY TROUBLE FOR THE US SIDE.

9. (c) THE DCM NOTED THAT THE US HAS FULL CONFIDENCE IN THE GOJ'S ABILITY TO MANAGE THIS ISSUE, INCLUDING DEMONSTRATIONS, WITHOUT INVOLVING THE US, AND HAS RECOMMENDED THAT WE STAY OUT OF THE WAY. THE AMBASSADOR ADDED THAT WE ARE ASSURED OF USE OF SOBE UNDER THE STATUS OF FORCES AGREEMENT AND, THEREFORE, WE WILL STAY OUT OF THIS DOMESTIC DISPUTE.

OKINAWA MEASURES

10. (c) ORITA NOTED THAT THE US-JAPAN JOINT COMMITTEE HAD ISSUED A SET OF MEASURES ON MARCH 28, INCLUDING AN AGREEMENT ON AIRCRAFT NOISE ABATEMENT, WHICH PARTIALLY IMPLEMENTED OUR

AGENDA OF MEASURES TO AMELIORATE THE OKINAWA ISSUE. ORITA AND THE AMBASSADOR AGREED THAT WE HAVE BEEN WORKING WELL TOGETHER ON OKINAWA ISSUES IN ADVANCE OF THE SUMMIT. ORITA SAID THAT ONE OUTSTANDING ISSUE WAS TROOP MARCHES THROUGH CIVILIAN AREAS OF OKINAWA. THE POLMINCOUNS NOTED THAT WE ARE VERY CLOSE TO AN AGREEMENT ON THIS ISSUE AS WELL. OVERALL, SAID ORITA, IT WAS BEST TO LOWER EXPECTATIONS SO THAT WHEN WE ANNOUNCE A PACKAGE OF MEASURES BEFORE THE PRESIDENT'S VISIT, OKINAWANS AND MAINLAND JAPANESE MAY BE PLEASANTLY SURPRISED.

ACSA

11. (C) ORITA SAID THAT, ACCORDING TO WASHINGTON REPORTS, THE US AND JAPANESE NEGOTIATING TEAMS ARE MAKING PROGRESS ON ACSA (ACQUISITION AND CROSS-SERVICING AGREEMENT); HOWEVER, HE SAID, WE NEEDED TO REDOUBLE EFFORTS SO WE COULD HAVE AN AGREEMENT IN PLACE FOR SIGNING BY THE PRESIDENTIAL VISIT. THE AMBASSADOR AGREED, NOTING THAT WE HAD TO HAVE THE AGREEMENT IN PLACE TO CONVINCE A SKEPTICAL PRESS OF THE VALUE OF THE STATE VISIT. ORITA SAID THE PROBLEM BETWEEN US WAS LARGELY PROCEDURAL. THE US HAS A NUMBER OF AGREEMENTS WITH EUROPEAN COUNTRIES, BUT, DUE TO JAPAN'S OWN SYSTEM, IT NEEDED TO ASK FOR ADJUSTMENTS. HE ASKED FOR THE US TO BE FLEXIBLE.

JOINT DEFENSE COOPERATION GUIDELINES

12. (C) ORITA SAID THAT, AFTER THE PRESIDENTIAL VISIT, THE NEXT ISSUE WE SHOULD TACKLE IS REVISION OF THE 1978 US-JAPAN JOINT DEFENSE COOPERATION GUIDELINES, PARTICULARLY PART ZEV FC+G. JAPANESE POLITICAL LEADERS ARE NOW DISCUSSING THE NEED TO REVISE THE GUIDELINES. THE ISSUE IS BOUND UP WITH THE DELICATE QUESTION OF THE INTERPRETATION OF ARTICLE NINE (RENOUNCIATION OF WAR) OF THE
BT
#2875

NNNN

~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TOKYO 002875

CINCPAC ALSO FOR FPA SALMON

E.O. 12958: DECL: 03/29/06

TAGS: MARR, PREL, CH, TW, KS, JA, US

SUBJECT: AMBASSADOR-VFM BREAKFAST: POLITICAL TOPICS

JAPANESE CONSTITUTION, SO IT MUST BE HANDLED "WITH MAXIMUM CARE." REITERATING HIS OPENING POINT, ORITA SAID THAT AFTER THE SUMMIT WE SHOULD BEGIN TO WORK TO "FLESH OUT" PART THREE IN A REVISED VERSION OF THE GUIDELINES.

BOSNIA, PRC-TAIWAN AND MIDDLE EAST

13. (C) AS THE BREAKFAST ENDED, THE AMBASSADOR THANKED JAPAN FOR ITS CONTRIBUTION TO BOSNIA, ITS ATTEMPT TO CONVINCING THE PRC AND TAIWAN TO SHOW RESTRAINT, AND FOR FOREIGN MINISTER IKEDA'S ATTENDANCE AT THE RECENT MIDDLE EAST ANTI-TERRORISM CONFERENCE. MONDALE

BT

#2875

NNNN

SECT: SECTION: 01 OF 03

<^SECT>SECTION: 02 OF 03

<^SECT>SECTION: 03 OF 03

SSN: 2875

<^SSN>2875

<^SSN>2875

TOR: 960329033758 M2154998

<^TOR>960329034845 M2155010

<^TOR>960329033913 M2154999

DIST:

SIT: HARMON KRISTOFF SUETTINGER SUM SUM2

SIT: NSC

PRT: BASS BERGER DOHSE FUERTH HARMONPTR LAKE SENS SIT(C2) SODERBERG

Cable

PREC: IMMEDIATE
CLASS: ~~CONFIDENTIAL~~
LINE1: OAACZYUW RUEHCAA5737 0902015-CCCC--RHEHAAX.
LINE2: ZNY CCCCC ZZH
LINE3: O R 302009Z MAR 96
LINE4: FM SECSTATE WASHDC
OSRI: RUEHC
DTG: 302009Z MAR 96
ORIG: SECSTATE WASHDC
TO: RUEHUL/AMEMBASSY SEOUL IMMEDIATE 0000
INFO: RUEHBJ/AMEMBASSY BEIJING 0000
 RUEHKO/AMEMBASSY TOKYO 0000
 RUEHMO/AMEMBASSY MOSCOW 0000
 RUEHGV/USMISSION GENEVA 0000
 RUEHFR/AMEMBASSY PARIS 0000
 RUEHOL/AMEMBASSY BONN 0000
SUBJ: FOREIGN MINISTER GONG'S MARCH 26 BREAKFAST WITH
 ASSISTANT SECRETARY LORD

DECLASSIFIED IN PART
PER E.O. 13526

2015-0686-M [1.72]
KBH 6/12/2019

TEXT:

//////////////////// INCOMPLETE MESSAGE //////////////////////

~~C O N F I D E N T I A L~~ STATE 065737

E.O. 12958: DECL: 3/26/2006
 TAGS: PREL, MARR, PARM, MNUC, KN, KS, CH, JA
 SUBJECT: FOREIGN MINISTER GONG'S MARCH 26 BREAKFAST WITH
 ASSISTANT SECRETARY LORD

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT. CLASSIFIED BY EAP WINSTON LORD IN ACCORD WITH SECTION 1.5 (B) AND (D).

SUMMARY

2. GONG REPORTED O..HIS JUST-COMPLETED VISIT TO CHINA, DURING WHICH CHINESE LEADERS ASSERTED THAT TAIWAN WAS AN INTERNAL MATTER, WARNED AGAINST OUTSIDE INTERFERENCE, EMPHASIZED THAT THEY WANT THE U.S. TO HOLD TO ITS ONE-CHINA POLICY, AND COMPLAINED ABOUT U.S. PRESSURE ON HUMAN RIGHTS. ON KOREAN MATTERS, CHINESE LEADERS SAID THEY SUPPORT DIRECT DIALOGUE BETWEEN NORTH AND SOUTH, AND SUPPORT THE ARMISTICE UNTIL IT IS REPLACED BY A PERMANENT PEACE REGIME. CHINESE LEADERS HINTED THAT THEY HAVE RESERVATIONS ABOUT PARTICIPATING IN TWO-PLUS-TWO TALKS BECAUSE THEY BELIEVE NORTH KOREA WILL NOT WELCOME THIS FORMULA. ASSISTANT SECRETARY LORD AND DASD CAMPBELL

EXPLAINED TO GONG THE U.S. POLICY TOWARD CHINA, AND OUR INTENTION TO REMAIN CONSTRUCTIVELY ENGAGED WITH CHINA.

3. ON U.S.-DPRK ISSUES, WE EXPLAINED THAT OUR EFFORTS ON MIAS ARE STYMIED BY THE NORTH'S PRECONDITION THAT COMPENSATION ISSUES BE ADDRESSED FIRST. ON DPRK MISSILES WE ASSURED GONG WE INTEND TO ADDRESS BOTH EXPORT AND INDIGENOUS PROGRAMS; GONG SAID HE WOULD SEND A TEAM TO WASHINGTON TO CONSULT BEFORE WE MEET THE NORTH. ON THE NORTH KOREAN FOOD SITUATION, GONG EXPLAINED DIRE CHINESE PREDICTIONS AND ASKED U.S. VIEWS, BUT DID NOT REVEAL ROK INTENTIONS.

EO 13526 3.3(b)(6)

END SUMMARY.

GONG'S CHINA TRIP

4. GONG, WHO CAME TO THE U.S. DIRECT FROM CHINA, BEGAN WITH A BRIEFING ON HIS CHINA TRIP. GONG SAID DURING HIS FOUR DAYS IN BEIJING HE MET WITH PRESIDENT JIANG ZEMIN, PRIME MINISTER LI PENG, AND FOREIGN MINISTER QIAN QICHEN. GONG TOLD CHINESE LEADERS KOREA IS CONCERNED ABOUT RISING TENSION IN THE TAIWAN STRAIT; THIS SITUATION AFFECTS KOREAN LAND AND AIR TRANSPORT, AND COULD GIVE JAPAN A PRETEXT TO REARM. CHINESE LEADERS EXPLAINED TO GONG THEIR VIEWPOINT AS FOLLOWS: THE RECENT MILITARY EXERCISES ARE ROUTINE AND IN ACCORD WITH INTERNATIONAL LAW; THIS IS AN INTERNAL CHINESE MATTER, SINCE THERE IS ONLY ONE CHINA, AND TAIWAN IS PART OF IT; U.S. SUPPORT FOR TAIWAN IS THE REASON THIS HAS NOT BEEN RESOLVED; OUTSIDE INTERFERENCE, OR A TAIWANESE BID FOR INDEPENDENCE, WILL ONLY MAKE THINGS WORSE. THEY ALSO SAID THE EXERCISES WERE MEANT TO SEND A MESSAGE TO TAIWAN.

5. PRESIDENT JIANG TOLD GONG HE HAS MET PRESIDENT CLINTON THREE TIMES, AND EACH TIME PRESIDENT CLINTON CONFIRMED U.S. POLICY THAT THERE IS ONLY ONE CHINA. JIANG SAID HE WOULD WATCH TO SEE WHETHER THE U.S. KEEPS ITS WORD. JIANG SAID A BASIC CHINESE PRINCIPLE IS THAT REUNIFICATION SHOULD BE PEACEFUL, BUT CHINA COULD NOT RULE OUT FORCE IF TAIWAN ASSERTS INDEPENDENCE, OR IF OUTSIDE POWERS INTERFERE. GONG SAID HE CONVEYED TO CHINESE LEADERS THE U.S. MESSAGE THAT ASSISTANT SECRETARY LORD HAD ASKED TO BE CONVEYED THAT THERE IS A NEED FOR RESTRAINT IN THE TAIWAN STRAIT, AND THAT THE U.S. IS COMMITTED TO A GOOD RELATIONSHIP WITH CHINA. PRESIDENT JIANG TOLD GONG HE

TOOK THIS AS A USEFUL, SERIOUS MESSAGE.

6. FOREIGN MINISTER QIAN ASKED GONG TO CONVEY THE FOLLOWING FUNDAMENTAL CHINESE POSITIONS TO THE U.S.: IF TAIWAN ASSERTS ITS INDEPENDENCE, CHINA WILL CONTINUE TO OPPOSE THIS; TENSIONS WILL BE REDUCED ONLY WHEN TAIWANESE LEADERS CHANGE THEIR ATTITUDE; CHINA HOPES THE U.S. WILL NOT ENCOURAGE TAIWANESE INDEPENDENCE, WHICH AMOUNTS TO INTERFERENCE IN CHINESE INTERNAL MATTERS; CHINA HOPES THE U.S. WILL TAKE A BROADER VIEW OF THE MANY INTERESTS CHINA AND THE U.S. HAVE IN COMMON, AND NOT LET THE TAIWAN ISSUE

CLOUD THIS FACT.

7. PREMIER LI PENG TOLD GONG THAT CHINA SEES U.S. HUMAN RIGHTS POLICY TOWARD CHINA AS PART OF A POLICY OF CONTAINMENT. LI SAID THE U.S. APPEARS INTENT ON RAISING HUMAN RIGHTS ISSUES AT THE UNHRC AGAIN THIS YEAR, BUT CHINA HAS THE SUPPORT OF MANY ASIAN COUNTRIES AND DEVELOPING COUNTRIES. LI SAID HE HOPED THE ROK WOULD OPPOSE WESTERN EFFORTS TO INTERFERE WITH CHINA'S INTERNAL MATTERS UNDER THE GUISE OF CONCERN FOR HUMAN RIGHTS. LI SAID HE HAS MET RECENTLY WITH GERMAN CHANCELLOR KOHL AND FRENCH PRESIDENT CHIRAC, AND BOTH EXPRESSED SUPPORT FOR THE CONCEPT OF RESOLVING HUMAN RIGHTS ISSUES BY DIALOGUE, NOT INTERNATIONAL CONFRONTATION. GONG SAID HE ASKED CHINESE LEADERS NOT TO PUT FORWARD A NO-ACTION MOTION IN GENEVA, BUT HE BELIEVES CHINA INTENDS TO DO SO.

8. PRESIDENT JIANG SAID CHINA WILL DO WHAT IT CAN TO PROMOTE STABILITY ON THE KOREAN PENINSULA, BUT THAT CHINA DOES NOT KNOW MUCH ABOUT WHAT IS GOING ON IN NORTH KOREA. NORTH KOREA, FOR EXAMPLE, DID NOT GIVE CHINA ADVANCE WORD OF FORMER PRESIDENT CARTER'S 1994 TRIP TO NORTH KOREA. LI PENG TOLD GONG THAT PEACE AND STABILITY ON THE KOREAN PENINSULA IS A MATTER OF GREAT INTEREST TO CHINA, AND CHINA WILL ASSIST ANY PROPOSAL SUPPORTING PEACE. HE SAID CHINA SUPPORTS DIRECT DIALOGUE BETWEEN NORTH AND SOUTH, AND SEES A POSSIBILITY THAT A NEW PEACE ARRANGEMENT COULD REPLACE THE ARMISTICE, WHILE AT THE SAME TIME RECOGNIZING THAT THERE ARE DIFFERING VIEWS ON HOW TO ACHIEVE THIS. LI AFFIRMED THAT UNTIL A PERMANENT PEACE ARRANGEMENT IS IN PLACE, THE ARMISTICE SHOULD REMAIN IN FORCE.

9. NOTING AMONG OTHER THINGS THAT THE MISSILE TEST IMPACT ZONES WERE JUST OFF THE COAST OF TAIWAN'S TWO MAJOR HARBORS, ASSISTANT SECRETARY LORD COMMENTED THAT THE U.S. DID NOT VIEW CHINESE MILITARY EXERCISES AS ROUTINE, BUT AS PROVOCATIVE. HE SAID THE U.S. SAW NO EVIDENCE THAT CHINA

INTENDED TO LAUNCH MILITARY ACTION, BUT IN ORDER TO DISCOURAGE A MISCALCULATION, THE U.S. HAD SENT TWO CARRIER GROUPS TO THE AREA. HE SAID MANY OF OUR ASIAN FRIENDS UNDERSTOOD AND SUPPORTED THE DISPATCH OF THE CARRIERS. HE SAID WE ARE ENCOURAGED SO FAR THAT, FOLLOWING THE TAIWAN ELECTION, CHINA HAS STOPPED ITS EXERCISES AND CEASED CRITICISM OF PRESIDENT LEE, AND THAT TAIWAN HAS ALSO SHOWED RESTRAINT.

10. ON HUMAN RIGHTS, LORD SAID WE HAD HOPED TO AVOID CONFRONTATION IN GENEVA, BUT CHINA HAS NOT MAKING PROGRESS ON HUMAN RIGHTS, AND REFUSED TO DISCUSS THE ISSUES WITH US, SO WE BELIEVE WE NEED TO PURSUE THIS IN GENEVA. EUROPEAN NATIONS HAVE TOLD US THEY, TOO, WANT TO AVOID CONFRONTATION, AND THUS HAVE URGED CHINA TO MAKE APPROPRIATE GESTURES, BUT CHINA SO FAR HAS NOT RESPONDED, AND THEREFORE WE THINK THESE EUROPEAN NATIONS WILL PROBABLY SUPPORT A RESOLUTION. NOTING THAT ROK-CHINA RELATIONS ARE STRONG, LORD SAID WE HOPE THE ROK WILL WORK WITH US IN GENEVA. LORD ALSO NOTED THAT CHINESE LEADERS

HAD MADE POSITIVE COMMENTS TO GONG ON NORTH-SOUTH DIALOGUE, AND HE SAID WE HOPE CHINA WILL SUPPORT A PEACE PROCESS ON THE KOREAN PENINSULA.

11. GONG SAID CHINESE LEADGRS TOLD HIM CHINA WANTS GOOD RELATIONS WITH THE U.S., BUT HARBORS SOME MISTRUST. ONE REASON FOR MISTRUST IS THAT U.S. LEADERS HAD ASSURED CHINA THAT TAIWAN PRESIDENT LEE WOULD NOT VISIT THE U.S. LORD REPLIED THAT SECRETARY CHRISTOPHER TOLD FOREIGN MINISTER QIAN THAT THE USG OPPOSED LEE'S VISIT, BUT HE ALSO SAID CONGRESSIONAL PRESSURES ON THIS ISSUE WERE BECOMING UNMANAGEABLE. WHEN WE SUBSEQUENTLY HAD TO APPROVE THE VISIT, WE DID SO WITH THE PROVISIO THAT IT BE KEPT AS PRIVATE AS POSSIBLE. LEE MET NO USG OFFICIALS, AND WENT STRAIGHT TO HIS FORMER COLLEGE IN UPSTATE NEW YORK, WHERE HE GAVE A SPEECH. DESPITE TAIWAN ASSURANCES THE SPEECH WOULD NOT BE POLITICAL, IT MADE NUMEROUS REFERENCES TO THE "REPUBLIC OF CHINA ON TAIWAN." THIS SPEECH WAS A MAJOR SOURCE OF CHINA'S ANGER, AND WE PROTESTED STRONGLY TO TAIPEI. GONG OPINED THAT FREQUENT U.S.-CHINA COMMUNICATION WOULD BE HELPFUL. LORD SAID THE SECRETARY AND QIAN HAVE A CLOSE RELATIONSHIP, MEETING AND CORRESPONDING OFTEN, AND THEY WILL MEET ON APRIL 19 AT THE HAGUE.

12. DASD CAMPBELL, REPLYING TO GONG'S EXPRESSION OF DISAPPOINTMENT THAT DEFENSE MINISTER CHI HAOTIAN'S VISIT TO THE U.S. HAD BEEN CANCELLED, SAID SECDEF PERRY IS

COMMITTED TO A CLOSE SECURITY DIALOGUE WITH CHINA, AND THAT HE LOOKED FORWARD TO HOSTING CHI, BUT THAT A FULL "RECIPROCAL" VISIT WITH ITS CEREMONIAL ASPECTS WAS NOT POSSIBLE IN THE PRESENT ATMOSPHERE. THEREFORE THE "RECIPROCAL" VISIT HAD BEEN DELAYED, BUT SEPARATELY SECRETARY PERRY HAD SOUGHT -- UNSUCCESSFULLY -- AN OFFICIAL WORKING MEETING IN HAWAII OR SOME OTHER MUTUALLY ACCEPTABLE LOCATION. WE HOPE TO RESCHEDULE THE FORMAL VISIT TO WASHINGTON AS SOON AS POSSIBLE, PERHAPS AS EARLY AS SUMMER. LORD SAID WE WILL REMAIN ACTIVELY ENGAGED WITH CHINA, AND NOTED THAT PRESIDENT CLINTON AND PRESIDENT JIANG WILL MEET IN THE PHILIPPINES AT THE NOVEMBER APEC MEETING, AND THAT SECRETARY CHRISTOPHER WOULD ALSO SEE FOREIGN MINISTER QIAN AT THE ASEAN ARF/PMC.

13. GONG SAID CHINA WORKS DIFFERENTLY THAN WESTERN NATIONS: WHILE THE WEST PREFERS WORKING-LEVEL MEETINGS, IN CHINA THE DIRECTION COMES FROM THE TOP, AND THUS MEETINGS AT THE TOP LEVEL CAN CREATE PROGRESS ON ISSUES. LORD SAID WE ARE COMMITTED TO DIALOGUE WITH CHINA, BUT THAT THE PRESENT CHINESE LEADERSHIP IS MORE DIFFICULT TO DEAL WITH THAN ANY HE HAS KNOWN.

NORTH KOREAN ISSUES

14. NOTING THAT THE NORTH HAD RECENTLY PROPOSED AN INTERIM PEACE ARRANGEMENT, GONG ASKED WHAT DEVELOPMENTS THE U.S. EXPECTED IN U.S.-DPRK ISSUES ONCE THE APRIL 11

ROK NATIONAL ASSEMBLY ELECTIONS ARE OVER. LORD SAID IT IS OUR BASIC PRINCIPLE THAT THE FUTURE OF THE KOREAN PENINSULA SHOULD BE DETERMINED BY NORTH AND SOUTH KOREA.

EO 13526 3.3(b)(6)

15. S/P DEPUTY DIRECTOR ROMBERG ASKED GONG WHETHER CHINESE LEADERS, WHO IN THE PAST HAD BEEN RETICENT ABOUT POSSIBLE CHINESE PARTICIPATION IN KOREAN PENINSULA PEACE EFFORTS, HAD DURING HIS MEETINGS REVEALED ANY CHANGE IN THIS REGARD.

EO 13526 3.3(b)(6)

16. GONG ASKED WHERE WE STAND ON OTHER ISSUES WITH THE NORTH. LORD SAID WE WANT TO SEE PROGRESS WITH THE NORTH ON MISSILES, MIAS, AND TENSION REDUCTION. ON MIAS, NSC STAFF MEMBER KRISTOFF SAID WE ARE PREPARED TO MEET IN NEW YORK, BUT THE NORTH HAS RAISED A PRECONDITION THAT WE AGREE FIRST TO PAY COMPENSATION FOR EARLIER REMAINS RECOVERED, AND WE DO NOT WANT TO MEET WITH PRECONDITIONS ATTACHED. EFFORTS TO ARRANGE A MEETING ON MIAS CONTINUE.

EO 13526 3.3(b)(6)

NORTH KOREAN FOOD SITUATION

18. GONG SAID CHINESE PRESIDENT JIANG TOLD HIM NORTH KOREA HAS A SERIOUS FOOD PROBLEM, AND THAT IF THE NORTH DOES NOT RECEIVE OUTSIDE ASSISTANCE, THE SITUATION WILL TURN "EXTREMELY UGLY." GONG SAID THE ROK BELIEVES THAT CHINA PROVIDED NORTH KOREA WITH 700,000 MT OF GRAIN LAST YEAR, BUT DURING GONG'S RECENT TRP CHINESE LEADERS DID NOT SAY SPECIFICALLY WHETHER CHINA WOULD EXTEND FURTHER FOOD AID. GONG ASKED OUR VIEWS.

19. LORD SAID WE SHARE THE VIEW THAT THE SITUATION IS SERIOUS; MALNUTRITION IS WIDESPREAD. HE SAID BEFORE THE U.S. CONTEMPLATED GIVING FURTHER AID, WE WOULD CONSULT CLOSELY WITH THE ROK, BUT IN ANY EVENT CONGRESS WOULD NOT GO ALONG WITH ANY PLAN FOR LARGE-SCALE AID. GONG SAID THE NORTH HAS QUIETLY ASKED FOR MORE FOOD AID FROM JAPAN, AND HE EXPECTS THE NORTH MAY PURSUE THIS FURTHER WITH JAPAN AFTER THE APRIL ELECTIONS ARE OVER.

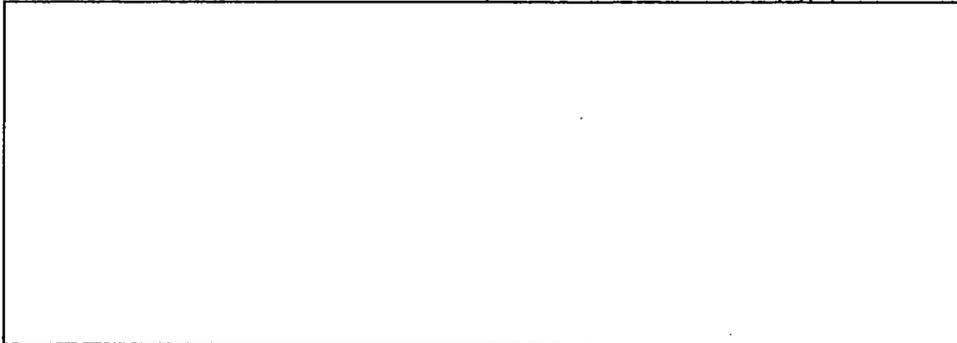
EO 13526 3.3(b)(6)

TERRORIST LIST, SANCTIONS

EO 13526 3.3(b)(6)

21. ON TERRORISM, EAP/K DIRECTOR BROWN SAID WE HAVE GIVEN THE NORTH A PAPER MAKING CLEAR WHAT KIND OF STATEMENTS AND ACTIONS NORTH KOREA NEEDS TO MAKE BEFORE IT CAN BE REMOVED

FROM THE TERRORIST LIST. THE NORTH HAS SUBSEQUENTLY MADE SOME HELPFUL STATEMENTS, BUT HAS TAKEN NO CONCRETE ACTIONS, AND WE ARE THEREFORE NOT NOW IN A POSITION TO TAKE NORTH KOREA OFF THE LIST. EO 13526 3.3(b)(6)



PARTICIPANTS

22. PARTICIPANTS IN THE BREAKFAST MEETING WERE THE FOLLOWING. ON THE KOREAN SIDE, FM GONG, AMB. PARK, DCM LEE, MOFA DIRGEN YU MYUNG-HWAN, MOFA SPOKESMAN SUH DAE-WON, POLCOUNS CHOI, MOFA AMERICAN AFFAIRS DIRECTOR KIM SOOK, ASSISTANT TO FOMIN LEE YONG-JOO, ROK EMBOFFS SONG BONG-NEON AND KIM HONG-KYUN. ON THE U.S. SIDE, A/S LORD, AMB. LANEY, DAS EINHORN, S/P ROMBERG, NSC PONEMAN, EAP/K BROWN, DASD CAMPBELL, NSC KRISTOFF, EAP/K CHRISTENSON (NOTETAKER).
CHRISTOPHER
BT
#5737

NNNN

SECT: SECTION: 01 OF 999

SSN: 5737

TOR: 960330152202 M2157502

DIST:

SIT: BAKER KRECKO KRISTOFF PONEMAN SAMORE SEATON SESTAK SUETTINGER
SIT: NSC

M S M a i l

DATE-TIME 10 March 96 02:17

FROM Dragone, Karen D.

CLASSIFICATION ~~CONFIDENTIAL~~

SUBJECT INR response to McCurry query [~~CONFIDENTIAL~~]

TO Hofmann, Stephan D.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

DECLASSIFIED IN PART
PER E. O. 13526

2015-0686-M [1.74]

KBH 6/12/2019

Please pass to Joyce Harmon (NSC Representative) and Mike McCurry (Press Secretary):

[redacted] 3.3(b)(1), 3.3(b)(6) called Sit Room in response to McCurry's query regarding State's assessment of China's latest statement on military exercises continuing after 23 March Taiwan Presidential election.

State assesment remains unchanged [redacted] 3.3(b)(1), 3.3(b)(6) ...military exercises "intended to dampen pro-independence sentiment on Taiwan, keep President Lee Teng-hui's margin of victory small and strengthen Taiwan's advocates of unification." [redacted] 3.3(b)(1), 3.3(b)(6) the main element of note in the latest joint editorial issued in the Communist Party's People's Daily and People's Liberation Army Daily is that it "raises the level of authority in rhetoric and Taiwan will recognize this increase."

M S M a i l

DATE-TIME 19 March 96 13:05
 FROM Schwartz, Eric P.
 CLASSIFICATION ~~CONFIDENTIAL~~
 SUBJECT FW: Taiwan Elections [~~CONFIDENTIAL~~]
 TO Malley, Robert
 CARBON_COPY NO CC's on THIS MESSAGE
 TEXT_BODY

DECLASSIFIED
 PER E.O. 13526
 2015-0626-M(1.77)
 KBH 6/12/2019

Rob:

Please handle.

From: Kristoff, Sandra J.
 To: Schwartz, Eric P.
 CC: /R, Record at A1
 Subject: RE: Taiwan Elections [~~CONFIDENTIAL~~]
 Date: Tuesday, March 19, 1996 10:27 AM

Eric---we should consider putting out a white house statement although i don't remember seeing wh statements offering congrats to newly elected presidents or pm's. That is usually done via a letter from Clinton to newly elected person--in this case Lee. I'm inclined to prefer the letter over the wh press statement if only because we could use the letter to deliver a broader message. the wh statement after all would only contain the most banal of congrats, which nonetheless may be read by the prc as implicit support for Taiwan's independence. FYI: We are looking at participants for the MAy 20 inauguration now. sjk

From: Schwartz, Eric P.
 To: Kristoff, Sandra J.; Malley, Robert; Suettinger, Robert L.
 CC: /R, Record at A1; Schifter, Richard
 Subject: Taiwan Elections [~~CONFIDENTIAL~~]
 Date: Tuesday, March 19, 1996 09:18 AM

I'd like to give some thought -- if we haven't already -- to what we plan to say about the Taiwan elections after the Taiwan elections. It seems to me that we have, in the past, been clearly encouraging about the democratic process on the island, while taking pains to avoid the implication that our support for the democratic process is a statement about Taiwan's international status.

I'm asking Rob to touch base with Bob on this today.

Thanks.

Eric

M S M a i l

DATE-TIME 20 March 96 19:37
 FROM Millison, Cathy L.
 CLASSIFICATION ~~CONFIDENTIAL~~
 SUBJECT FW: Taiwan elections [~~CONFIDENTIAL~~]
 TO Dohse, Fred J.
 Harmon, Joyce A.
 CARBON_COPY NO CC's on THIS MESSAGE
 TEXT_BODY

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.78)
 KBH 6/12/2019

fyi

From: Kristoff, Sandra J.
 To: Sens, Andrew D.; Soderberg, Nancy E.
 CC: /R, Record at A1
 Subject: Taiwan elections [~~CONFIDENTIAL~~]
 Date: Wednesday, March 20, 1996 07:23 PM

Nancy and Andrew---Eric Schwartz mentioned the possibility of putting out a White House statement after the Taiwan elections--the results of which we should know by early Saturday. State may well propose this idea via a crosshatch or Burns-Sens memo.

This is truly a bad idea and I tried to gently persuade Eric that a letter from the President to Lee would be the better option and in keeping with how we handle elections in internationally recognized countries. A White Statement will only inflame the Chinese.

Please be alert to possible incoming message from State so that it is not treated as a routine message of congratulations.

Thanks

Sandy K

M S M a i l

DATE-TIME 20 March 96 20:52
 FROM Kessinger, Jodi
 CLASSIFICATION ~~CONFIDENTIAL~~
 SUBJECT RE: Taiwan elections [~~CONFIDENTIAL~~]
 TO Schwartz, Eric P.
 CARBON_COPY Baker, Jane E.
 Baldwin, Kenneth
 Friedrich, M. K.
 Hilliard, Brenda I.
 Joshi, M. Kay
 Kessinger, Jodi
 Millison, Cathy L.
 Sens, Andrew D.

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M(1.79)
 KBH 6/12/2019

TEXT_BODY

Nancy read this email and noted:

"Eric, Sandy's views and persuasive. Your view?"

cc ADS

From: Kristoff, Sandra J.
 To: Sens, Andrew D.; Soderberg, Nancy E.
 CC: /R, Record at A1
 Subject: Taiwan elections [~~CONFIDENTIAL~~]
 Date: Wednesday, March 20, 1996 07:23 PM

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Thanks

Sandy K

M S M a i l

DATE-TIME 21 March 96 12:39

FROM Schwartz, Eric P.

CLASSIFICATION ~~CONFIDENTIAL~~

SUBJECT FW: Taiwan elections [~~CONFIDENTIAL~~]

TO Baker, Jane E.
Baldwin, Kenneth
Friedrich, M. K.
Hilliard, Brenda I.
Joshi, M. Kay
Kessinger, Jodi
Millison, Cathy L.
Sens, Andrew D.

CARBON_COPY Hill, Roseanne M.
Kristoff, Sandra J.
Letts, Kelly J.
Lorin, Matthew E.
Malley, Robert
Schwartz, Eric P.
Suettinger, Robert L.

DECLASSIFIED
PER E.O. 13526
2015-0686-M (1.80)
KBH 4/12/2019

TEXT_BODY

Nancy:

I DON'T DISAGREE WITH SANDY KRISTOFF ON A WHITE HOUSE STATEMENT.

I THINK THAT SANDY MAY HAVE MISUNDERSTOOD MY E-MAIL TO BOB SUETTINGER ON THIS ISSUE.

ALL I SAID (AND I QUOTE FROM MY E-MAIL) WAS THAT --

"I'D LIKE TO GIVE SOME THOUGHT -- IF WE HAVEN'T ALREADY -- TO WHAT WE PLAN TO SAY ABOUT THE TAIWAN ELECTIONS AFTER THE TAIWAN ELECTIONS."

BY "WE", I TRULY MEANT THE US GOVERNMENT, AND I WAS NOT SUGGESTING A WHITE HOUSE STATEMENT.

WE SHOULD, HOWEVER, HAVE A PRESS LINE READY FOR BOTH McCURRY AND FOR BURNS,

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AS WE ARE LIKELY TO BE ASKED.

MOREOVER, I DO THINK WE SHOULD CONSIDER A VERY SHORT, CAREFULLY CONSIDERED, STATEMENT BY STATE -- LOW-KEY BUT WELCOMING THE DEMOCRATIC PROCESS. I THINK THIS WOULD BE CONSISTENT WITH OUR APPROACH IN THE PAST (WE CAN CHECK).

I APPRECIATE THAT WE ARE AT A DIFFICULT POINT NOW, BUT I'M CONFIDENT WE (STATE) CAN SAY (OR POST) SOMETHING THAT IS SUFFICIENTLY LOW-KEY.

I ALSO HAVE NO OBJECTION TO SANDY'S IDEA ABOUT A LETTER TO LEE.

ERIC

From: Kessinger, Jodi
To: Schwartz, Eric P.
CC: /R, Record at A1; Sens, Andrew D.; @CROSS - Cross Hatches
Subject: RE: Taiwan elections [CONFIDENTIAL]
Date: Wednesday, March 20, 1996 08:52 PM

Nancy read this email and noted:

"Eric, Sandy's views and persuasive. Your view?"

cc ADS

From: Kristoff, Sandra J.
To: Sens, Andrew D.; Soderberg, Nancy E.
CC: /R, Record at A1
Subject: Taiwan elections [CONFIDENTIAL]
Date: Wednesday, March 20, 1996 07:23 PM

Nancy and Andrew---Eric Schwartz mentioned the possibility of putting out a White House statement after the Taiwan elections--the results of which we should know by early Saturday. State may well propose this idea via a crosshatch or Burns-Sens memo.

This is truly a bad idea and I tried to gently persuade Eric that a letter from the President to Lee would be the better option and in keeping with how we handle elections in internationally recognized countries. A White Statement will only inflame the Chinese.

Please be alert to possible incoming message from State so that it is not treated as a routine message of congratulations.

Thanks

Sandy K

M S M a i l

DATE-TIME 21 March 96 15:36
 FROM Schwartz, Eric P.
 CLASSIFICATION ~~CONFIDENTIAL~~
 SUBJECT FW: Taiwan Elections [~~CONFIDENTIAL~~]
 TO Hill, Roseanne M.
 Kristoff, Sandra J.
 Suettinger, Robert L.
 CARBON_COPY NO CC's on THIS MESSAGE
 TEXT_BODY

DECLASSIFIED
 PER E.O. 13526
 2015-0686-M (1.82)
 KBH 6/12/2019

No problem, Sandy.

But I honestly/really and truly was not suggesting a WH statement in my note to Bob. As I indicated to NES, when I said "we should give some thought to what we plan to say", I really did mean the USG and not the WH. Moreover, I wasn't even suggesting, at least in that e-mail, that State should issue something without prompting, but I did think that we all should be prepared to answer questions when they came.

The funny thing about all this is that when I received your response, I thought at the time that you were more forward-leaning on a WH statement than I would have been.

I did ask Rob to speak to Bob on this, but should we instead be talking to you?

Eric

From: Kristoff, Sandra J.
 To: Schwartz, Eric P.
 CC: /R, Record at A1
 Subject: FW: Taiwan Elections [~~CONFIDENTIAL~~]
 Date: Thursday, March 21, 1996 01:18 PM

eric--i certainly didn't mean to suggest to nancy that you had firmly taken a position on the issue. i made reference to you only because i remembered the e-mail you sent to me suggesting we should consider this and that rob would talk to bob further. i had answered your mail only because i wanted to let you know early on where i would likely come out should this issue come up as we approach saturday.

From: Kristoff, Sandra J.
To: Schwartz, Eric P.
CC: /R, Record at A1
Subject: RE: Taiwan Elections [CONFIDENTIAL]
Date: Tuesday, March 19, 1996 10:27 AM

Eric---we should consider putting out a white house statement although i don't remember seeing wh statements offering congrats to newly elected presidents or pm's. That is usually done via a letter from Clinton to newly elected person--in this case Lee. I'm inclined to prefer the letter over the wh press statement if only because we could use the letter to deliver a broader message. the wh statement after all would only contain the most banal of congrats, which nonetheless may be read by the prc as implicit support for Taiwan's independence. FYI: We are looking at participants for the MAy 20 inauguration now. sjk

From: Schwartz, Eric P.
To: Kristoff, Sandra J.; Malley, Robert; Suettinger, Robert L.
CC: /R, Record at A1; Schifter, Richard
Subject: Taiwan Elections [CONFIDENTIAL]
Date: Tuesday, March 19, 1996 09:18 AM

I'd like to give some thought -- if we haven't already -- to what we plan to say about the Taiwan elections after the Taiwan elections. It seems to me that we have, in the past, been clearly encouraging about the democratic process on the island, while taking pains to avoid the implication that our support for the democratic process is a statement about Taiwan's international status.

I'm asking Rob to touch base with Bob on this today.

Thanks.

Eric

M S M a i l

DATE-TIME 29 March 96 19:40
 FROM Kristoff, Sandra J.
 CLASSIFICATION ~~CONFIDENTIAL~~
 SUBJECT FW: China points [~~CONFIDENTIAL~~]
 TO Johnson, David T.
 CARBON_COPY NO CC's on THIS MESSAGE
 TEXT_BODY

DECLASSIFIED
 E.O. 13526, Sec. 3.5 (b)
 White House Guidelines, September 11, 2006
 By K81 NARA, Date 4/12/2019
2015-0686-17

david--go with poneman edits. sjk

From: Poneman, Daniel B.

To: @ASIA - Asian Affairs; @INTECON - Economic Affairs; @PRESS - Public

Affairs; @NONPRO - Export Controls

CC: /R, Record at A1

Subject: China points [~~CONFIDENTIAL~~]

Date: Friday, March 29, 1996 07:27 PM

[[QANDA.DOC : 4958 in QANDA.DOC]]

Sandy: I'd be even terser. See attached (if it is not blue-lined, I messed up). dp

ATTACHMENT
 FILE DATE 29 March 96 19:26

ATTACHMENT
 FILE NAME QANDA.DOC

CHINA

ISSUE:

Tensions in the Taiwan Strait, President Lee's election, the ring magnet nonproliferation case, enforcement of intellectual property rights, human rights concerns and the approaching annual Congressional MFN debate keep the U.S.-China relationship in the forefront of the news.

OVERALL RELATIONSHIP

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Q: Do you believe the policy of comprehensive engagement remains valid in light of the tensions over Taiwan?

A: We are committed to having as positive a relationship with China as we can. It is an important country and a productive relationship with a strong, stable, open and prosperous China will contribute not only to our long term interests, but also to regional and global stability and prosperity. We want to encourage China to play a constructive international role.

There are a number of problem areas in our relations, but we believe they are manageable. We want to work with China, at all levels, to assert our interests. It is important we keep at these problem issues steadily, with long term goals in mind.

Comprehensive engagement remains in our interest. China is still in the process of reform and opening to the outside world. Engagement does not mean compromising our interests; it means pressing our interests, and enforcing our laws and agreements.

RING MAGNETS

Q: Are you going to sanction China for sale of ring magnets to Pakistan?

A: We are reviewing reports that China provided sensitive nuclear assistance to Pakistan and we have had several consultations with China on this issue.

Once that review is complete we will make a decision on how to proceed in light of the facts as we understand them as well as applicable law.

INTELLECTUAL PROPERTY RIGHTS

Q: U.S. industry says piracy has doubled since last year's precedent-setting IPR agreement. Are you going to force China to live up to its trade commitments?

A: Protection of U.S. intellectual property is a top priority. Our talks with China are continuing and Ambassador Barshefsky will visit Beijing next week to try and hammer out specific steps China will take to close down pirate operations.

We have made it clear that implementation of the agreement is essential in order for China to avoid imposition of sanctions.

TAIWAN

Q: With President Lee's election, do you expect a reduction of

tensions in the Strait? Are you going to invite President Lee to visit the U.S. again this year?

A: The PRC military exercise is over, our naval assets have resumed normal deployment and both Taiwan and the PRC have expressed an interest in resuming the cross-Strait dialogue. These are good signs that tensions are lessening.

There are no easy answers to the question of the future of relations between Taiwan and the PRC. We have no interest in being drawn into the middle of the debate between Beijing and Taipei.

The one China policy has been followed by five administrations. It works and we intend to continue to see it work by reminding the PRC of our interests in peaceful resolution of the Taiwan question and by reminding Taipei of the need to engage constructively with Beijing.

President Lee has said domestic priorities in Taiwan, including restoring amicable relations with Beijing, would be the focus of his efforts and that he had no intention to undertake any international travel. We have not received a request from him to visit the U.S.

Q: Does this mean you support Helms' invitation to Lee to visit the U.S.?

A: I'm not going to comment on Senator Helms' invitation.

MFN

Q: Are you going to seek to renew China's MFN status?

A: In order to encourage the types of reforms we seek in the Chinese system, we need to be engaged with Beijing economically. Revocation of MFN would damaged the U.S.-China relationship and isolate us from China. It would not isolate China from the rest of the world; rather, loss of MFN removes our ability to encourage China to undertake economic reform, introduce the rule of law in its commercial and civil systems and improve the human rights environment.

JAPAN

Q: What are your goals for the April meeting with Prime Minister Hashimoto?

A: Japan and the U.S. have a solid security relationship and a

strong and healthy economic relationship. Prime Minister Hashimoto and I are committed to ensuring the security relationship remains potent and that it serves as a central component of sustained regional peace, stability and prosperity.

We expect to discuss regional issues such as the situation on the Korean peninsula, the need to proceed with implementation of plans to replace North Korea's dangerous nuclear reactor program, tensions in the Taiwan Strait, and progress in developing multilateral institutions such as the ASEAN Regional Forum within which regional security issues can be discussed.

Q: Will the Okinawa problem be solved by the time you get there?

A: The issue of U.S. forces and their deployment in different areas of Japan is a difficult one. It is most complex in Okinawa, where a terrible rape incident last fall focused attention on larger issues involving the U.S. military presence in Japan.

We continue to work with the Japanese government through a Special Action Committee to resolve some of these issues, and we expect to have reached a good agreement by the time of my visit. The problems are complicated and long-standing, however, and we will still need to work hard the rest of the year. But I am encouraged about the progress already made.

Q: What about economic problems?

A: We will of course be discussing economic issues, most of which consists of good news, including improvement of the trade balance, implementation of many trade agreements that have benefited both sides, and continuing efforts to deregulate the Japanese economy and open it more to foreign competition. We are working to resolve some specific ongoing trade differences, but they should not be seen as the focus of the summit.

MESSAGE TO TAIWAN

CONTEXT

- Coming year presents serious challenges to leaders in PRC, Taipei and U.S.
- Each most immediately has profound interest in peace and stability in region, including reduction of tension in Taiwan Strait.
- Troublesome that communications channels among the PRC, Taipei and U.S. are not as effective as necessary.
- Asked you to visit so we can share views on how to accomplish tension reduction and manage 1996.
- Start with some observations; U.S. perceptions of current situation. Interested in your perspectives of political dynamics in PRC, Taiwan and U.S.

China Calculus

- China in historic transition: from planned economy to state guided market economy, from isolation to great power in international economy and political arena, from old guard leaders to emergence of bureaucrats, technocrats.
- [redacted] EO 13526 3.3(b)(6) wary of U.S.; argue U.S. attempting containment.
 - ⇒ Incorrect reading of U.S.; nonetheless can't ignore Chinese perception. [redacted] EO 13526 3.3(b)(6)
- [redacted] EO 13526 3.3(b)(6) broad consensus among political elite precludes Beijing acceptance of Taiwan moves toward independence.

Taiwan Calculus

- Taipei's economic growth, democratic evolution have increased respect, recognition given Taiwan -- in U.S. and elsewhere.

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PER E.O. 13526

- Taiwan is world class economic power. Largest foreign reserves; 7th largest U.S. trade partner; 13th largest international trader.
- Democratic evolution gives rise to desire for independence or one China, one Taiwan. Reflected in press for international space: UN.
- Taiwan-China relations now a campaign issue. [MFA sidelined; Lee Teng-hui being advised by party types, focused on elections.]

U.S. Calculus

- U.S. objective is stability and security in region. Both provide framework for economic prosperity.
- US-PRC relations at crossroads: require a long-term strategic relationship with China. This also in Taiwan's interests.
 - ⇒ Seeking understanding with Beijing of how we will manage issues in 1996 to avoid downward spiral and lay foundation for strategic dialogue on longer term issues.
- U.S. also desires strong relations with Taiwan. Historically have supported economically and politically. Recent specific instances -- 1994 policy review, cabinet level visits, Lee Teng-hui visit -- are concrete evidence.
- Admiration in U.S. for Taiwan's accomplishments and Lee's efforts to move toward democracy; strong U.S. support for resolving differences with PRC.

A DELICATE MOMENT

- No accident Taiwan question is pivotal issue in U.S.-PRC-Taipei triangle.
 - ⇒ For PRC, Taiwan is yardstick by which U.S. policy toward China is measured.
 - ⇒ For U.S., Taiwan security and peaceful resolution of Taiwan question is core element of one China policy.
 - ⇒ For Taipei, an issue of respect, international space and domestic political sensitivities.

- All of above raises possibility in some quarters of challenges to one China policy and three communiqués, of press to pursue one China, one Taiwan policy.

ONE CHINA POLICY - A CHINA/TAIWAN INVENTION THAT WORKS

- Beijing and Taipei have one China policy; agreement on its meaning is joint responsibility of Beijing and Taipei.
- PRC and Taiwan need work out differences peacefully so as not to disturb stability of region. U.S. will avoid interference in the process. This is core of U.S. role in one China policy based on the three communiqués; it continues to be our policy.
- Three communiqués spell out key elements of U.S. policy; no intention to renegotiate.
- Taiwan Relations Act reinforces commitment to peaceful resolution of Taiwan issue. Its premise that an adequate defense in Taiwan is conducive to maintaining peace allows us to provide assistance (arms) to Taiwan's self-defense.
- Relations between U.S.-PRC, U.S.-Taiwan and PRC-Taiwan improved significantly within this construct.
 - ⇒ Cross-Strait dialogue enabled by one China policy; significant Taiwanese investment in mainland; travel contacts, etc.
 - ⇒ Framework for Taiwan's territorial integrity, economic development and political, democratic evolution.
 - ⇒ PRC able to carry out reforms, integrate to world community, stimulate economic growth, develop political relations in region.
 - ⇒ U.S. able to sustain relations with both parties.
- Not in U.S. interest for Taiwan or PRC to change unilaterally rules of the game; both must work toward common framework for resolving issue.

THE CURRENT TENSIONS

- Military exercises in Taiwan Strait, Taipei elections and issues U.S. faces with PRC over next six to nine months put premium on ensuring no misunderstandings between PRC-Taipei, U.S.-PRC and U.S.-Taiwan.

- Communication on each side of triangle critical to managing these important relationships in ways that are sensitive to core interests of each; risks to each of disregarding others' core interests.
- Core interests are long-term, not short term election politics of either Taipei or Washington (or short term succession politics of Beijing).

Military Tension in the Strait

- First core interest is peace in the Strait without which we cannot shift focus to longer term goals.
- Recent provocative Chinese military activities in Taiwan Strait raise tensions and are not acceptable to U.S. We are conveying at highest levels and in strongest terms need for China to exercise restraint, militarily and in its rhetoric.
 - ⇒ Available evidence does not suggest immediate military threat, e.g., targeted missile attack or invasion of Taiwan. Scale of exercises substantial, risk of error is present, but pattern of PRC activity is consistent with previous exercises [EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)]
 - ⇒ In meetings with Chinese last week, NSA Lake pushed PRC to reduce immediately tensions in Strait, lower (cease) pressures against Taiwan and refrain from provocative exercises after Taiwan elections.
- Believe PRC sending political, psychological signal to influence elections and curb what PRC views as Taipei steps toward independence. Intent not for Lee to be defeated, but to limit size of mandate, ensure reunification issues remain salient aspect of political debate in Taiwan.
 - ⇒ Understand this may correspond to Taiwan's own assessment of PRC motivations.

[EO 13526 3.3(b)(1), EO 13526 3.3(b)(6)]

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⇒ Note, however, Taiwan manipulation of its media -- leaks on intelligence or military-related U.S. activities -- sharpens Beijing's suspicions and stiffens its actions.

- Outbreak of hostilities would be devastating. Have told PRC missile tests are reckless and that further escalation of tensions or confrontation (including accidental mishap) would affect seriously U.S. interests, have grave consequences.
- We also have briefed [redacted] EO 13526 3.3(b)(6) embassies in Washington, each of which indicated willingness to press China to stand down. [redacted] EO 13526 3.3(b)(6) [redacted] French also spoke out in press conference last week.
- U.S. will work to build regional consensus in support of PRC restraint and return to cross-Strait dialogue. Lee Kuan Yew speech was helpful in this regard.
- Equally important Taiwan understand its rhetoric and actions have consequences and can be seen by Beijing as provocative. Taiwan too should exercise restraint, militarily and in political actions.

⇒ Exaggeration of effect of closure area on sea and air transport, agitated rhetoric in public statements, continued call for UN membership fuel unhelpful media reporting and strengthen hand of hardliners in Beijing.

- Believe Taiwan has sufficient, strong self-defense capability: combat, early warning and transport aircraft; ships; air defense and anti-ship missiles; helicopters; and technical support for Taiwan's defense fighter and PERRY-class frigates.
- Concerned when learn of reports from Beijing that PLA believes U.S. will not intervene regardless of Chinese action and from Taipei that Taiwan believes actions such as Nimitz transit mean U.S. will intervene early to defend Taiwan.
- Be clear on U.S. position: decision to act in Strait would be made in context of specific circumstances at the time. No certainty about any specific U.S. response. Hope this understood by Taiwan.
- Clearly, in event of an unprovoked attack by PRC, there would be strong sentiment for vigorous U.S. assistance to Taiwan's defense. Broad and deep U.S. support for emerging democracy,

like Taiwan. Like you, abhor efforts to undermine free, popular election process.

- It is the policy of the United States to consider a direct attack on Taiwan as a threat to the interests of the United States that would carry with it grave consequences. We have told the PRC this directly and unambiguously.
- But Taiwan actions (words or military, willful or miscalculation) that provoke response by China likely will increase opposition to U.S. intervention.
- Sum up of key point: Don't believe PRC military action likely, but are watchful; strongly urge both sides to stand down -- China militarily, Taiwan politically; don't assume automatic U.S. response.
- In the meantime, our annual arms sales talks will go forward mid-month and we will consider your current requests for military items.

⇒ Taiwan must keep results of these talks as confidential as possible.

Cross-Strait Dialogue

- Need to keep eye on long term objective: reconciliation between Taipei and Beijing.
 - ⇒ U.S. cannot allow itself to be pulled into this debate by either side; we cannot play mediator role.
- Key to Taiwan security not greater economic, political and security relationship with U.S. or incremental increases in U.S. arms sales -- rather reduction of tensions between Beijing and Taipei.
- Regret deeply interruption of cross-Strait dialogue. Its absence is symptom of current problems.
- Hope Taipei gives top priority to resumption of dialogue after March elections. Have read with interest suggestion that President Lee will unveil new initiative toward mainland in April.
- Believe building confidence in cross-Strait dialogue will be long and difficult. Clearly can't simply go back to situation

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as it existed before Lee's Cornell visit and suspension of cross-Strait talks last June. Attitudes in Beijing have changed.

- Will need to work to dispel mistrust. Perhaps going back to Jiang's eight points coupled with recent Lee speech reaffirming desire for reunification are starting points.
 - ⇒ Interested in your views of what steps might be possible in near term: shipping links, air links, greater investment, possible "summit".
 - ⇒ However, statements in Taipei that reunification not possible until PRC political and economic development matches Taiwan's may sound to Beijing like rationale for permanent separation.
- Also suspect Taipei will find it increasingly difficult to advance cross-Strait talks while simultaneously pushing Lee's "pragmatic diplomacy" which seeks "international space" (respect and recognition) for Taipei.

The Politics of U.S. Unofficial Relations with Taiwan

- U.S. supports growth of democracy and economic prosperity for Taiwan. Taiwan is important part of our Asia policy.
- | |
|--------------------|
| EO 13526 3.3(b)(6) |
|--------------------|
- Have assisted in Taiwan's self-defense; arms sales give credible deterrent to Chinese military action. Will continue this effort.
- Hope Taiwan not tempted to view U.S. actions/support as invitation to stretch relationship beyond its limits and perhaps redefine it.
- Concerned some in Taipei (and Beijing) perceived Lee visit as unilateral shift in U.S. policy toward greater support for Taiwan's political agenda.
- There has not been shift in policy: Lee visit was private visit, courtesy to individual, consistent with U.S. values; significance did not go beyond that.
- Also, illustrates dangers of using Congress to achieve objectives. Inaccurate to view Lee visit as signal Administration will allow Congress to determine China policy.

- Seriously jeopardize Administration's ability to be responsive when Taiwan political agenda pushed on the Hill, bypassing White House and State/AIT.
- Must state frankly, Administration not willing to pay price of Taiwan's actions with Congress and media -- price to U.S.-PRC relations too high; price to U.S. relations with allies in region (Japan, Korea, ASEAN) too high.

⇒ Additional Taiwan campaigns on Hill will have serious negative effect on bilateral relationship.

- Not credible for Taiwan to argue it is merely acquiescing to initiatives from its friends on Hill. Taiwan needs to inform its Congressional allies that its actions (resolutions, legislation, speeches) not necessary to Taiwan's long term goals and cause severe disruption of Taiwan's ability to advance short-term agenda with Administration.

⇒ For example, recent effort to amend TRA to have it take precedence over 1982 communiqué sends damaging political signal to Beijing, raising tensions in U.S.-PRC relations and undermining Taiwan's long term goals. And not necessary for Taiwan's security.

- Similarly, not constructive for Taiwan to use Hill action to gain support for UN membership, WTO accession.

⇒ Noisy rhetoric of debates on such issues forces Administration to balance cost to U.S.-PRC relationship against desire to support Taiwan participation in limited types of international organizations.

EO 13526 3.3(b)(6)

- Similarly, efforts by Taiwan's paid lobbyists often seem not to match Taiwan's expressed objectives. Difficult to understand discrepancies in "official" communications from TECRO and actions by lawyers, consultants claiming to act on Taipei's behalf.

THE UNDERSTANDING

- With above as backdrop, have some suggestions on how to address current issues and problems on horizon.
- Of course, seek agreement on ways to address issues in context of commitment to long term, broad and vital bilateral relationship.
- Effort also includes common need to bring PRC more into the mainstream of international exchange, and U.S. need for productive relations with PRC.
- Do not view this effort as new, tighter, long term limits on our relationship; rather rebuilding effort.

Expect shortly to do the following:

- Will affirm through major policy speech no U.S. support for unilateral change in status of Taiwan; viability of one China policy; continued applicability of 3 communiqués as well as TRA.
- Will reaffirm understanding with PRC that it intends to resolve Taiwan issue peacefully and will refrain from use of force against Taiwan.
- Will publicly explain commitment to Taiwan's self-defense.

*Immediate issues:*Military

- Will seek understanding from PRC that it will not escalate military exercises in Strait; Taiwan to refrain from provocation.
- Will continue with scheduled arms sales talks. Will not cut back on planned military contacts and will approve new sales as warranted.
- Will not, however, accept politicization of arms sales talks. U.S. decisions will be driven by military assessment of Taiwan self-defense needs.

Do not believe current tension in Strait requires dramatic increases in armament, acceleration of equipment delivery; believe Taiwan's absorptive capacity stretched to the limit.

- ⇒ Likely will not approve immediate delivery of additional 300 M-60 tanks, but will revisit later.
- ⇒ Cannot advance delivery of MADS (Patriot-derived) missiles unless we also provide U.S. crews; not prepared to do this at present.
- ⇒ Do not view July roll-out of F-16 at Fort Worth, Texas to be occasion for political posturing. Commander in Chief of Taiwan Air Force can lead your delegation. No private visits by political personages.

Visits to U.S.

- Would be in mutual interest if political leaders did not plan any visits.
- Lee Teng-hui visit in 1996 would be most difficult. Much of what we predicted would follow Cornell visit happened -- tension in Strait, PRC military exercises, setback to cross-Strait dialogue, cancellation of U.S.-PRC dialogue on range of issues.
- Don't believe we can absorb setbacks that second Lee visit would precipitate. Hope Taiwan avoids putting U.S. in position of having to deliver answer Lee does not want to hear. Vital national interests of both will be better served if we avoid this issue.
 - ⇒ Seek your views.
 - ⇒ Strongly urge Taiwan explain to friends in Congress complexities of issue and consequences from calls for second visit.
- Taiwan's top four "political" leaders would be permitted to travel in case of medical emergency; but we envision no private visits this year.
- Visits by other than the top four likely to be limited to economic officials below cabinet; any cabinet level visitors must be sensitive to avoid provocative statements.

- Taiwan participation in Olympics welcome. Private visits by political personages at time of Olympics problematic; would politicize event; that would not be welcome. Understand Olympic organizers (IOC) share this view.

U.S. Visits to Taipei

- Anticipate sending delegation to inauguration (May 20) comprised of six or seven highly regarded individuals, as in 1990. Final decision depends, in part, on status of Taiwan-PRC relations in May.
- Exploring cabinet level visitor to U.S.-ROC Business Council 20th anniversary meetings in Taipei in December.
- Also prepared to look at scheduling next round of Economic Subcabinet talks; agree to meeting in Taipei.
- Will continue regular and routine contacts between economic and technical officials.

Transits

- Transit stops in U.S. are not entitlements; not automatic approval. Would help if we were not confronted with several requests in short time frame. Would help if on occasion Taiwan traveler could transit somewhere other than U.S.
- Will review each case on merits (including comfort, safety, convenience), but decision will be grounded in our overall national interest calculation.

⇒ Not prepared to become part of Taiwan effort to use "travel" as tool to gain international space.

Organizations

- Will work to complete bilateral WTO accession package so that Taiwan accession can move forward when there is consensus in Geneva. Do not expect that consensus this year.
- Currently do not believe there is international consensus Taiwan should accede to WTO apart from action on PRC accession. Hope Taiwan can refrain from pressing this point further this year.

⇒ U.S. should not be expected to pressure others to conclude their bilateral accession talks with Taiwan.

- Prepared to look at WTO accession questions again in 1997.
- U.S. will be silent on UN issues; if pressed will oppose even formation of study group. Hope Taiwan abates campaign on membership, including with Congress.
- On all other international institution membership questions, we note that other countries are not supporting Taiwan participation in even low-profile organizations.
 - ⇒ We would support but not lead any consensus that Taiwan may develop among current members for Taiwan's participation in any organization.

Congress

- Administration will brief selected members about U.S. policy on arms sales, actions in the Strait, etc.
- Taiwan should work with its Congressional allies to avoid legislation that will tie hands of Administration and avoid scoring political points on the PRC at U.S. expense. Believe Taiwan needs to explain to Hill allies counterproductive nature of resolutions, floor speeches, etc.

Looking ahead:

- Could explore continuation of this channel for periodic exchange of views.

TAIWAN'S EXPORT TO CHINA OF MACHINERY TO PIRATE CDS

Points to Make

- The US and Taiwan have worked together for more than a decade to ensure that intellectual property rights receive adequate and effective protection in Taiwan. This has been part of a world-wide U.S. initiative that we have pursued with all of our trading partners in bilateral and multilateral contexts.
- I am certain that you are aware of the bilateral agreement we reached last year with mainland China on enforcement of intellectual property rights.
- China's production and export of pirated CDS and especially CD-ROMs containing U.S. software is a continuing problem of massive proportions.
- We understand that firms in Taiwan are supplying China with master discs of previously copyrighted work for the production of CDS and CD-ROMs. We also understand that Taiwan is supplying machinery to produce CD discs.
- Making unauthorized masters is an infringement of copyright in Taiwan and we expect prompt action to stop these illegal acts. Any CDS or CD-ROMs manufactured through the use of these master discs will be pirate.
- The export of the reconditioned CD making machinery must be stopped as well. Mainland China is exporting a huge volume of pirated CDS and increasing production will simply make the overall piracy problem worse.
- Our assessment of Taiwan's actions in this matter will form a part of our Special 301 review this year.

Background:

We are very concerned about industry reports that factories in China have placed orders in Taiwan for machinery and master discs for the production of CDs and CD-ROMs. Shipment of these presses and masters could be used to significantly undercut the 1995 bilateral Intellectual Property Rights Agreement with China and contribute to the growing piracy of U.S. computer software and sound recordings in China. There are more pirate production lines operating today in China than when the Agreement was signed and new lines would clearly exacerbate the problem. We have made cleaning-up the China CD factories a principal objective of the Agreement. As the value and volume of pirated exports increases, it is a problem that has to be addressed.

USTR staff raised the issue with K.S. Shiew in Osaka and with responsible Taiwan authorities in January. Taiwan authorities have said that they are willing to formulate an action plan to deal

with the production and export of the masters. They have been less forthcoming about stopping export of the presses even though the ultimate destination and purpose of the machines is well known. Taiwan and Hong Kong investors are heavily involved in China's CD factories.

Taiwan wants to be removed from the "special 301" watch list as the result of agreeing to take some measures to improve IPR protection in Taiwan. We have indicated that failure to act against the manufacturers of the masters and presses could preclude us from taking that step.

~~SECRET~~

~~SECRET~~

CLINTON LIBRARY PHOTOCOPY³⁰⁷⁸

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Congratulations Letter to Taiwan President Lee

DECLASSIFIED
PER E.O. 13526

2015-0686-M (1.74)

KBH 6/12/2019

Purpose

To congratulate Lee Teng-hui on his inauguration as Taiwan President.

Background

On May 20, Lee Teng-hui will be inaugurated as the first President of Taiwan elected by direct popular vote. This is a noteworthy achievement that evidences the Taiwanese commitment to democratic ideals in the face of considerable odds given its relationship to mainland China.

We will be sending a delegation of the American people to participate in the inauguration, composed of members of Congress, in keeping with our strong but unofficial ties to Taiwan. It would be appropriate for the delegation to convey a private message of congratulations from you to President Lee. Past practice confirms that the Taiwan authorities will treat this communication with sensitivity, and we do not anticipate a counterreaction from the PRC.

RECOMMENDATION

That you sign the letter at Tab A.

Attachment

Tab A Letter to President Lee

~~SECRET~~

cc: Vice President
Chief of Staff

Reason: 1.5 (b) (d)
Declassify On: 1.6, X6

~~SECRET~~

~~SECRET~~

3278

THE PRESIDENT HAS SEEN
5-14-96

THE WHITE HOUSE

WASHINGTON
May 13, 1996

96MAY 13 PG: 57

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *AL*
SUBJECT: Congratulations Letter to Taiwan President Lee

Purpose

To congratulate Lee Teng-hui on his inauguration as Taiwan President.

Background

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We will be sending a delegation of the American people to participate in the inauguration, composed of members of Congress, in keeping with our strong but unofficial ties to Taiwan. It would be appropriate for the delegation to convey a private message of congratulations from you to President Lee. Past practice confirms that the Taiwan authorities will treat this communication with sensitivity, and we do not anticipate a counterreaction from the PRC.

RECOMMENDATION

That you sign the letter at Tab A.

Attachment
Tab A Letter to President Lee

PHOTOCOPY
WJC HANDWRITING

DECLASSIFIED
PER E.O. 13526
2015-0686-M (1.97)
KBH 6/12/2019

CONFIDENTIAL

~~SECRET~~

cc: Vice President
Chief of Staff

Reason: 1.5 (b) (d)
Declassify On: 1.6, X6

CLINTON LIBRARY PHOTOCOPY

CLINTON LIBRARY PHOTOCOPY

~~SECRET~~

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3278

May 11, 1996

ACTION

MEMORANDUM FOR ANTHONY LAKE

FROM: SANDRA J. KRISTOFF *SK*

SUBJECT: President's Letter to President Lee

We are sending an unofficial delegation of the American people to President Lee's May 20 inauguration in Taipei. It would be appropriate for the delegation head, or alternately Jim Wood, to deliver a congratulations letter from the President.

Signed originals of Presidential messages to Taipei authorities have been conveyed in the past and the Taiwanese have respected our request that these communications be treated as private correspondence.

RECOMMENDATION

That you sign the memo to the President at Tab I.

Attachments

Tab I Memo to the President
Tab A Letter to President Lee

DECLASSIFIED
PER E.O. 13526
2015-0686-M (1.98)
KBH 6/12/2019

~~SECRET~~

Classified by: Sandra J. Kristoff
Reason: 1.5 (b) (d)
Declassify On: 1.6, X6

~~SECRET~~ CLINTON LIBRARY PHOTOCOPY