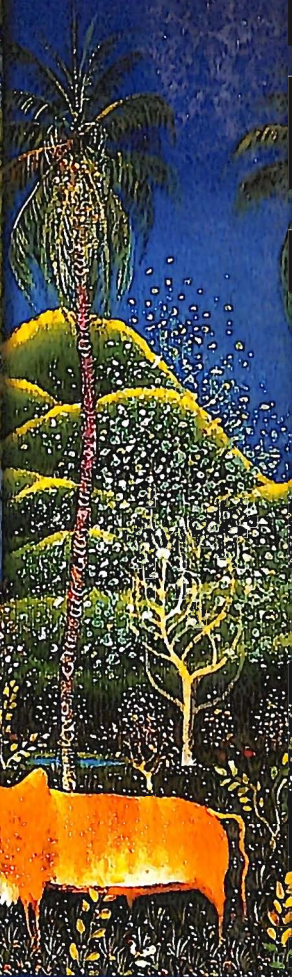


THE SIGNIFICANCE OF COSTA RICA IN TAIWAN'S DIPLOMACY AND THE COMPETITION FROM BEIJING



382
C796s

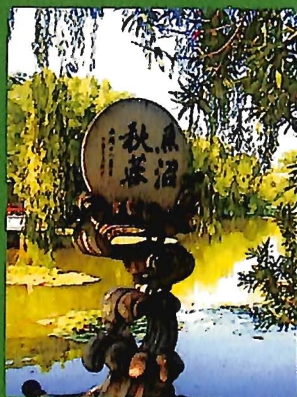
Thaís M. Córdoba



Paint: "THE LITTLE LAKE FARM"

Country: Costa Rica

Artist: Isidro Con Wong,
painter and sculptor



The photo was taken in the West Lake of Hangzhou in China in July, 2004.

The chinese words means: "Beautiful fishes in a lovely pond during the autumn season".

382

C786s Córdoba, Thaís M.

The Significance of Costa Rica in Taiwan's diplomacy
and the competition from Beijing / Thaís M. Córdoba. -1 ed.-
San José, C. R. : T. M. Córdoba. R., 2004.

215 p. ; 14 x 22 cm.

ISBN: 9977-12-775-1

1. Relaciones Comerciales - Costa Rica - Taiwán.
2. Política Internacional. 3. China. I. Título.

Copyright © 2005.

All rights reserved. No part of this book may be used
or reproduced in any form or by an electronic or
mechanical means, without permission of the author.

San José,

Printed in Costa Rica

Printed by GENESIS de la Lima

BTCA RELACIONES INTERNACIONALES

Cover Paint: Isidro Con Wong, painter and sculptor

Art & Design: Eddy Rojas M.

ISBN 9977-12-775-1



SIBUNA



CS008814

THE SIGNIFICANCE OF COSTA RICA IN TAIWAN'S DIPLOMACY AND THE COMPETITION FROM BEIJING



President Chen - Shui-Bian
Republic of China in Taiwan

Thaís M. Córdoba
Full Professor, UNA
School of International Relations

San José, Costa Rica

DEDICATION

***To my family, my friends and
students with love***

PREFACE

When I was the President of the Costa Rican Association of University Women, (1996-2000), I accepted an invitation of the Japanese Association of University Women, to give a speech at their Tokyo headquarters about "The Role of Women in the Higher Education". I did not expect to become so much involved in the culture, traditions, religion and cuisine of the oriental people before I visited East Asia.

As a full professor of the School of International Relations at the Universidad Nacional, Heredia, Costa Rica, and aware of the lack of knowledge of the important subject of Asia-Pacific Studies, I explained to my colleagues and the institution authorities the necessity of introducing these studies in our school. For this purpose, I visited in 2000, the main institutes of Asia-Pacific Studies in Korea, Taiwan, Hong Kong, Thailand and Singapore in order to interview and gather expert opinions of proficient specialists who inspired me with courage to establish a Centre for Asia-Pacific Studies for the Central American countries and a Master degree programme. Dr. Joseph Yu-shek Cheng, Coordinator of the China Research Project at the City University of Hong Kong, visited Costa Rica in order to validate my proposal and assist with the definition of the curriculum for the Master Degree Programme.



City University of Hong Kong, Hong Kong, PRC

During my sabbatical leave in the year 2002, I found it could be of great interest to research about the significance of Costa Rica in Taiwan's diplomacy, as it is one of the oldest diplomatic relations signed sixty years ago between China and Costa Rica. Building on the considerable progress that has already been achieved after the diplomatic relationship was signed, my best dream to write a serious publication which could serve as an important research source for the future students of Asia-Pacific Studies at the School of International Relations at the Universidad Nacional in Costa Rica, became a reality.

It is true that everybody agrees that there is only one China, but whether that nation is called the Republic of China (R.O.C.) or the People's Republic of China (P.R.C.) is a matter of an endless debate and ideological controversy. Neither China officially acknowledges the other, yet they have begun to expand economic ties. In the long term, I understand that what would stabilize the cross-Strait relationship and make it sustainable is democratization in China as the R.O.C. wants. Taiwan is still a young democracy, and like all new democracies its process is still somewhat fragile and in need of consolidation. Its democracy has not been enough to gain recognition and even basic respect from international community. Taiwan's future most certainly will be

influenced by U.S. foreign policy in general and the "Taiwan Relations Act". It is, therefore, worthwhile to consider possible future consequences of U.S. policy and Washington-Beijing-Taipei relations.

The historical record of U.S. relations with China suggests love and hate between the two. There were periods of close friendship alternating with times of intense hostility. America found China a permanent actor in world politics and culturally, politically, and in many other ways interesting and challenging, but also difficult and disappointing on many thorny issues: human rights, technology transfers and trade. President Carter changed U.S. policy; from a two-China to a one-China policy. Considering the importance of this new friendship with Beijing, the U.S. could not openly promote a two-China policy. The P.R.C. claimed Taiwan as its territory. Its leaders could not forsake that claim. Yet the U.S. could maintain relations with Taiwan and refuse to abandon or betray Taiwan for either strategic or moral reasons. Nixon did this; so did Ford. Mao accepted it, as did Deng. Beijing's admission to the United Nations and Nixon's visit were the natural consequences of a new world of international politics that drastically altered the relationship between Washington and Beijing.

Congress wrote the "Taiwan Relations Act", to re-establish America's pre-normalization policy and correct what it considered were President's Carter's mistakes. The T.R.A. provided for Taiwan's security; it afforded the conditions whereby Taiwan could continue to democratize; it supported the human rights of the Taiwanese people; it gave Taiwan the right of decide its future. Although the T.R.A. has not become a model for U.S. relations with other countries, it has served as a model for other countries dealing with Taipei while recognizing Beijing. Of course, the P.R.C. is not pleased with this situation. It balances the situation with an intensive "diplomatic blockade" in international state organizations. The position of the United States having ties to each side of the Taiwan Strait has called the attention of study as a key third party.

For the readers' convenience, the writing has been divided into three parts and fourteen chapters, according to the chronological order, to give a sense of how the situation of Taiwan's diplomatic policy has developed in spite of Beijing's attitude and competition, the established trade of Costa Rica-Taiwan-China and the importance of being a trade-partner for both prosperous economies.

In the course of researching and writing this volume, I have once again been reminded of the multiple debts I owe to friends, professional acquaintances, and family members.

To complete research in a foreign land was not easy. Only with the help of a few people this dream came true. I must express my gratitude to the City University of Hong Kong, to its **President Dr. H.K. Chang**.



The present work owes much to the many comments, suggestions and criticisms that emerged from the attentive reading of earlier version by **Dr. Joseph Yu-shek Cheng**, Coordinator, China Research Project, who provided me office facilities and assistance during the time of my research in Hong Kong.



I am also grateful to **Prof. Margarret A. Fidow**, Assistant Professor of the Department of Accountancy at the City University of Hong Kong, for her unflagging guidance and expert advice, as well as for proof-reading the chapters of Part II and Part III. Without her assistance and hospitality, it would have been impossible to accomplish this project so far away from my hometown.



My deep gratitude also goes to **Dr. Arthur K. C. Cheung**, lecturer on Contemporary China at the City University of Hong Kong, who was an inexhaustible source of encouragement and motivation and helped me select the bibliography and official documents.

I am greatly thankful to Professor Avril Taylor, Director of the Long-Term Programs of the English Language Centre at the University of Victoria, in Victoria, B.C., Canada. She helped me polish the final draft of the first three chapters of Part I.



The author is indebted to **Mr. Chen Xian**, person in charge of the office of the "Problems of Taiwan", P.R.C. State Council, for offering me an interview concerning Beijing's position towards Taiwan's status quo.



And to **Mr. Wang Hua**, Member of the Chinese Association for International Comprehension, for his interesting information about the Chinese Communist Party's diplomacy, and to Mrs. Chen Zhaoxia, a member of the International Department of the Central Committee of the Chinese Communist Party, for all her kindness during my stay in Beijing and for being a good Spanish translator to Mr. Chen during my interview.



Special thankfulness goes to my brother, **Architect Reinaldo A. Córdoba**, for his unconditional assistance at any time, and for his support and sharing in all my academic endeavors. I am also grateful to him for urging me to accept this daunting project.



I also need to mention my computer assistants Kevin Cheung, at the China Research Project of the City University of Hong Kong and **Ronald Navarro**, draftsman at my brother's architectural office and my nephew **Andrés Córdoba**, student of Computer Engineering, at the Technological Institute of Costa Rica.

I owe a special mention and sincere gratitude to my colleagues of the Associations of University Women of Japan (Tokyo, Kyoto and Kamakura), Seoul, Hong Kong, Bangkok and Singapore. God bless all of them for their warm assistance, special invitations and kindness, during my stay in each of their interesting and beautiful countries.

Prof. Kazuyo Yamamoto, President, *Japanese Association of University Women*, Prof. Kazuko Hirano, International Coordinator of International



Relations, JAUW, Tokyo, Japan, Prof. Thaís Córdoba, President, *Costa Rican Association of University Women*. Tokyo, Japan.



Board of Directors of JAUW, *Kyoto Branch*
Prof. Keiko Masuda, President.



Prof. Hiroko Hirato and
Prof. Chie Saito, Members
of the Board of Directors of
JAUW at **Kamakura
Branch**, Japan.



Board of Directors of JAUW,
Kyoto Branch
Prof. Keiko Masuda, President.



Board of Directors of the **Korean Association of University Women**. Prof. Sun Young Kim, President.
Seoul, Korea.



Dr. Seung-Kook Kim, President, Dankook University, Seoul, Korea, October 19, 2000.
Vice President, Dankook University.
Prof. Sun Young Kim, President, KAUW.



Members of the Board of the **Hong Kong Association of University Women**. President, Dr. Nancy W.Y. Leung,
Dr. Wei Peh T'i, Vice President, Prof. Margaret A. Fidow,
Treasurer.



President Dr. Elena Lui Hah Wah and Dr. Ng Seok Hui, Secretary of the Board of Directors of the Singapore Association of University Women.



Members of the Board of the Association of University Women. (Singapore) **Dr. Lui Hah Wah, President, UWAS**

Hopefully, the result of this publication will be a broader understanding of Costa Rica's foreign policy to the Republic of China in Taiwan and the People's Republic of China as a member of the World Trade Organization. The readers will have opportunity to analyze Taiwan's domestic politics in the midst of far-reaching political change by democratizing its political system and its economical success. No doubt, Taiwan must struggle to keep its democracy and avoid to devolve into political instability,

as frequent protest demonstrations, fights in the legislature session, and so on. If political instability does occur, the government is likely to be able to handle it. They must struggle to maintain its status quo.

My research also analyzes the successful development of Taiwan as a capitalist, free market country engaged extensively in international trade. Taipei could not frighten the U.S. or the international community into reversing course on relations with Beijing. If Taiwan were to win friends around the world to support its cause for sovereignty, it had to behave with prudence. A declaration of independence is not a wise move. It could accomplish little, if anything; it would surely not win diplomatic support from other countries. The unification of China is an issue to be resolved in the future, and both assume that if it is to be accomplished, it must be done peacefully, and democratically, with the concurrence of Taiwan's population. The last decision for the R.O.C.'s independence should be given by the Mainland without any threats of missiles or nuclear attacks. It should be as peaceful as Singapore got its status of nation-state.

The research explains the reasons for the migration of Chinese people to the Americas, and why they were brought to work in Costa Rica. The movements of emigration and the reasons why the Chinese coolies left their motherland to come to many countries in Asia, Europe, United States, Central and South America.

Thaís M. Córdoba
Author

CONTENTS

PREFACE	i-xi
INTRODUCTION	1-6

PART I

THE SIGNIFICANCE OF COSTA RICA IN TAIWANESE DIPLOMACY

CHAPTER 1	Origin of a political dilemma between China and Taiwan.	7-14
CHAPTER 2	An overview of Taiwan's Diplomatic Relations and Policies	15-58
CHAPTER 3	The importance of Central America in Taiwanese Diplomacy	59-70
CHAPTER 4	The importance of Costa Rica in Taiwan's Diplomatic Relations	71-82

PART II
COSTA RICA TRADING WITH CHINA AND
TAIWAN

CHAPTER 5	Background of the economic situation of the Central American countries	83-90
CHAPTER 6	Present Trade Patterns of Costa Rica-Taiwan	91-104
CHAPTER 7	Background of Costa Rica's Trade in Asia	105-116
CHAPTER 8	Reasons why Costa Rica could be a trade partner for Taiwan and China	117-134

PART III
THE CHINESE COMMUNITIES
IN COSTA RICA

CHAPTER 9	Reasons for the Migration of Chinese people to the Americas	135-146
CHAPTER 10	Movements of Emigration	147-150
CHAPTER 11	Causes of Emigration of Taiwanese people	151-154
CHAPTER 12	Trade of Chinese Coolies	155-160

CHAPTER 13	Established Chinese Laborers Trade in Latin American countries including Costa Rica	161-172
CHAPTER 14	Conclusion	173-178

MAPS

Map of the Republic of China in Taiwan	179
Map of the Republic of Costa Rica	180
Map of the People's Republic of China	180

APPENDIXES

Appendix 1	Joint Communiqué on the Establishment of Diplomatic Relations between the U.S.A. and the P.R.C. January 1, 1979	181-184
Appendix 2	The "Six Assurances" to Taiwan	185
Appendix 3	Foreign Embassies and Representatives of the R.O.C.	186-190
Appendix 4	Countries having diplomatic relations with the R.O.C.	190-192

Appendix 5	Jiang Zemin's Eight Points	193-196
Appendix 6	Labor Emigration Law of China (Promulgated april 21, 1918.)	196-198
Appendix 7	An Act to Prohibit the "Coolie Trade" by American Citizens in American Vessels, 1862.	198-201

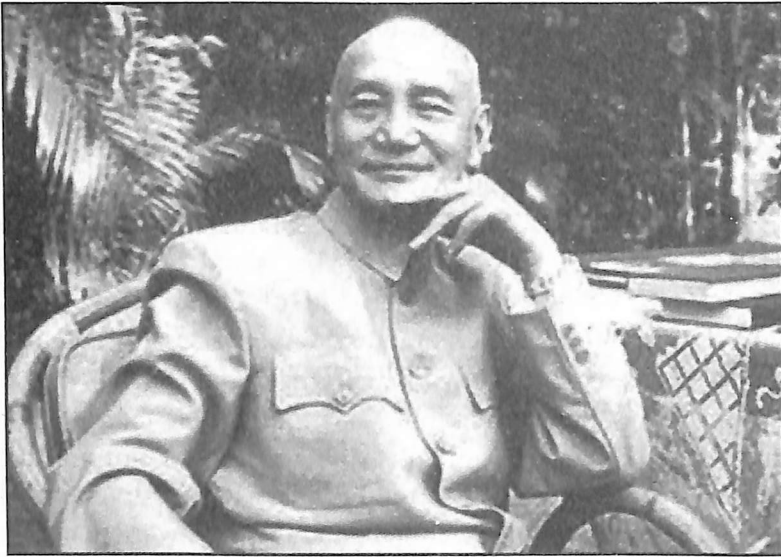
BIBLIOGRAPHY	203
---------------------	-----

INTRODUCTION

The Chinese civil war in the late 1950s between two contending political parties, i.e. the Chinese Communist Party (C.C.P.) and the Nationalist Party or Kuomintang (K.M.T.), did not end up with a single political winner and a unified nation but instead resulted in a long-lasting confrontation between two political establishments that would compete for diplomatic recognition in the international arena. The K.M.T. moved with them the Republic of China (R.O.C.), established in 1912 after the 1911 revolution, in a retreat to the island of Taiwan. The C.C.P. founded a new People's Republic of China (P.R.C.) in the mainland in 1949 along communist line. Because the United States was allied to the government of China, led by Chiang Kai-shek, it had closer relations with the K.M.T. than with the Communists. In the Communists' view, were it not for U.S. assistance to Chiang Kai-shek and his successors, Taiwan would have been unified with the mainland and the civil war ended long ago. The R.O.C. was able to keep most of its previous international recognition including a seat in the United Nations (U.N.) until 1971 when the P.R.C. gradually won over the R.O.C.'s diplomatic partners as well as its seat in the U.N.

The first part of this book explains the significance of Central America in Taiwan's diplomatic relations. The country of Costa Rica has been looking for open perspectives in the affairs with the international community. We cherish our democracy and human rights, and we further consolidate our democracy, of befriending and strengthening relations with other like-minded countries

– democracies that are intrinsically peace-loving, vigilant about human rights, and mutually respectful of each other. According to the evolution and changes of the international situation, we have trusted firmly to the current principles and policy instruments to secure diplomatic relations with countries which we can share a diverse amount of strategies to maintain bilateral and multilateral interchange. For political reasons and based upon mutual decisions, Costa Rica and the other Central American countries prefer to maintain diplomatic relations with the R.O.C. in Taiwan instead of the P.R.C. in the mainland, though with the belief that Taiwan is a part of China.



China's Christian Warrior Chiang Kai-shek

Costa Rica signed a "Friendship Treaty" with China on the fifth of May in 1944, when the P.R.C. was not yet proclaimed. China was still under Japanese invasion, and the R.O.C. was representing China. This treaty was signed by Dr. Tu Yuen-tan, representative of the Republic of China and Mr. Fernando Soto-Harrison on behalf of the government of Costa Rica. The "Soto Harrison-Yuen Tan" treaty opened diplomatic relations between the two countries.

By talking to Mr. Fernando Soto-Harrison he gave me an important background about the reason why Costa Rica wanted to sign a "Friendship Treaty" with China sixty years ago. President Dr. Rafael Angel Calderón-Guardia, and Mr. Alberto Echandi, Minister of Foreign Affairs, wanted to follow the great path of former President Tomás Guardia, who decided to abolish the death penalty in Costa Rica on April 26th, 1882, considering it was an inhumane violation of Human Rights. He tried to have a civilizing and improving effect on nations and people who were agree to protect the basic and most fundamental rights which mankind should have. Therefore, President Calderón-Guardia wanted to do something great for the country by abolishing an iniquity of our legislation: a law which banned the entry of Chinese people in Costa Rica.

The Minister of Foreign Affairs, Mr. Echandi got ill, hence, he called the Minister of Government, Mr. Soto-Harrison, to take over extra-officially the Ministry of Foreign Affairs. This is the reason why Mr. Fernando Soto-Harrison signed the "Friendship Treaty" together with Dr. Yuen-tan Tu instead of Mr. Alberto Echandi, Minister of Foreign Affairs. He was designated as the primary official among those assigned responsibility for the initiation an establishment of ongoing diplomatic relations with China, which eliminated obstacles for Chinese entry into the country.



**Dr. Tu Yuen-Tan (left)
and Mr. Fernando Soto
Harrison (right) signing
the "Friendship Treaty"
between China and
Costa Rica, the fifth of
May, 1944.**

There are strong reasons why Costa Rica shares several important issues with the R.O.C. to maintain diplomatic relations with them. Being Costa Rica one of the oldest democracies in Latin America, the Costa Rican government and people have held an admiration toward Taiwan for undergoing a peaceful transformation to democratic political development, despite the many pitfalls after 1949 and the constant threats of the motherland to get back its lost sheep.

On the other hand, Taiwan argues that their contribution with the P.R.C. constitutes a state-to-state relation because the P.R.C. has never ruled the island since its founding in 1949. But direct governance is not a necessary condition in defining sovereignty of a certain territory. The R.O.C. had not ruled Taiwan until the island's sovereignty was returned to China through international treaties and declarations after World War II. Taiwan and the Penghu Archipelago had again been incorporated formally into the territory of China and the territory, people, and administration had now been placed under the sovereignty of China. From that point in time forward, Taiwan and Penghu had been put back under the jurisdiction of Chinese sovereignty. Then in 1945-46, the United States assisted the R.O.C. to establish its authority over Taiwan's populace.

The international cooperation established between Taiwan and Costa Rica has helped the R.O.C. to achieve a major status in the international arena. Taiwan's successful experience in economic development and democratization has gained widespread recognition as a model to being taken by many developing countries and without any doubt, democratization has been used to improve governance. The Central American countries find that a very small island in the far Asia-Pacific coast has proved that democracy also promotes development. Taiwan holds a strong position due to its economic strength and its position as the gateway to the larger Asian markets.

The people of the Central American countries and international community have been impressed by the R.O.C.'s high level of economic growth in the last five decades. From the import

substitution phase in the 1950s and early 1960s, Taiwan has moved onto an export-oriented phase in the 1970s and then a science and technology-oriented phase beginning in the early 1980s, allowing her to reach a mature economy status.

During the East Asian financial crisis toward the end of the last century, Taiwan did not show profound fluctuations in its economic performance as its neighbors did.

Throughout the years, Taiwan has reinforced cooperative relations with its eight allies in Central America and the Caribbean. The eight allies have also reaffirmed their willingness to start negotiations over similar trade pacts with the R.O.C. at an opportune time. Through maintaining international cooperation with the Central American countries and hence, their support, the R.O.C. has been able to resume its status, not as the only legitimate representative of China as it was from 1912 to 1949, but at least to take part as an observer at the U.N. and be part of its specialized bodies. The efforts of the Central American and the Caribbean allies to help Taiwan join the U.N. do not conflict at all with the "one China" principle. There will be more opportunities for contact between the two sides of the Taiwan Strait and more mutual interactions may help to finally resolve their conflict on international representation and recognition.

The second part of the research focuses on the trading of Costa Rica with Taiwan and China. Costa Rica exported U.S.\$449 millions to Taiwan and U.S.\$1,260 millions to China in February 2003, according to the Foreign Trade Office of Costa Rica.

China's accession to the World Trade Organization (W.T.O.) in December 2002, after a 15 years quest, provides the world with unprecedented access to China's markets, it should also bind China's economic reforms with the norms of international business. This opening includes the Central American and the Caribbean countries, which are members of the W.T.O. World countries do not need diplomatic relations to develop trading with the P.R.C. Optimistic people say it can eventually make China's secretive, undemocratic, and corrupt government more open and

accountable. Pessimistic ones fear it will exacerbate unemployment and financial instability and hasten the collapse of the Communist Party.

The third part discusses the reasons for the migration of Chinese people to the Americas and the movements of emigration. The causes of these migrations are varied and intricate. The pressure of population weighs heavily on the side of emigration. The population has been outstripping the food supply and forcing a vast number of people out of the country. Although it is often difficult to determine exactly when and where population pressure increases, there is a reason to believe that in the case of China, the optimum condition – the point at which "a population produces maximum economic welfare", at the technological level of the time, was reached between 1750 and 1775.

Up to the third quarter of the 18th century, contemporaries had viewed the continual rapid increase of population as an almost unqualified blessing. The generation of Chinese who reached maturity during the last quarter of the century, however, began to be alarmed by the noticeable lowering of their standard of living that had become "customary" since the earlier decades of the 18th century.

As the civilization of China is one of the most ancient in the world, I invite more researchers to explore the many aspects which China offers in its diverse culture. An important question is whether China will complete its transformation to a modern urban industrial state, and how long it will take to do so.

Thaís M. Córdoba
Author

PART I

THE SIGNIFICANCE OF COSTA RICA IN TAIWANESE DIPLOMACY

Chapter 1

Origin of a political dilemma between China and Taiwan

To make China into a modern country, to build what needed building, to introduce a minimum of social justice—these goals are easy enough to list, but no government of China, past or present, has successfully met their tremendous challenge. The historian who would render a verdict on the Nationalist Party or Kuomintang (K.M.T.) era must make allowances not only for the immense complexity of the tasks the party faced but for extenuating circumstances of all sorts.

Dr. Sun Yat-sen redesigned the Nationalist Party in 1919 after the failure of the Second Revolution and the Chinese Revolutionary Party founded in Japan. The Kuomintang was created in 1912 but Sun needed to revive it in 1914. He also established the Hsing Chung Hui, a Society to Resurrect China in 1894 y el Tung Men Hui in 1905. It was in 1912 that the headquarters of the Tung Men Hui was moved to Nanjing where it joined to other groups to constitute the Kuomintang.

All we shall do is consider some of China's major social, economic, and political problems in the 1930s, beginning with the fundamental social problem and the condition of the peasantry. In this area, the Kuomintang's failure was total. Most of the government's measures were concerned with the rural economy as such, not with the deeper problem of social relations. Almost nothing was done to satisfy the peasants' most basic needs: no steps were taken to protect them against violence on the part of the military, to eliminate usury by reforming and expanding the system of agricultural credit, or to reduce the misery caused by land tax and land rent.¹

Before Sun Yat-sen's goal of "land to the cultivator" could be reached, there was to be a transitional stage in which land rent rates would be set by the government. At the Reorganization Conference of 1924, the Kuomintang came out in favor of a 25% reduction in land rent; and in 1930, after coming to power, it fixed the maximum rent at three-eighths of the main harvest. The government never seriously contemplated forcing recalcitrant landlords to obey the law. The League of Nations experts called in by the Chinese government were urgently recommending just such a statutory redistribution of the land. People came up against the obstinacy of Chiang Kai-shek, whose personal predilections in this matter seem to have been decisive. For one brief period Chiang seemed worried in 1933, when he was embarking on his most important Extermination Campaign. He declared at that time that his task was only three-tenths military and seven-tenths political, which would seem to mean that once the roots of peasant discontent were destroyed, the battle against the Communist would be two-thirds won.²

Chiang Kai-shek's anachronistic pretensions, attempted to revive Confucian ethics and ideology. Beginning in 1935 the Chinese Communist Party (C.C.P.), founded in 1921, when the Comintern (an international of Socialist organizations established

¹ Bianco, Lucien, "**Origins of the Chinese Revolution, 1915 – 1949**", Stanford University Press, Stanford, California 1989, pp. 109 – 110.

² Bianco, Lucien, op cit; p. 111.

in 1929) ordered the national Communist parties to adopt the tactic of a united front with socialists and anti-fascist democrats transformed itself into a patriotic organization to fight Japanese imperialism which was tightening its grip. The party was first and foremost the instrument of social revolution. It was in no way a working class party, but rather, like most newly founded Communist parties, a party of revolutionary intellectuals of uncertain convictions and extremely diverse views; this was the orthodox stage of C.C.P. history. Then it retreated to the depths of the countryside; this was the peasant stage.³

With the demise of the Manchu dynasty in 1911, the Chinese had cause to believe that China was on her way to becoming a strong, modern nation-state. The alien rule had been corrupt, effete, and, as the Chinese revolutionaries charged, the cause of China's repeated humiliations and defeats at foreign hands. The new republic was a Chinese regime, in the making of which certain modern Western ideas had been catalysts at one stage or another. Chiang returned to China and joined the Kuomintang. He brought the Kuomintang many disappointments, particularly from the Westerners, who continued to refuse financial aid. He was sustained by the Soviet aid Sun had arranged, built the party's first viable army and crushed the warlords. By the time the Kuomintang marched into Beijing in 1928, the communists had been purged from its ranks.

There were other setbacks. Sun Yat-sen established a revolutionary base in Canton and was soon involved despite himself in the local complications of warlord politics. A period of awkward collaboration with a local general (Ch'en Chiung-ming) ended when the general drove Sun out of Canton on Sun Yat-sen's initiative, and made overtures to the new Russian revolutionary regime. Chiang Kai-shek was sent on a mission to Moscow in 1923 and adopted the Bolshevik's organization and techniques.

³ Ibid. pp. 52 – 54.

Chiang-Kai-shek's most significant move was to link up with the powerful Soong family. In 1927 he married Sun Yat-sen's sister-in-law, the beautiful U.S.-educated Soong Mei-ling, daughter of a prominent Shanghai publishing tycoon, and adopted her Christian faith. "To my mind the reason we should believe in Jesus is that He was the leader of a national revolution", he later said. Soong's talent was public relations. She became widely known in the West as a spoke-woman for Chinese efforts to resist Japanese forces, which began invading China in the 1930's.

"The only thing Oriental about me is my face", she told rapt Western audiences while conducting U.S. tours to raise support for the nationalists. Such efforts and a belief that the Kuomintang was a bulwark against Japan's imperial ambitions ensured Chiang a place among the Big Four powers during World War II. The monk-like general, dressed in unadorned fatigues, was found in the spotlight alongside Joseph Stalin, Franklin Roosevelt and Winston Churchill.

Before Sun's death in 1925 the old leader, as faithful to his revolutionary ideal as he was changeable in his ways of serving it, effected one last transformation of the instrument he had created. In 1924, he had the Kuomintang's Reorganization Conference adopt the so called Three New Policies: alliance with the Soviet Union, support for workers' and peasants' movements, and collaboration with the Chinese Communist Party, then barely three years old. Chiang betrayed Sun's aims in the very course of achieving them. Stabilization implied unification of the country, and political unification was in fact the leading concern of the regime throughout the two decades of its existence (1928-49). The Kuomintang's primary objectives can be described as first to achieve unification (1928-37), then to defend it (1937-49).⁴

⁴ Bianco, Lucien, *op. cit.*; pp. 23 -25.

Beginning in 1937 the Chinese people threw themselves into an all-out war of resistance against Japanese aggression. In its declaration of war against Japan, the Chinese Government proclaimed that all treaties, conventions, agreements and contracts regarding relations between China and Japan, including the Treaty of Shimonoseki (1895), had been abrogated. The declaration stressed that China would recover Taiwan, the Pescadores Island, (P'eng-hu ch'un-tao) and the four northeastern provinces. After eight years of grueling war against Japanese aggression the Chinese people were finally victorious and recovered the territory of Taiwan in 1945.

The stature of the Generalissimo, Chiang-Kai-shek, whose stubborn perseverance came to symbolize the indomitable resistance of the Chinese people, in these first days of the war, a nation was forged and shaped; and the "dwarfs," as the Chinese derisively called the Japanese, were largely responsible.⁵ Chiang had dreams of national glory informed by the harsh realities of his youth. Born in 1887 in the eastern province of Zhejiang, he began working at the age of 9 after his father died. Like Sun Yat-sen, Chiang left an incomplete legacy. Personally ascetic, he allowed corruption to flourish. A darling of Western democrats, he imposed martial law on Taiwan-though after his 1975 death his son and successor Chiang Ching-kuo eventually lifted it.

Like Sun, he tried and failed to unify a divided nation. But unlike his predecessor, Chiang Kai Shek left behind a prosperous economy that grew into a genuine democracy. Reassured of ultimate victory by the attack on Pearl Harbor in December 1941, the K.M.T. allowed its resistance to Japan to leave the Americans a task that was as easy for them as it would have been exhausting for China.

Taiwan returned "de jure and de facto" to China after the end of the Second World War. It became an issue only as an aftermath of the ensuing anti-popular civil war started by Kuomintang, and more especially because of intervention by foreign forces.⁶

⁵ Ibid, p. 25.

⁶ Copper, John F.; **"Words across the Taiwan Strait"**, University Press of America, Lanham, N.Y., London, 1995, p. 78.

In the course of the war, the Communists had in fact grown sufficiently in strength and number and weaponry did not prove decisive in a war that called into play less classic sources of strength. The Red Army paraded triumphantly through the streets of Peking in January 1949. Six months later the People's Republic of China was proclaimed. The Nationalist regime had been founded by military conquest, and by military conquest it was overthrown. In retrospect, it seems to have been little more than a brief transition between the old Confucian order and the new order of Communist China.⁷

The Chinese people's war of resistance against Japanese aggression, being part of the world-wide struggle against Fascism, received extensive support from people all over the world.⁸ Prior to 1942, neither the K.M.T. nor the Chinese Communist Party expressed interest in regaining control of Taiwan for China. The Chinese Communist Party passed at least 20 resolutions between 1928 and 1943 urging the people of Taiwan to seek independence. In 1936, C.C.P. Chairman Mao Tse-tung manifested his enthusiastic support to the Taiwanese, in their struggle for independence. It was only in late 1942 that Chiang Kai-shek expressed an interest in Taiwan, which he apparently saw as a useful base from which to continue the struggle with the C.C.P. after the war.⁹



⁷ Bianco, Lucien, op. cit, p. 26.

⁸ Copper, John F.; op. cit. p. 77.

⁹ Cohen, Mark J., "Taiwan at the Crossroads, Human Rights, Political Development and Social Change on the Beautiful Island"; Asia Resource Center, Washington, D.C., 1988. p. 8.

Ironically, earlier that same year, Taiwanese living in China were denied the right to attend the Third People's Political Council Convocation, because Taiwan "was not considered a Chinese province by the Chinese". However, since the Cairo Declaration, both the K.M.T. and the C.C.P. have insisted that "Taiwan is part of China" vociferously repudiating their earlier support for Taiwan's independence.¹⁰ At the Allied Powers summit in Cairo in late 1943, Roosevelt and Churchill feared that Chiang would enter into a separate peace with Japan, depriving the allies of bases in China to cover the planned invasion of Japan. The Chinese leader demanded increased military aid as the price for staying in the war; the Americans and British balked, in view of the K.M.T.'s corruption and incompetence on the battlefield. They offered Chiang Kai-shek a different inducement to keep fighting: the "territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores..." The Declaration issued at Teheran, Yalta, and Potsdam all repeated this promise to return Taiwan to China at the war's end.¹¹

When Japan surrendered in August 1945, the question of what to do with Taiwan became a pressing legal and political issue. Since the allies were compelling Japan to give up Taiwan, until the peace treaty transferred sovereignty over the island, it remained a joint allied responsibility, much like other Pacific Islands. Americans were in no mood to keep up a large overseas military presence in 1945, and the State Department wanted a strong, unified China as a postwar ally. The Allied Commander in the Far East, General Douglas MacArthur, turned his attention to the occupation of Japan, and assigned K.M.T. troops responsibility for occupying Taiwan. In Nationalist propaganda, this constituted "retrocession".¹²

The Potsdam Proclamation signed by China, the United States and Great Britain on 26 July 1945 (subsequently adhered to by the Soviet Union) reiterated that "the terms of the Cairo

¹⁰ Ibid, p. 9.

¹¹ Ibid. p. 8.

¹² Copper, John F., op. cit. p. 77.

Declaration shall be carried out". Japan surrendered on 15 August 1945. The instrument of Japan's surrender stipulated that "Japan hereby accepts the provisions in the declaration issued by the heads of the Governments of the United States, China and Great Britain on July 26, 1945 at Potsdam, and adhered to by the Union of Soviet Socialist Republics".¹³

The ceremony officer responsible for accepting Japan's surrender in Taiwan Province of the China war theater of the Allied powers was held in Taipei on 25 October. On the occasion, the chief officer responsible for accepting the surrender proclaimed on behalf of the Chinese government. From that day forward Taiwan and the Penghu Archipelago would again be incorporated formally into the territory of China and the territory, people, and administration had now been placed under the sovereignty of China. From that point forward, Taiwan and Penghu were put back under the jurisdiction of Chinese sovereignty.¹⁴ In the 1970s, the United States and most developed countries recognized the P.R.C. and broke official ties with Taipei. Under international pressure Taiwan lost the China seat in the U.N. and most official international bodies. Today 164 sovereign states have diplomatic relations with the P.R.C.

¹³ Ibid, p. 78.

¹⁴ Ibid.

Chapter 2

An Overview of Taiwan's Diplomatic Relations and Policies

Of the many institutions created by modern civilization, perhaps none carries a higher significance and moral justice to a greater number of people than the Organization of the United Nations (U.N.). The U.N. stands out as the forum in which people from all nations great and small can voice their concerns and be heard on an equal basis.¹⁵ By 1970, the support among member countries in the U.N. for admitting the People's Republic of China (P.R.C.) had been growing for several years, and the issue increasingly was not whether, but when. A serious obstacle, however, was the fact that the Nationalist Party (K.M.T.) was a permanent member of the Security Council and a charter member of the U.N. and as such had veto power.

The question of the Chinese representation was outlined many years before 1971. The issue was first studied in the fifth period of the General Assembly but the Credential Committee decided to adjourn the discussion. From 1956 to 1959, India first and in 1960 the Soviet Union second, both insisted on including the subject on the agenda. It was included in 1961.

¹⁵ Joie, Bernard, T.K., "In Search of Justice: The Taiwan Story", The China Post for Taiwan, ROC., 1973, p. 3.

Being an important issue it required a majority of 2/3 of the votes of the General Assembly in accordance with Article 18 of the charter. The proposal stated that the People's Republic of China should not occupy China's seat. There was no vote in the General Assembly in 1964, but in all future sessions, the question of the Chinese representation was included on the agenda and rejected. The tide was turned in favor of the P.R.C. on October 25, 1971, when Albania and Algeria's proposal was accepted.

In accordance with the stipulations of the U.N. Charter and the Rules of Procedure of the U.N. General Assembly, the draft resolution became a formal resolution of the U.N. General Assembly immediately after its adoption. The member states voting for the draft as proposed by Albania and Algeria included Afghanistan, Albania, Austria, Belgium, Bhutan, Botswana, Bulgaria, Burma, Burundi, Byelorussia, Cameroon, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Ecuador, the Arabia Republic of Egypt, Equatorial Guinea, Ethiopia, Finland, France, Ghana, Guinea, Guyana, Hungary, Iceland, India, Iran, Iraq, Ireland, Israel, Italy, Kenya, Kuwait, Laos, Libya, Malaysia, Mali, Mauritania, Mexico, Mongolia, Morocco, Nepal, the Netherlands, Nigeria, Norway, Pakistan, the People's Democratic Republic of Yemen, the People's Republic of the Congo, Peru, Poland, Portugal, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Somalia, Sudan, Sweden, Syria, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, the Soviet Union, the United Kingdom, the United Republic of Tanzania, the Arab Republic of Yemen, Yugoslavia and Zambia. The U.N. General Assembly concluded its debate and voted on the question of "restoration of the lawful rights of the People's Republic of China in the U.N. on the evening of October 25. By an overwhelming majority of 76 votes to 35, with 17 abstentions, the General Assembly adopted the draft resolution of Albania,

Algeria and 20 other countries demanding the restoration of all the lawful rights of the People's Republic of China in the U.N. and the immediate expulsion of the representatives of the Chiang Kai-shek clique from all U.N. organs.¹⁶

VOTE ON THE ADMISSION OF PEKING DELEGATES TO THE U.N.

Year	In favor	Against	Abstentions	Year	In favor	Against	Abstentions
1950	16	33	10	1950	16	33	10
1951	11	37	4	1951	11	37	4
1952	7	42	11	1952	7	42	11
1953	10	44	10	1953	10	44	10
1954	11	43	11	1954	11	43	11
1955	12	42	6	1955	12	42	6
1956	24	47	8	1956	24	47	8
1957	27	48	6	1957	27	48	6
1958	28	44	9	1958	28	44	9
1959	29	44	9	1959	29	44	9
1960	34	42	22	1960	34	42	22

Source: Graphic on Modesto Seara Vázquez: "Tratado General de la Organización Internacional", Fondo de Cultura Económica, México, D.F., México, 1972, p. 296.

Resounding loud applause and cheers again burst forth in the assembly hall when the resolution of Albania, Algeria and 20 other countries was adopted and the U.S.-Japanese resolution defeated. Peking's News considered this as a great victory of the world's people and a complete bankruptcy of the U.S. imperialist plot to use the U.N. to push its power politics and stubbornly prevent the restoration to the People's Republic of China of its legitimate rights in the U.N. This meant a heavy blow to the U.S. long pursued on obstructing the restoration of the legitimate rights of the P.R.C. in the U.N. imperialist scheme to create "two

¹⁶ "A Victory for World's People, Crushing Defeat for US Imperialism"; **Peking Review**, No. 44, p. 6.

Chinas" in the U.N. and carve out China's sacred territory: Taiwan. Most of the U.N. countries agree that Chiang Kai-shek's representatives were illegally usurping the U.N. seats, therefore the new U.N. decision reflected the feelings of the people of the world and the current of the times. It bore out the fact that most of the countries, with the exception of a handful of U.S.-Japanese reactionaries, recognize that the Government of the People's Republic of China is the sole legitimate Government of China and that Taiwan is an inalienable part of China's territory.

In his annual Report to Congress on American Foreign Policy on April 17, President Nixon expressed the readiness that an "honorable relationship" could not be achieved at the expense of Asian countries allied with the U.S. among which was the government of the R.O.C. on Taiwan. With respect to the U.N. this meant, from the U.S. viewpoint, that a formula should be found for admitting the Peking government without displacing the Nationalist government on Taiwan.¹⁷ The situation underwent major changes: in July 1971, U.S. National Security Affairs Assistant Henry Kissinger paid a secret visit to China, after which he declared that U.S. President Richard Nixon would visit China. In October of the same year, Kissinger paid a second visit to China. Under such circumstances, the anti-China camp within the U.N. began to split and crumble.

On July 15, 1971, Albania and Algeria and fifteen other countries: (Cuba, Guinea, Iraq, Mali, Mauritania, The People's Democratic Republic of Yemen, The People's Republic of The Congo, Rumania, Somalia, Sudan, Syria, the United Republic of Tanzania, Yemen, Yugoslavia and Zambia); successfully tabled a draft resolution that would have provided for the inclusion in the United Nations of both: the P.R.C. and the R.O.C. The Acting Ministry of Foreign Affairs in Peking, unequivocally denounced the whole supporting for admission of the P.R.C. to the U.N.,

¹⁷ "Making First Appearance; Chinese Delegation to the UN", **Peking Review**, Vol. 14, No. 45, Beijing, China, November 5, 1971. p. 7.

would oppose any action to expel the R.O.C. on Taiwan or otherwise deprive it of representation in the U.N.¹⁸

On October 26, 1971 the U.N. Secretary General U Thant sent a cable to Chinese Acting Foreign Minister Chi Peng-fei, officially informing him of the resolution adopted by the U.N. General Assembly on restoring all China's rights in the U.N. and immediately ousting R.O.C.'s representative. Chi Peng-fei sent a message to U Thant on October 29th, telling him that China would soon send a delegation to attend the U.N. General Assembly session. Members of the Delegation were decided on by Chairman Mao Zedong himself. He designated as Head of the Delegations: Chiao Kuan-hua; Vice Minister of Foreign Affairs of the People's Republic of China. Before the departure of the Delegation, Chairman Mao repeatedly gave instructions to the Delegation. When the Chinese Delegation left Beijing for New York on November 9, 1971, more than 4,000 people, including Party and State leaders Zhou Enlai, Ye Jianying and all members of the Political Bureau of the P.R.C. Central Committee, the masses of the capital and officers and men of the Chinese People's Liberation Army as well as envoys of many countries saw them off at the airport. Foreign news agencies reported that the farewell ceremony was as grand as that for welcoming foreign heads of State, indicating top Chinese leaders' high expectations to the Chinese Delegation when they made their first appearance in the U.N. General Assembly. The first appearance of the Chinese Delegation in the U.N. was also regarded as a major event by the U.S. Reporters of various major media came to cover the event and waited at the New York Kennedy Airport for their arrival.¹⁹

¹⁸ "Irresistible Historical Trend", Peking Review, Vol. 14, No. 45, Beijing, China, November 5, 1971. p. 7.

¹⁹ "Making First Appearance; Chinese Delegation to the U.N.", Peking Review, Vol. 14, No. 45, Beijing, China, November 5, 1971. p. 7.

The Chinese Delegation was scheduled to attend the XXVI U.N. General Assembly arrived in New York on November 11. Members of the Delegation then began a series of courtesy-calling activities: calling on the Secretary General U Thant, and the president of the XXVI U.N. General Assembly session, the Indonesian Mr. Adam Malik, as well as resident representatives of some countries to the U.N. Qiao Guan-hua, handed in the credentials of the Chinese Delegation to U Thant on November 14th who was then receiving medical treatment at the hospital.

The Chinese Delegation attended the U.N. General Assembly session for the first time, the next day. The Deputy Head of the Delegation: Huang Hua; Representatives: Fu Hao, Hsiung Hsiang-hui, Chen Chu. Deputy representatives: Tang Ming-chao, An Chih-yuan, Wang Hai-jung (f.) Hsing Sung-yi, Chang Yung-Kuan. Furthermore, the Government of the P.R.C. appointed Huang Hua as the permanent representative (ambassadorial rank) and Chen Chu as the deputy representative (ambassadorial rank) U.N.²⁰

The presence of the Chinese Delegation at the session was a matter of great sensation. Representatives of many friendly countries came forward to express their congratulations and welcome. The President of the General Assembly first delivered his welcoming speech, then representatives of many countries mounted the platform one after another to take the floor, welcoming the Chinese Delegation. Altogether there were 57 representatives, including U.S. and Soviet delegates, also spoke at the General Assembly session.

The Head of the Delegation and Vice Minister of Foreign Affairs, Mr. Qiao Guanhua, delivered an important speech, which was also a grand unprecedented occasion.²¹

²⁰ "Heart-stirring Chinese Delegation warmly welcomed in U.N.", *Peking Review*, Vol. 14, No. 45, Beijing, China, November 7, 1971, p.7.

²¹ "Instances of the Chinese Delegation accorded with warm welcome in the U.N. were too many to enumerate", *Peking Review*, Vol. 14, No. 45, Beijing, China, November 7, p. 7.

Many friendly countries have made unremitting efforts for years to restore to China her legitimate rights in the U.N. At the U.N. General Assembly Session, the 23 co-sponsors: (Albania, Algeria, Burma, Ceylon, Cuba, Equatorial Guinea, Guinea, Iraq, Mali, Mauritania, Nepal, Pakistan, the People's Democratic Republic of Yemen, the People's Republic of the Congo, Romania, Sierra Leone, Somalia, the Sudan, Syria, the United Republic of Tanzania, the Arab Republic of Yemen, Yugoslavia and Zambia) – and many other countries spoke out of a sense of justice and upheld principles, in support of the P.R.C. The Chinese delegation extended their heartfelt thanks to all the governments and people who upheld justice in this struggle.

The Acting Chinese Minister of Foreign Affairs, Chi Peng-fei, argued to the Council that the Nationalist Chinese delegation at the Security Council should be expelled, and he presented the Soviet Union's proposal, which the Council refused to adopt and the delegation of the Soviet Union was abandoned on 13 of January 1971.

It was the first of August, 1971, when the Soviet Union returned to the Security Council, having the presidency of the Council at that time. Once more, the Soviet Union insisted that the representative of the Nationalist Party (K.M.T.) was not representing the P.R.C. and should not to be admitted to the Council sessions. The Council refused to make a decision and two days later the Council revoked the Soviet Union's proposal to add it on the agenda under the title: *"Acknowledgement of the popular central government, representing the P.R.C., as China's representative"*.²² The United States and Japan were among those countries which voted against the draft of Albania, Algeria and the other countries.

In 1971, then –U.S.-Ambassador to the U.N. George Bush declared: "As we understand universality, it means the creation of circumstances whereby all peoples –all of them – can eventually be represented in this world organization. One nation coming in

²² "Text of Resolution of Albania, Algeria and 20 other countries and U.N.; General Assembly Voting Results", *Peking Review*, Vol. 14, No. 44, Beijing, China, October 29, 1971. p. 9.

and one going out would not make this organization more universal." The P.R.C. was admitted into the United Nations in 1971 under the principles of universality and realism. Today, the same principles hold all the more true and should be applied to the case of the R.O.C. The only difference between the P.R.C. and the R.O.C. is one of geographic size and population number. The Preamble of the U.N. Charter affirms "faith in the equal rights of nations large and small".²³ The particular reason is the lack of statehood of the Republic of China on Taiwan and over the years, China continued insisting on Taiwan's compromise on sovereignty as a condition for talks. This position has been accepted by the international community, which uses it as an excuse to deny Taiwan access to official recognition and international participation while the P.R.C. promotes a campaign to isolate Taiwan in different levels.

The U.S.A. has been allied to the Kuomintang since World War II, but the link was solidified in 1950 during the Korean War when the U.S.A. placed naval forces in the Taiwan Straits to prevent the Communists from completing the civil war.

The U.S.A. remained allied with Taiwan against Beijing until the early 1970s when Kissinger secretly visited Beijing in order to make arrangements for Nixon's visit to China in 1972. In 1979 Jimmy Carter granted diplomatic recognition to the People's Republic of China and derecognized Taiwan as the legitimate government of China. Taiwan has maintained deep informal ties to the U.S. and other countries. On the other hand, the U.S.A. wanted to accept the P.R.C. into the U.N., but they did not want to expel the R.O.C. For a moment the U.S. pretended to create "two Chinas" in the main international organization.

On 1 January, 1979, when the U.S. formally established diplomatic relations with the Chinese Communist Party (C.C.P.) (see Appendix 1) regime and at the same time a number of international agreements to which America is a party, committed the United States to the protection of Taiwan's security. The key

²³ Joie, Bernard, T.K., op. cit. p. 5.

documents are the Shanghai Communiqué of 1972, issued by Richard Nixon and Chou En-lai, the joint communiqué issued by Beijing and Washington when Jimmy Carter established formal diplomatic relations with mainland China, the Taiwan Relations Act passed by the U.S. Congress in 1979 and the joint communiqué and exchange of letters between Ronald Reagan and Chinese premier, Zhao Ziyang, issued on the 10th anniversary of the Shanghai Communiqué in 1982.²⁴

On July 9, 1999, questions about the "one China" policy arose when Lee Teng-hui, then President of Taiwan, characterized cross-strait relations as "special state-to-state ties". The Clinton Administration responded that Lee's statement was not helpful and reaffirmed the "one China" policy in opposition to "two Chinas". In February 2000, Beijing issued its second White Paper on Taiwan, affirming its "peaceful unification" policy but with new warnings about the risk of conflict. There also have been questions about whether and how President Chen Shui-bian, inaugurated in May 2000, might adjust Taiwan's policy toward the mainland.²⁵

The U.S. policy on "one China" has evolved to cover three issues: sovereignty, peaceful resolution, and cross-strait dialogue. First, the U.S. did not explicitly state its own position on the status of Taiwan in the three communiqués, but "acknowledged" the "one China" position of both sides of the Taiwan Strait. Nonetheless, some have contended that the U.S. position, since originally formulated in 1972, in the first of three Communiqués, has adopted the "one China" principle and shifted closer to that of the P.R.C. Some in Congress and elsewhere contended that President Clinton's statement on "three noes" was a change in U.S. policy. Second, successive Administrations have expressed the consistent U.S. stance – in increasingly stronger ways – that any resolution of the Taiwan question be peaceful. Third, the

²⁴ Sheridan, Greg; "Tigers: Leaders of the new Asia-Pacific", Allen & Unwin Pty Ltd, Australia, 1997, p. 311.

²⁵ Kan, Shirley A.; "China/Taiwan: Evolution of the 'One China' Policy", Adam W. Clarke, Editor; "Taiwan- China: A Most Ticklish Standoff", Novinka Books, Hungtinton, New York, 2001. p. 55.

Reagan Administration agreed to "Six Assurances" (see **Appendix 2**) with Taiwan in 1982, including promises that Washington will not mediate and will not pressure Taipei to negotiate with Beijing. In July 1999, U.S. encouragement of dialogue culminated in President Clinton's articulation of a new phrase: that U.S. policy has "three pillars" (one China, cross-strait dialogue, and peaceful resolution).²⁶

Despite the apparent similarities in U.S. policy statements, some contend that the U.S. position, since originally formulated in 1972, has adopted the "one China" principle and shifted closer to that of the P.R.C.'s rather than continuing to maintain equal distance from Beijing and Taipei.

In August 1995, President Clinton reportedly sent a secret letter to P.R.C. President Jiang Zemin in which he stated the U.S. position that we would: *first, oppose for Taiwan independence; second, provide no support for "two Chinas" or "one China and one Taiwan" and third, not support Taiwan's admission to the U.N. or international organizations in which statehood is a requirement.* In June 1998, when Clinton visited Shanghai he publicly embraced the U.S. policy about the "three noes." This policy was not different from the ones of Nixon in 1972, Carter in 1978, and Reagan in 1985, but no previous administration had ever endorsed them.

In this environment, Beijing feared that Taiwan's leaders, emboldened by American support, had embarked on a course leading toward independence. In February-March 1996, as Taiwan undertook its first presidential election, the mainland conducted military exercises near Taiwan that were clearly meant to intimidate the people on the island and to affect their votes. To reassure Taiwan and to remind Beijing of America's commitment to deter the use of force in the western Pacific, the U.S. dispatched two naval battle groups to the region. The U.S. was reengaging itself in the Chinese civil war. By mid-1996 the framework governing Sino-American-Taiwanese relations appeared badly tattered.

²⁶ Ibid. p. 56.

Both houses of Congress then passed resolutions affirming support for Taiwan – the Senate unanimously, 92 to 0, and the House with one dissenting vote, 390 to 1—and urging the president to insist on a "fourth no": no threat or use of force against the island. This passed the Senate and the House on July 10 and 17, 1998, respectively, reaffirming the U.S. commitment to Taiwan.²⁷

U.S. non-support for one China, one Taiwan; or two Chinas can be traced to the private assurances of the Nixon Administration in the early 1970s. However, the Clinton Administration, beginning with its Taiwan Policy Review of 1994, added non-support for Taipei's entry into the United Nations, which became an issue after Taipei launched its bid in 1993.²⁸

Successive administrations have expressed the consistent U.S. stance – in increasingly stronger ways – regarding resolution of the Taiwan question by peaceful means. Congress passed and President Carter signed the Inter-American Treaty of Reciprocal Assistance (T.R.A.) of 1979, adding a more forceful U.S. commitment and a potential U.S. role in maintaining peace in the strait.

However, the T.R.A. left U.S. involvement somewhat ambiguous. The U.S. considered with "grave concern" any non-peaceful means to determine Taiwan's future. The T.R.A. also excluded the islands off the mainland, for example, Quemoy and Matsu, in its security coverage over Taiwan.²⁹

Despite unofficial relations, U.S. arms sales to Taiwan have been significant. Arms deliveries to Taiwan (primarily from the

²⁷ Teufel Dreyer, June; **"Flashpoint in the Taiwan Strait"**; Foreign Policy Research Institute Conference, Philadelphia, USA, May 12, 2000. p. 621.

²⁸ Yates, Stephen J.; **"Clinton: Statement Undermines Taiwan"**, Washington, D.C., Heritage Foundation, July 10, 1998.

²⁹ Congressional Service Report (CSR) RL 30640, **"Conventional Arms Transfers to Developing Nations, 1992-1999"**, August 18, 2000, by Richard F. Grimmett, p. 65.

United States) totaled \$20.6 billion from 1992-1999, with Taiwan ranking second in the developing world (after Saudi Arabia).³⁰

Moreover, beginning after tensions in the Taiwan Strait in 1996, the Pentagon is said to have quietly expanded the sensitive military relationship with Taiwan to levels unprecedented since 1979. These broader exchanges reportedly have increased attention to "software", including discussion over strategy, military thinking, and plans in the event of an invasion of Taiwan. The administrations of Nixon, Carter, and Reagan, publicly stated the U.S. expectation that the Chinese themselves will settle the Taiwan question. The Reagan Administration also agreed to "Six Assurances" with Taiwan in 1982. The assurances included promises that Washington will not mediate between Taipei and Beijing, and will not pressure Taipei to negotiate with Beijing. In a March 25, 1999 hearing, Assistant Secretary of State Stanley Roth assured the Senate Foreign Relations Committee that "the future of cross-strait relations is a matter for Beijing and Taipei to resolve. No administration has taken a position on how or when they should do so."³¹

As Taipei and Beijing's economic relationship grew to significant levels by the early 1990s and the two sides began to talk directly through "unofficial organizations," the United States has increasingly voiced its support for the cross-strait dialogue. In July 1999, the U.S. stance on the cross-strait dialogue culminated in President Clinton's articulation of a new phrase: that U.S. policy has "three pillars" (one China, cross strait dialogue, and peaceful resolution) a phrase then repeated by other top Clinton administration officials, such as Secretary of State Madeleine Albright.³²

³⁰ On U.S. arms sales to Taiwan, see: CRS Report RS 20365, Taiwan; "Annual Arms Sales Process", October 21, 1999, and CRS Report RS 20483, Taiwan; "Major U.S. Arms Sales since 1990", Shirley A. Kan, p. 63.

³¹ On U.S. arms sales to Taiwan, see: CRS Report RS 20365, Taiwan; "Annual Arms Sales Process", October 21, 1999, and CRS Report RS 20483, Taiwan; "Major U.S. Arms Sales since 1990", Shirley A. Kan, p. 65.

³² Kan, Shirley A.; "China/Taiwan: Evolution of the "One China" Policy – op. cit. p. 67.

The U.N. Resolution 2758 (the 1971 resolution that expelled Taipei's representatives from the international organization in favor of handing China's U.N. seat to Beijing), was a product of ideological confrontation during the Cold War era which no longer reflects the current international political environment. This resolution of 1971 expelled "the representatives of Chiang Kai-shek", but the delegation of the Republic of China was never mentioned in the important resolution.

China's representation in the U.N. has not been settled yet, because the U.N. Resolution has settled mainland China's representation, but not that of the Republic of China on Taiwan. The 23 million people in Taiwan are represented by Taipei, not Beijing, so the R.O.C. still has no adequate representation in the U.N., because they do not defend the interests of Taiwan, not even as a province of China, as Beijing claims. Nobody speaks in the General Assembly or at the Security Council trying to solve the problems that the R.O.C. faces. For Beijing, the R.O.C. seems not to be on their map, the 23 million Chinese-Taiwanese people seem not to exist. Being in such a strategic geopolitical position, Taiwanese people cannot rest assured that the motherland is protecting their interests or try to share some of the problems of their people.

Beijing's persistently intransigent attitude toward the R.O.C. is against the current trend in a world less polarized by ideologies. The two Koreas have tried to moving towards a goal of unification, as the two Germanys also did previously. We would like to see in this new century the approach and creation of a favorable political environment for the eventual reunification of China. China has always been suspicious that the U.S.A. and Japan are against Taiwan's reunification for both geo-political and ideological reasons. This explains China's strong opposition to the "internationalization" of the Taiwan issue. International space has been a contentious issue across the strait, increasing distrust between the two sides.

Taiwan's question has important stages not yet solved. For example, *Taiwan has banned the three direct links, i.e. direct postal, air and shipping services, and direct trade with China, since 1949*. It is aware that the three direct links afford huge economic benefits but is concerned about political and security implications. Politically, Taiwan is concerned that the three direct links would make Taiwan appear to be a local government in the eyes of the international community instead of an independent and equal sovereign state. In terms of security, direct air and sea links would give Taiwan less early warning time for its air and sea defense and make the whole defense scenario too complicated to handle. Free investment in the island by China would give Beijing strong leverage.

In its Guidelines for National Unification of February 1991, Taiwan listed the three direct links as the second stage which has not yet been reached. However, faced with intense internal pressure, it has gradually relaxed the rigid ban. In May 1995, it proposed an "offshore trans-shipment centre" where incoming mainland cargo could be processed in bonded zones outside Taiwan customs for onward international shipment. This was intended to be a replacement for Hong Kong after its hand-over to China. Cargo could be shuttled directly across the Strait to and from certain Taiwan ports that would legally be considered "offshore", or outside the jurisdiction of Taiwan customs. Cargo originating from the mainland would not be allowed through Taiwan customs, while cargo from Taiwan would not be allowed to cross directly to China. "Feeder vessels" below a certain tonnage would be allowed to bring cargo to ocean-going ships berthed in mainland or Taiwan harbors.³³

³³ Sheng, Lijun, "China's Dilemma, the Taiwan issue", Chapter 8, "Taiwan alter the Face-off"; Institute of Southeast Asian Studies, Singapore, 2001, pp. 141-142.



Jiang Zemin

China has been pressing for the three direct links since the late 1970s and has intensified this effort in recent years. Jiang Zemin called for the three direct links in his eight-point proposal in early 1995 and reiterated the call on many subsequent occasions. Mr. Wang Jin-Pying, president of the Legislative Yuan, appointed: there is nothing new in Beijing's politics toward Taiwan, according to the recent speech delivered in November, 2002, by Jiang Zemin at the opening of the 16th National Congress of the Communist Chinese Party. He reiterated the main basic principles of "one country, two systems" as the main option to reach unification between the two sides of the Taiwan's strait.

The prime minister, Mr. Yu Shyi-kun, made reference to the fact that there is no way out for Taiwan, because the island refuses to accept Jiang Zemin's proposal. He asserted the Republic of China is "a sovereign country, with its own territory, people, constitution and a president." The principle of "one China" was newly appointed by Jiang Zemin's proposal as the Beijing's premise to start a conversation with Taiwan about any negotiation to establish postal services, trade and direct transportation. Mr. Wang expressed his concern about the decision of the Taiwanese people national identity and of the mainland's. "If there is a general agreement between them, the negotiations can be a fact, otherwise there is no possibility of negotiation on any of the important matters." Mr. Wang also indicated his pessimism concerning the opening of direct flights between Taiwan and Continental China. Some congressmen are pressing for a positive response from the Government." Beijing's authorities consider "one China" as the Government of the People's Republic of China as the central government, while Taiwan's government will have a local authority.

After losing the civil war in 1949, the K.M.T. adopted an official "three noes" policy: "no negotiation, no concession and

no contact". Recently, this policy modified the rigid position on the three direct links. It now stipulates that China should take concrete actions to show its good will before the two sides hold talks on the three direct links. It is clear that there are no technical difficulties as far as setting up the three direct links is concerned. The only obstacle is political will. Taiwan's reluctance to agree to the three links is easy to understand, because it is concerned about its security and stability.³⁴

The three direct links have an important economically meaning for both sides. China and Taiwan could have saved millions of dollars each year by having direct telephone lines using undersea cables or satellites, instead of routing calls through third countries or places like Hong Kong, Singapore or even the United States. This indirectly costs each side about \$US18 million annually. Taiwan already makes more telephone calls to China than to anywhere else in the world. The most effective approach would be to lay a fiber-optics cable between China's Xiamen and Taiwan's outlying island of Jinmen, just a few miles from the mainland.³⁵

Direct shipping will bring immediate and direct economic benefits to Taiwanese business men by cutting costs and thereby making them more competitive. Since 1991, there have been more than 400 ships docking from Taiwan every year.³⁶ With this huge volume of shipping, the economic benefits of direct shipping are obvious.

Direct shipping can also save Taiwan's shipping industry from its current difficulties. Although Taiwan has many shipping companies, most of them are small. They were faced with difficulties arising from increasing costs and competition from foreign counterparts. In 1993, for example, of a total of 52,211 ships docking in Taiwan, 38,674 (74.1%) were foreign, and 13,537 (25.9%) were Taiwanese.³⁷

³⁴ Sheng, Lijun, op. cit., Chapter 7, pp. 181-182.

³⁵ Hung, Alice, "Taiwan, China 'Unofficially' Mull Direct Telecoms", Reuters, 24 July, 1996.

³⁶ Li, Jian "Lian'an Tonghang an Guanxi Faxhan Zhi Yingxiang," *The Impact of Direct Shipping on the Cross-strait relations*, p. 2.

³⁷ Li, Jian, op. cit. p. 3.

A direct link is also expected to help lower costs considerably and increase the competitiveness of Taiwan's textile industry, which is heavily reliant on the trans-shipment of goods through Hong Kong at present. Following the opening of the Taiwanese market for textiles made in the mainland China by Taiwanese-invested manufacturers, the establishment of direct links will serve to facilitate cooperation between raw material suppliers in Taiwan and Taiwan-invested garment makers on the mainland. This will promote an effective cross-strait division of labor and will raise the overall competitiveness of Taiwan's textile industry.³⁸

President Chen Shui-bian has insisted that cross-strait relations be based on China's acceptance of the fact that there are two separate entities on each side of the Taiwan Strait. Hence, direct cross-strait links should be handled according to international norms and not be regarded as a "domestic affair" as China has insisted. Negotiations on such links should be based on principles of mutual respect, equality, and reciprocity. Such links should not result in Taiwan's increasing economic reliance on China, and excessive outflow of capital, technology, and talent. Chen's Cabinet has also assessed the potential benefits, as well as harm that could arise from such links. There are advantages as well as serious risks that cannot be ignored. Most Taiwanese agree on the overall outline of relations with China.

On October 19, 2002, *The China Daily of Beijing* wrote about the business leaders on both sides of the Taiwan Straits that have stepped up pressure on Taipei to lift its decades-old ban on the three direct links between the island and the mainland. They stressed that an early realization of cross-Straits commercial, transportation and postal services will economically and politically benefit the two sides.³⁹ Liu Chuanzhi, president of Legend Group Holdings Ltd, said "The absence of the links has been the biggest stumbling block to deepening cooperation between business circles across the Straits. Too many opportunities

³⁸ Lijun, Sheng, op. cit. p. 183.

³⁹ "Mainland offers Taiwan goodwill gesture", *The China Daily*, Beijing, China, October 19, 2002. p. 3.

for better business between us and our Taiwan counterparts have been missed due to a lack of communication resulting from the ban on the three links", said Liu, also vice-chairman of the All-China Federation of Industry and Commerce. The three links would maximize the complementary role of the mainland and Taiwanese economies. Taiwanese businessmen would be better placed to take advantage of the large potential market, cheap labor costs, and huge talent pool on the mainland to boost their businesses. Mainland enterprises would also benefit from Taiwanese firm's advanced experience in management and the exploration of the international market.⁴⁰

According to the news on the *China Daily of Beijing*, "opening up the three links would generate more opportunities for firms on both sides of the Strait to make joint efforts in tapping the overseas market." Mr. Chuanzhi writes against the background that the two major opposition parties on the island, the K.M.T. and People First Party, are trying to push a cross-Straits transport bill through at the "Legislative Yuan", Taiwan's "parliament" to pave the way for the establishment of the links. Unfortunately, the "Executive Yuan", Taiwan's executive body, is blocking these efforts while submitting its own version of the bill, in which the ban on cross-straits links would be maintained. Beijing has proposed achieving the realization of the three links through people-to-people, industry-to-industry, and company-to-company consultations.⁴¹

But the pro-independence Democratic Progressive Party has so far failed to respond positively. The longer the implementation of the three links is delayed, the worse Taiwan's economy will get. The withdrawal of investment and the transfer of overseas headquarters by some multi-nationals from the island due to the absence of cross-straits links are imminent.⁴²

⁴⁰ Ibid.

⁴¹ "Mainland offers Taiwan goodwill gesture", *The China Daily*, Beijing, China, October 19, 2002. p. 3

⁴² Ibid.

Furthermore increasing interaction between both sides in the past decade has spurred development of separate identities. Contact has revealed historical and cultural schisms between the two sides. Polls by various survey centers in Taiwan consistently portray the changing notions of identity in Taiwan. Even as cross-strait business and travel increase, more and more people are identifying themselves as Taiwanese, not Chinese.

No doubt that direct links with China contain a clear dilemma. On the positive side, direct links expand business opportunities and both sides earn the benefits of profits and growth. But, when the cost of business interaction is lowered through direct links, the cost of maintaining national security rises because of heightened mutual suspicion. Moreover, direct links and increased economic interaction also increase the number of issues to be worked out between the two sides. On the economic side, there are matters such as capital and information flow and means of dispute arbitration to negotiate. On the other side, there are issues related to complicated sovereignty and identity problems, such as tariffs and national flags attached to transportation lines. Political and military dilemmas prevent both sides from negotiating on these purely economic matters. Ultimately, the economic dilemma also results in stalemate.⁴³

In August, 1993, seven Central American and Caribbean countries addressed a letter to U.N. Secretary-General Boutros Boutros Ghali requesting the inclusion of a supplementary item in the agenda of the 48th session of the General Assembly entitled: "Consideration of the exceptional situation of the Republic of China in Taiwan in the international context, based on the principle of universality and in accordance with the established model of parallel representation of divided countries at the United Nations." However, the seven-nation initiative did not succeed in including in the U.N. General Assembly setting up parallel

⁴³ Chiou I-Jen; "Cross-strait relations and the prisoner's dilemma". Chapter Ten: Taiwan Strait Dilemmas. Center for Strategic and International Studies. Washington, D.C., 2000, p. 156.

representation at the world organization. On July 15, 1994, twelve Central American, African, Caribbean, and Pacific states wrote to the U.N.'s Secretary General Boutros Boutros-Ghali for this purpose.⁴⁴

Upon the joint move of 12 of ROC's allies requesting the inclusion of an item on the exceptional situation of the Republic of China on the 1994 agenda of the 49th session of the U.N. General Assembly, the P.R.C.'s U.N. Ambassador and Permanent Representative Li Zhaoxing cast a strong protest by addressing a long letter to the U.N. Secretary General. Ambassador Li's July 22 letter consisted of the following points: *1) the 12-nation move constitutes an infringement upon China's sovereignty and an interference in China's internal affairs; 2) Taiwan has belonged to China since ancient times; 3) the issue of China's representation in the United Nations has long been settled by General Assembly Resolution 2758; 4) the principle of "universality of membership" is only applicable to sovereign states; Taiwan, as a province of China, is not a sovereign state and therefore has no right to be a member of the United Nations; 5) the purpose of the proposal by Nicaragua and the other 11 countries is to split China and to impede and undermine China's reunification.*⁴⁵

In the wake of radical alteration in the state of International Affairs, the R.O.C. leadership sensed the role that the R.O.C. could play in the international arena. Despite the end of the Cold War, Asia still faces security concerns. Multilateral institutions such as the Asia Pacific Economic Cooperation (A.P.E.C.) forum and the U.N. are efficient forums of discussion on security matters. As far as the Asia-Pacific community is concerned, all major political players in the region share a common desire to establish a multilateral mechanism for resolving growing economic, political and security problems.

The R.O.C. joined A.P.E.C. in 1991. It has played an active role in this 21-member economic forum and has taken charge of

⁴⁴ Joel, Bernard T.K.; op. cit. p. 6..

⁴⁵ Ibid. p. 9.

BTCA RELACIONES INTERNACIONALES
several working groups. During 2002, Taiwan participated in all major A.P.E.C. meetings, including four Senior Official Meetings. Taiwan not only held bilateral talks with other member economies during these meetings to strengthen its substantive relations with them, but also hosted 17 A.P.E.C. meetings and activities in Taiwan.⁴⁶

The Tenth A.P.E.C. economic Leaders' Meeting took place in Los Cabos, México, in October, 2002. Dr. Lee Yuant-tseh, President of Academia Sinica, represented President Chen at this meeting. Pacific Rim countries struggling to balance safety and prosperity have backed a sweeping American plan to make trade and travel safer, even as some executives cautioned that too much security was bad for business. Foreign and economic ministers representing the 21 member countries of the A.P.E.C. have endorsed new measures to fight international terrorism and cut the flow of funds to Islamic extremists. In the future, Taiwan will continue to actively participate in various A.P.E.C. meetings and events to strengthen its cooperation with other economies.

Another important meeting in the same month of October was the Crawford Summit. Although there was great anticipation concerning the talks between President Jiang Zemin and U.S. President George W. Bush about the Taiwan issue, the important subject passed with little fanfare. Mr. Jian's visit was overshadowed by other events in and outside the United States. Professor Wang Jianwei commented that "Immediately before the summit, North Korea's surprising admission about its nuclear weapons programme captured world attention. When Mr. Zemin arrived at Bush's ranch, Americans were still obsessed with tracking down the Washington sniper. The meeting itself was sidelined by the sudden death of senator Paul Wellstone, as well as the hostage crisis in Moscow. Perhaps to the dismay of Chinese officials, Mr. Zemin's visit drew only minimal coverage in mainstream U.S. media outlets, in sharp contrast to his much publicized 1997 visit".

⁴⁶ Taiwan Yearbook 2003, Government Information Office; Taipei, Taiwan, R.O.C., 2003.

Prof. Wang Jianwei remarked on the changes regarding China's position in U.S. foreign policy in the aftermath of the September 11 terrorist attacks: U.S.-China relations have moved from the centre to the margin of the American public's radar screen. This is not necessarily bad news for China. Progress in many areas was made even before the meeting. Lucrative business contracts were signed. Some Tibetan political prisoners were released. An F.B.I. liaison office will be set up in Beijing. Dialogue on security and human rights will be intensified and military-to-military exchanges will be resumed. At the summit, the two leaders expressed their willingness to cooperate on the issues of Iraq, North Korea and international terrorism. China's cooperation in the war on terror modified Mr. Bush's perception of China in particular and major power relations in general. Moreover, as the summit illustrated, while it is true that China needs the United States more than the reverse, the U.S. does need China's help in handling a wide range of international issues. More important to the stabilization of the relationship, however, is China's non-confrontational strategic adjustment that allowed Beijing to swallow some bitter pills on Taiwan and other issues on the Bush administration's more assertive posture.

American observers noticed this causal linkage. A positive interpretation is that China's foreign policy became more confident and mature. Others simply described China's restraint as a victory for Mr. Bush's tough policy that made China realize the price of "messing" with the world's hyper-power. Consequently, the United States could win Chinese concessions and co-operation on various issues without necessarily accommodating China's concerns.

The Crawford summit continues this asymmetric pattern of interaction. *Mr. Bush sought Mr. Zemin's support on the three main items on its Foreign Affairs policy: North Korea, Iraq, and the war against terror.* He got much of what he asked for. What did China get in return? Not much, except that President Zemin was granted the respect and prestige of being met three times within a year and of becoming the fourth foreign leader to visit Mr. Bush's Texas ranch.

The Taiwanese issue was not initially on Mr. Bush's agenda. It trailed all other issues in his post-summit statement. Mr. Bush's articulation of the "one China" policy at the press conference was incomprehensible. Only after prompting did he indicate that the U.S. does not support Taiwanese independence. In contrast, Mr. Zemin told his counterpart that nothing is more important for the future of U.S.-China relations than the Taiwanese issue. The hardliners in the Bush administration may still think of China as an adversary. This is the same feeling Chinese in Beijing have of the United States strategic understanding.

For some Americans, China seems only to exist to help the United States manage crises. The relationship per se is not that important. China has long sought to reach a strategic understanding with the U.S., but Beijing is still not quite sure how to achieve this goal. It is also quite obsessed with a single issue – Taiwan. An issue-oriented relationship without strategic understanding is unlikely to withstand the test of time. The Crawford summit might be a success in its own terms, but the foundation of the relationship remains fragile.

The apparent support that China gives to the U.S. is not unconditional. China will veto any resolution against Iraq in the U.N. Security Council and has said it will persuade North Korea to discontinue its nuclear weapons programme. If China has become an ally of the U.S., this depends on U.S. behavior. If President Bush declares a "one China" policy at press conference but the scenes is doing his best to help Taiwan to be an independent country, China is going to continue to see the United States as a foe and not as a friend. China wants "reunification" by all means and they want it without the use of force. However, if it is necessary, they will use force to recover a territory that they are convinced is part of China. Stability in the region depends on gradual, mutual accommodation between the People's Republic of China (P.R.C.) and Taiwan. The U. S. should continue to stress to the P.R.C. that Asian stability and Sino-American relations are founded on a peaceful approach to the resolution of this issue. The U.S. should make clear to Taiwan that the U.S. will oppose

unilateral efforts to seek independence and give high priority to restoring increasingly productive cross strait relations. The improved relations cannot mask China's deep-seated distrust of the U.S. over the Taiwan issue, which will pose the most severe test to the new leaders. This framework enables Taiwan to sustain democracy, prosperity, and security in an atmosphere free of coercion.

The new leaders of the Chinese Communist Party emerging from the 16th party Congress, which started on November 8th, 2002, are likely to pursue a pragmatic, moderate foreign policy, but any threat to the status of Taiwan would force them to change the course, according to Chinese experts on International Affairs. The pragmatism is based on the recognition that China has nothing to gain by obstructing the U.S. in world affairs.

On the eve of the 16th Congress, China's top priority was to tackle the pressing domestic issues of social tension and continued economic growth, and a stable international environment will help to achieve its objectives.

In other words, China, with minor reservations, has bought into U.S. President George W. Bush's call in the wake of the September 11th terrorist attacks: "You are either with us or against us." The experts say that Chinese civilian and military leaders take the same line as the U.S. on global affairs, as long as the Taiwan issue takes a back seat. The approach was made possible only after the U.S. came to recognize that enlisting China's cooperation in combating global terrorism and defusing tension in other hotspots was beneficial, said Yan Xuetong, director of the Institute of International Studies at Tsinghua University. The U.S. has kept a studied ambiguity on Taiwan.

Taiwan claims that the U.N. General Assembly recognized Chinese communist jurisdiction over the Chinese mainland but did not pragmatically consider the fact that the two sides of the Taiwan Straits are ruled by distinct political entities. The rights of Taiwan's 23 million residents have not been represented in this important international governmental organization and its specialized organization of the U.N. The government of the

R.O.C. does not accept this unfair and unreasonable situation, and the people of the R.O.C. feel discriminated against. They should not be denied their fundamental right to participate in international activities. They feel that ignoring the rights of 23 million people to participate in the U.N. is a violation of the U.N.'s principle of universality. The emergence of an economically and democratically successful Taiwan demonstrates the failure of the P.R.C.'s past economic and political policies inherently challenges the authority and prestige of the Chinese Communist Party.

Facts and legal analysis indicate that Taiwan fulfills all the traditional criteria for statehood. It has a clearly defined territorial base, an island larger in size than 90 states in the world 23 million people permanently living within its territory, a stable, effective and popularly elected government, and the willingness to engage in relations with other states. According to these international legal criteria, the word "state" has a clear meaning and appears entirely applicable to Taiwan.⁴⁷

According to James Crawford, "it seems preferable to restrict 'independence' to the prerequisite for statehood, and 'sovereignty' to the legal incident."⁴⁸

In other words, independence, like the existence of population, a territory, and a government, is a precondition for the existence of a state, whereas sovereignty is the attribute of statehood once it has been established.

The R.O.C. is currently part of diverse organizations as the International Olympics Committee, the Asian Development Bank, and the Asia-Pacific Economic Cooperation (A.P.E.C.) in addition to 14 other intergovernmental organizations and 955 international bodies that are non-governmental in nature.

1

⁴⁷ Crawford, James, "The Creation of States in International Law", (Oxford: Oxford University Press, 1990), p. 71.

⁴⁸ Huang Chi and Wu, Samuel S.G., "Inherited Rivalry: A Chronology (various years)". Republic of China Yearbook. Taipei: Kwang Hwa Publishing Company, 2000.

The R.O.C. participates in many international organizations, and now it belongs to the World Trade Organization. In such bodies as the Central American Bank of Economic Integration, the Asian Productivity Organization, and the Asian Vegetable Research and Development Center, no one questioned the use of the official name as the Republic of China.

When participating in A.P.E.C. itself or its groupings, or competing in sporting events from the Asian Games to the Olympics, the country becomes "Chinese Taipei". In still other situations, simply "Taiwan" or "China (Taiwan)" are used for pragmatic reasons.⁴⁹ The U.N. and the agreements signed between China and hundreds of countries and international organizations all recognize that Taiwan is not an independent state, that it is part of China. This is both principle and fact.

Nowhere was this pragmatism more apparent than at the W.T.O., where the choice of the cumbersome title of a separate "customs area of Taiwan, Penghu, Kinmen, and Matsu" avoided objection from the P.R.C. The R.O.C. cannot accept any inference that Taiwan is merely a province of the P.R.C., thus subjugated to Beijing's "central government". Taipei has indicated that it could live with "China (Taipei)" or "China (Taiwan)" since these terms reflect the situation on the ground. It would even accept "Taipei China" without a comma, in which Taipei is an adjective. But it draws the line at "Taipei, China," because the inference is that Taipei is part of the P.R.C. in the same way as Hong Kong, China or Shanghai, China is. Battling over a comma seems laughable to outsiders. To Chinese on both sides of the Taiwan Strait, it is part of the tug of war, a psychological battle that will not soon end.⁵⁰

Taiwanese people strongly desire to return to the U.N. Listening to the C.N.N. news on September 12, 2002, in Hong Kong, it was very interesting to watch the euphoria shown by the

⁴⁹ Gong, Gerrit W.; **"Taiwan Strait Dilemmas: China-Taiwan-U.S. Policies in the New Century"**, Edited by Gerrit W. Gong; Center for Strategic and International Studies, Washington, D.C., 2000, p. 39.

⁵⁰ Gong, Gerrit W.; *op. cit.* p. 39.

Taiwanese people, after the Foreign Ministry spokeswoman Chang Siao-yue, commented on the lack of consensus to include the item of Taiwan's recognition at the U.N. General Assembly. She said, "each year more people understand Taiwan's unique situation and how it is treated unfairly". The General Committee of the U.N. General Assembly declined to include the issue on the agenda of the current session.⁵¹

"When it was based in China, Taiwan's former Nationalist government was one of the founding members of the U.N. in 1945." The Nationalists kept their U.N. seat after the Communist Party captured the mainland in 1949 and forced the Nationalists to retreat to Taiwan. But in 1971, the U.N. accepted the communist government in Beijing as the sole legitimate ruler of China. Anticipating expulsion, the Taiwan-based government gave up its U.N. seat. During the past decade, Taiwan has attempted to return, but it has been continuously blocked by Beijing because it insists Taiwan is one of its provinces and not eligible for U.N. membership.⁵²

While Chinese allies such as the United Kingdom, Italy and France spoke out against Taiwan's tenth bid to join the U.N., Mrs. Chang noted that while Chinese allies such as the United Kingdom, Italy and France spoke out against Taiwan's bid this year, the U.S. and Japan did not say anything during the debate. "Between 'yes' and 'no' there is something", Ms. Chang said. "Some day we will succeed". The Taiwanese people expect to succeed someday, but the recommendation of new members must have the approval of the five permanent members of the U.N. Security Council. Without any doubt, China will exercise its right to veto.

Before de-recognition, the R.O.C. had an Embassy in Washington, D.C. and thirteen consulates around the country. During the negotiation talks on the future *modus operandi*, the State Department utilized the number of offices that would be allowed thereafter as leverage for bargaining with Taiwan's

⁵¹ CNN News, Hong Kong, September 12, 2002.

⁵² Ibid.

representatives. According to Senator John Glenn, the State Department originally planned to cut the number of consulates from thirteen down to four.⁵³ The President offered Taiwan the option of maintaining the same number of offices and personnel in the U.S. as existed before 1 January 1979.

The unprecedented nature of such unofficial ties and the need to define a framework for future relations between the U.S. and Taiwan which would clearly define the parameters of such ties, while leaving sufficient room for interpretative maneuver, resulted in a historic example of foreign policymaking interactions between the President and the Congress: passage of the Taiwan Relations Act.

Neither the establishment of the P.R.C.'s nor U.N. General Assembly Resolution 2758, the 1971 resolution that expelled Taipei's representatives from the world body in favor of handling China's U.N. seat to Beijing, had any magical effect of making the R.O.C. disappear. Two separate governments have functioned and existed on either side of the Taiwan Strait ever since 1949. In fact, there is no "Taiwan question", but rather a "China question". And this question can only be solved when the Chinese themselves from both sides of the Taiwan Strait sit down at the negotiating table on an equal footing to work out their differences.⁵⁴

The R.O.C.'s diplomatic posture has proved increasingly untenable. Today, only a handful of governments continue to extend diplomatic recognition to the Taipei government, due to its insistence that it is China's true sovereign. Communist and most non-aligned nations opened relations with the P.R.C. early on, as did several Western European countries. Following the Sino-Soviet border clashes of 1969, a growing number of Western and pro-Western Third World countries followed suit. The snowball became an avalanche after U.S. President Nixon announced in 1971 that he

⁵³ Lee, David T., "The Making of the Taiwan Relations Act", *Twenty Years in Retrospect*, Oxford University Press p. 163.

⁵⁴ Cohen, Mark J.; "Taiwan at the Crossroads, Human Rights, Political Development and Social Change on the Beautiful Island", Asia Resource Center, Washington, D.C., 1988. p. 220.

would visit the P.R.C. Japan, Taiwan's key trading partner after the U.S., shifted its Embassy to Peking in 1972. The most serious blow to the K.M.T.'s fading prestige was, of course, U.S. de-recognition in 1979.⁵⁵

As of mid-1988, South Korea was the only Asian country to maintain an Embassy in Taipei. The only other key actors on the global stage with an official presence were Saudi Arabia and the Republic of South Africa. The Saudis are developing a geopolitical relationship with the P.R.C., however, and both the government and opposition in South Korea are eager to expand trade with China, particularly as this will boost the economically depressed and politically volatile southwestern region of Korea.

The K.M.T. regime for some time enjoyed good relations with a number of Latin American and Caribbean states as well, based on a shared militant anticommunist and strong military and intelligence ties. Roberto D'Aubuisson, the reputed leader of the right-wing "death squads" in El Salvador, studied at the Political Welfare School in Taipei, and the Taipei-based World anti-Communist League has active chapters in Central and South America. However, with the restoration of civilian rule in a growing number of Latin American nations, their governments have opted for diplomatic realism over ideology, and have switched recognition to the P.R.C. As of this writing, Taiwan still has ties with Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Haiti, Belize, Paraguay, and the Caribbean mini-states of Dominica, St. Christopher and Nevis, St. Vincent and the Grenadines.⁵⁶

Besides South Africa, the only other African states that recognized the K.M.T. government are the ultra-conservative Banda government of Malawi and Swaziland, whose government remains subject to intense pressures from Pretoria. A number of small Pacific Ocean States: Nauru, the Solomon Islands, Tonga,

⁵⁵ Ibid.

⁵⁶ Shulong, Chu, *The Two-State Theory; Myth or Reality?* Edited by Gerrit W. Gong; "Taiwan Strait Dilemmas", The Center for Strategic and International Studies Press, Washington, D.C. 2000, pp. 68-69.

and Tuvalu, have also established ties, with the prospect of aid from Taiwan and fishing agreements the apparent bases of relations. Nauru switched its diplomatic ties in July, 2002. Singapore and Bahrain have accepted quasi-consulates representing Taiwan, but have neither established similar offices of their own on Taiwan, nor accorded the "R.O.C." diplomatic recognition.⁵⁷

After 1949, the K.M.T. adhered to the principle of "one China", in which the R.O.C. represented China and it consisted of the mainland and Taiwan, thus making the R.O.C. the sovereign legitimate government of China. The R.O.C. thus broke diplomatic ties with any country that formally recognized the People's Republic of China (P.R.C.). Before 1971, the R.O.C. had been a member of all the world's major international organizations, and the majority of nations recognized the R.O.C. on Taiwan as China. But in 1971, when a majority of nations in the U.N. voted membership for the P.R.C., the R.O.C. withdrew, and the tide shifted. More nations withdrew their diplomatic recognition of the R.O.C. and switched it to the P.R.C. By 1993 only about thirty countries still recognized the R.O.C., and it was excluded from membership in virtually all major international organizations.

The R.O.C.'s Ministry of Foreign Affairs used every innovative means to maintain diplomatic relations with other nations and struggled to enter international organizations that had a major interest in economic affairs, but with little success. Thus in 1993, President Lee Teng-hui, working closely with Premier Lien, initiated the foreign policy of pragmatism (*wu-shih wai-chiao*), which called for vigorously expanding economic, social, and cultural ties with other nations to develop diplomatic ties with them while obtaining their support for the R.O.C. to reenter the leading international organizations.

But, even more significantly, in July 1994 Lee and Lien also initiated the R.O.C.'s White Paper on China policy which redefined the R.O.C.'s one-China principle as follows: *"China consists of the mainland and Taiwan, but these territories are governed by*

⁵⁷ Cohen, Mark J.; op. cit. p. 220.

separate political entities. If these entities can treat each other with equivalence, mutual respect, and trust, they can cooperate and build a relationship leading toward the unification of China".

This adaptation of the one-China principle argued that it was appropriate for the R.O.C. to have normal diplomatic relations with other nations even if those nations had similar relations with the P.R.C. and that both Chinese political entities should be allowed to participate in international organizations.

Taiwan's bid for international space, sometimes called its *pragmatic diplomacy*, has been a major area of confrontation between mainland China and Taiwan. Beijing suspects that Taiwan's international bid is for independence and it cannot tolerate Taiwan's efforts to expand its international space. In Taiwan, a strong majority support its effort to enlarge international space, even if it causes friction between the mainland and Taiwan. Indeed, a great number of people in Taiwan consider international space more important than cross-strait relations. The dilemma is real and fundamental: the two sides across the strait have fought over the issue for many years, expending significant resources, including money and energy.⁵⁸

Most governments refrain from exchanging formal diplomatic relations with the R.O.C. in favor of recognizing the Beijing government, which still claims Taiwan as a part of its territory and refuses to enter into relations with states who grant formal recognition to Taipei. In such a strained situation, the R.O.C. is still able to conduct diplomacy at the unofficial level. But as they chart through this often unexplored territory, R.O.C. diplomats often find themselves following unconventional paths to achieve their goals. In its basic sense, *pragmatic diplomacy could be called the art of applying expedient measures or methods to foreign relations when conventional diplomacy, requiring formal relations, is not an option.*

⁵⁸ Shulong, Chu; op. cit. p. 58.

Thanks to "*practical diplomacy*" and Taipei's willingness to be flexible, the number of governments maintaining unofficial, "de facto" relations with Taipei has soared in recent years. Today, virtually every major country in the world maintains at least an unofficial representative office in Taipei. Today, as a responsible member of the international community, the R.O.C. sees itself as having a duty to offer assistance to other countries, as well as to continue cooperating with the world's developed nations.⁵⁹

Taipei's bid for greater international space is not only in order to promote international business and tourism but also to advance a two-state relationship between the mainland and Taiwan. Beijing worries that Taiwan wants to go beyond its international boundary and in the past ten years under Lee Teng-hui's administration, Taipei has tried hard to do this.⁶⁰

Beijing has consistently criticized Taipei's international bid for independence, although Taipei has denied that such is its purpose. Lee Teng-hui's two-state-theory statement on July 9, 1999, clearly showed that Beijing's concerns were warranted. The issue is whether Taiwan remains part of China. This does not mean China is part of the People's Republic of China (P.R.C.). The P.R.C. has never argued Taiwan is part of the P.R.C. or it must be ruled by the P.R.C. Most of the international community recognizes three principles regarding Taiwan: 1. There is only one China in the world. 2. Taiwan is part of China, and 3. the P.R.C. is the sole legitimate government of China. The third principle strongly depicts the P.R.C. as the legal representative of China in the international community, but it does not necessarily mean that Taiwan must be ruled by the P.R.C. This is the logical starting point of the "one country, two systems" formula. When even the first step of political talks across the strait encounters difficulties, Taiwan's real motives remain questionable. The two-state theory is driven not by the desire for an equal negotiating status but to betray the one China principle while seeking Taiwan's independence.⁶¹

⁵⁹ Joel, Bernard T.K., op. cit. p. 212.

⁶⁰ Shulong, Chu; op. cit. p. 59.

⁶¹ Shulong, Chu; op. cit. p. 59.

Washington attempts to reduce the possibility that a miscalculation by either side will cause an armed confrontation. The U.S. has also sought to maintain its policy of strategic ambiguity in the face of strident demands by both sides for clarification.

Chinese nationalism reflects fundamentally contradictory emotions. On the one hand, China is immensely insecure and shameful about its past of domination by the West. On the other hand, China is also proud of its history as one of the world's greatest ancient empires. This emotional contradiction is manifested in an outpouring of nationalistic sentiments as well as a desperate urgency to prevent Taiwan from permanent separation, even if the cost is war with the United States or Japan.

Thus China insists on a sovereign claim over Taiwan, blocking all access to diplomatic forums that may offer the slightest indication that Taiwan is a sovereign state. The P.R.C. campaign to isolate Taiwan diplomatically has been fueled by Taiwan's assertions of its separate status. This campaign of isolation has only intensified Taiwan's desperation for inclusion in the international community.⁶²

For Taiwanese people, the P.R.C.'s position regarding Taiwan's international status indicates that Beijing does not respect their human rights or understand that public opinion in Taiwan indicates a desire for more international space. Beijing claims to respect the rights of people in Taiwan to travel and do business abroad. Almost all the people in Taiwan enjoy these rights. Only the high-officials do not have the freedom to go where they want. When public opinion on Taiwan and the mainland conflict, Beijing must stand on the mainland's side.

As Lin-Fang-yan wrote that "The Republic of China has had difficulty gaining diplomatic recognition". Efforts to forge and maintain relations with allies in the form of financial aid are often met with criticism and charges of "*checkbook diplomacy*", even on the home front. The R.O.C. government has become sensitive

⁶² Gancheng, Zhao, "The Two-State Theory: Myth or Reality.?" Edited by Gerrit W. Gong; "Taiwan Strait Dilemmas", The Center for Strategic and International Studies Press, Washington, D.C. 2000, pp. 58-59.

to the need for positive perception of its diplomatic efforts and so has embarked on a strategy that focuses on "*health diplomacy*".⁶³ Officials hope this strategy will not only project Taiwan as a country that is concerned about the health of humanity, but will also serve as a pragmatic way to break through China's diplomatic blockade.

Taiwan's government has been gearing up to provide medical aid to countries in need. This comes in response to increasingly louder appeals for more assistance to developing countries battling disease, starvation and sanitation problems. According to a Health Department official, the humanitarian aid is intended for R.O.C.'s diplomatic allies. Taiwan currently operates four medical missions in Africa. They are located in Chad, Sao Tomé and Príncipe, Burkina Faso and Malawi, all staunch diplomatic allies of the R.O.C.⁶⁴

The R.O.C. is using *pragmatic diplomacy* to achieve a great number of advantages. In its basic sense, pragmatic diplomacy consists of expedient measures and methods adopted to deal with external relations and matters when normal diplomacy or official diplomacy are not operable. It is also sometimes called "substantive diplomacy". The Webster dictionary definition of diplomacy is "...the art and practice of conducting negotiations between nations for the attainment of mutually satisfactory terms". Since it is an art and not a science, there are no fixed rules to follow. Diplomacy inherently suggests flexibility. It can take a hard line or a soft one; or a combination of both, in any order. On occasion, one must give a little in order to gain a lot.⁶⁵

In the practice of diplomacy, one can advance and one can retreat, or even advance through retreat. Infinite variations in technique and skill are possible as long as the objective is reached. Judging from the results obtained so far, this is the very

⁶³ Lin Fan-yan, "The Republic of China has had difficulty gaining diplomatic recognition", Taipei Journal; September 13, 2002, Vol. XIX, No. 36, p. 2.

⁶⁴ Ibid.

⁶⁵ Congress's Conference Report, January 1979, p. 17

definition of the practice of pragmatic diplomacy by the R.O.C. government – its pragmatic way of conducting nation-to-nation, government-to-government or organization-to-organization negotiations.⁶⁶

The only kind of "one China, two systems" concept that could be acceptable might be that stated by James Lilley, the former U.S. ambassador to Beijing: "One country, yes, but a free and democratic one". Following his logic, "There could be two systems, yes, but two equal systems with full reciprocity". Pragmatic diplomacy is realistic and flexible. Just as it sidesteps the intractable issues of "who represents China" in the international community to break out of the diplomatic isolation Beijing has imposed on the R.O.C., it also sidesteps ideology to reflect the current existence of a divided China, each part of which is ruled by an autonomous political entity. Pragmatically, it would be more logical to reach the "one China" goal by trading space for time, while each of the two entities administers its affairs in its own way without interference in the other's. This way the reunified China of the future will value moral principles, democracy, human rights and people's welfare. *Pragmatic diplomacy* is a natural reaction for survival for the R.O.C. internationally, against the diplomatic isolation imposed upon her by Beijing. *Pragmatic diplomacy* implies a changing force, since it constantly adapts to changing situations. As to how to adapt to change, and even to provoke change to the mutual benefit of Taipei and Beijing is a tremendous challenge Taipei diplomatic authorities must take on.⁶⁷

Taiwan maintains full diplomatic relations with 27 countries. On the basis of *pragmatic diplomacy* and mutual interest, Taiwan continues to endeavor to establish diplomatic ties or substantially enhance relations with the rest of the world's countries, maintaining 90 representative office or branch offices in the capitals and major cities of 58 countries. Although these offices carry various names, such as Taipei Representative Office, or

⁶⁶ Joie, Bernard T.K. op. cit. pp. 233-234.

⁶⁷ Ibid. pp 235-236.

Trade Mission of the Republic of China, all of them perform most of the function of embassies and consulates general.

Reciprocally, 46 countries that do not have diplomatic relations with Taiwan have established 54 representative offices or visa issuing centers in Taiwan.

Through the exercise of *pragmatic diplomacy*, the R.O.C. has opened different representatives offices in countries where there is no diplomatic relations. *They have ties with countries under three different categories: Official, Semi-official or Unofficial Missions Abroad.* Thanks to this kind of new diplomacy, the ROC has unofficial relations with most of the countries of the International Society. **There are trade, economic, cultural, tourism and travel offices in nearly all five continents.** (see Appendix 3).

This approach would also be called: "*one China in stages*", that is, no immediate reunification, nor any imminent declaration of Taiwan independence, maintaining temporarily a status quo, while intensifying cross-strait talks on an equal footing for mutually acceptable terms of reunification.⁶⁸

Former president Lee undertook "*golf's diplomacy*" during his administration to enhance his international status. This began with a trip to Singapore in 1989. Sensibly and pragmatically leaving aside any necessity to be afforded the normal courtesies of a head of state, Lee began undertaking various golf trips to countries which had diplomatic relations with China, but not with Taiwan.⁶⁹

During these trips, Lee would of course have "private meetings" with government leaders of the countries involved. On allegedly "private" visits, he went to Thailand and met the King Bhumibol Rama IX, visited Indonesia and played a round of golf with President Suharto. Beijing did not react strongly to these developments and the world, certainly the East Asian region, began to be lulled into a false sense of security that Taiwan and China could work out an effective "modus vivendi" as two

⁶⁸ Joie, Bernard T.K. op. cit. pp 235.

⁶⁹ Sheridan, Greg; op. cit., pp. 305-306.

"de facto" independent but closely related neighbors. All this was to be shattered, however, by Beijing's determination, which has so far been unsuccessful, to bring Taiwan to heel.⁷⁰

Lee's "*pragmatic diplomacy*" took various forms such as "transit diplomacy", "alumni diplomacy", "ceremony diplomacy", and "vacation diplomacy". Even at the height of the Strait crisis in 1995-96, Vice President Li Yuan-zu made a transit visit to the U.S. in early January 1996 on his way to attend the inauguration of the new President of Guatemala. Barely two weeks after the U.S. transit visit, Li Yuan-zu made stops in San Francisco, Miami and Los Angeles on his way to Haiti and El Salvador for official visits.⁷¹

Other high ranking Taiwanese officials never ceased their official or "unofficial" visits. For example, Vice President Lien Chan stopped over in New York on 14 August 1995 on his way to the Dominican Republic. In early 1998, Lee went to Singapore on a "vacation visit" and later he also went to Malaysia for "private visits" with a transit stop in Thailand. Taiwan's then foreign minister, Chang Hsiao-yen, paid a "private visit" to Indonesia and Malaysia in early September 1996 with a transit stop in Singapore. He also went to Jordan for a "private visit" in December 1996.⁷²

Very often the overseas trips of Taiwan's high officials followed a similar pattern. They would simply drop out of sight for days at a time before surprisingly reappearing in another country. For example, in August 1996, Lien Chan vanished from the scene for several days before resurfacing in the Ukraine to receive an honorary degree and hold discussion with its state leaders. Taiwan's foreign minister Chang Hsiao-yen's secret visits followed the same pattern.⁷³

The most important diplomacy for the allies is the "*Economic Diplomacy*"; for others it is "dollar diplomacy", or "wallet diplomacy"

⁷⁰ Sheridan, Greg; op. cit., pp. 305-306.

⁷¹ Sheng, Lijun; op. cit. p. 146.

⁷² Ibid.

⁷³ Sheng, Lijun; op. cit. p. 146.

which China has called "checkbook diplomacy". Taipei uses this diplomacy to maintain their allies and to gain more diplomatic recognition. Beijing, like Taiwan, also spends great amount of resources, to lure new allies.

Unfortunately, the issue of Dollar Diplomacy has not been addressed by the governments of Central America.

Accusations have been made that several Presidents of the countries in this region have received large amounts of U.S. dollars for different purposes such as supporting candidates in political campaigns and for non-existent foundations, among others.

In Panama, Mireya Moscoso, president of the republic, from 1999 to 2004, has been accused of receiving one million U.S. dollars as a birthday gift from Chen- Shui-bian, current President of Taiwan.

In Costa Rica, the Social Christian Unity Party (PUSC) and National Liberation Party (PLN) supposedly received 2.3 million U.S. dollars from the Government of Taiwan between 2001 and 2003.

The Government of Taiwan admitted giving 400,000 U.S. dollars to the "*Foundation Freedom and Human Development of Costa Rica*" established in 1991 by Dr. Miguel Angel Rodríguez, President of Costa Rica from 1998 to 2002. "*Friendship*", a Taiwanese enterprise, supposedly credited one million U.S. dollars to Investment Denisse S.A., a Panamanian enterprise account supposedly owned by Dr. Miguel Angel Rodríguez. Other Taiwanese enterprises have supposedly credited 400,000 U.S. dollars to an account of the coordinator of the 2003 campaign of Rolando Araya Monge, National Liberation Party (PLN) candidate. "*Sunshine*" and "*Pacific*",

Taiwanese enterprises, supposedly gave 500,000 U.S. dollars through the International Commercial Bank of China to support 2003 political campaign of Dr. Abel Pacheco actual President of Costa Rica. Tzu-Dan Wu, Ambassador to Costa Rica of the R.O.C., supposedly admitted personally delivering 400,000 U.S. dollars from his government to the National Liberation Party (PLN) candidate in 2000, and 100,000 US dollars to Social Christian Unity Party (P.U.S.C.), currently in office.

In Nicaragua, Arnoldo Alemán, President from 1997 to 2002 is currently serving a 20 year home-prison sentence for a string of crimes including money laundering, embezzlement, electoral crimes, etc. He was accused of receiving on May 4th, 2000, a donation check from the Ambassador of Taiwan in Managua, Antonio Tsai, one million U.S. dollars. He is also accused of misuse of public funds and tax evasion amounting to more than 650 million U.S. dollars. Several transfers were made to an Aleman's account in Panama for a "Nicaraguan Democratic Foundation" (FDN) from the Huan Nan Commercial Bank, Taipei and the International Bank of China. Several checks were deposited to the same FDN's account in Panama, from Taiwanese enterprises or Taiwanese people as Wei Keh Wu who transferred \$49,985. Another check from a society called Honguo Co. Ltd. Transferred U.S.\$500,000 from the International Bank of China on the FDN's account. Two months later another deposit for U.S. \$500,000 was credited to the FDN's account In October 12th, 2001, another society called Fortuna Co. Ltd. transferred from the International Commercial Bank of China the amount of \$500,000 to the same Aleman's foundation. Aleman's Foundation received a total amount of U.S.\$1,549.985 from Taiwanese banks.

Enrique Bolaños Geyer, current president of Nicaragua, has been accused of requesting irregular cooperation of the Taiwanese government to finance his electoral campaign for the presidency in 2001.

Because of the corruption scandals in Nicaragua, Costa Rica, and Panama involving dubious Taiwanese payoffs, former presidents of these countries are currently in jail. Alemán has a sentence for 20 years, and Miguel Angel Rodríguez of Costa Rica has not yet been sentenced.

The Congress of Costa Rica is studying the convenience of holding diplomatic relations with Taiwan or establishing diplomatic relations with the P.R.C. They have requested to the Executive Yuan of the R.O.C. an explanation about the high donations to political candidates and political parties about the reason of recurring invitations to visit Taiwan. They believe Taiwan is interfering with the sovereignty of Costa Rica.

Economic Diplomacy is one which maintains ties of involved countries with Taiwan, and the R.O.C. gives substantial financial resources to its allies. Between 1992 and mid-1999, Taiwan gave more than U.S.\$180 million in economic assistance to Central American countries. It also announced in 1996 that it would set up ten industrial zones in Central America and Asia to expand its foreign ties during the financial year beginning in July 1996. Its Economic Ministry claimed that its eventual goal was to set up 100 small-scale overseas industrial zones.

Currently, there are industrial zones in Costa Rica and Honduras, more are planned for Guatemala, El Salvador and Nicaragua.

The R.O.C. contributed U.S.\$100 million for loans to five of the Central American countries. Despite huge amounts of money spent, however, there were no major diplomatic breakthroughs in 1996-98. The number of countries having diplomatic relations with Taiwan remains roughly the same—mostly small African and Caribbean countries whose diplomatic recognition does not create much international impact.

There is the problem of these countries becoming an economic burden on Taiwan as they have sought to maintain their diplomatic recognition of Taipei by playing the "Beijing card" to squeeze more money out of Taipei. Taiwan's efforts were dealt a severe blow when South Africa, the largest and most influential country among its remaining allies, chose to recognize Beijing in December 1997.⁷⁴ In his January 18, 1999 visit to Haiti (one of the countries with official relations with Taiwan), Premier Siew Wan-chang offered the country US\$62 million, according to the South China Morning Post on January 1999.

He also visited the Dominican Republic and pledged to give U.S.\$ 2 million in economic aid.⁷⁵ The Central American countries and the Dominican Republic are countries that cannot be easily lured by Beijing, as they have shared mutual interests with Taiwan.

⁷⁴ Lijun, Sheng, op. cit. p. 148

⁷⁵ "Taipei's \$62m Offer to Haiti", SCMP, 18 January 1999.

Since 1999, Taiwan has had two diplomatic achievements. On January 27th, Macedonia signed a joint communiqué to establish formal relations. Macedonia thus becomes R.O.C.'s second diplomatic ally in Europe, after the Holy See. It reportedly received promises from Taiwan for direct economic aid worth US\$235 million. The Macedonian Foreign Minister Aleksander Dimitrov said Macedonia stood to benefit by more than U.S.\$1 billion in investments from Taiwan, even though, Macedonia switched diplomatic recognition to Beijing in June, 2001.

Apart from targeting small and poor African and Latin American countries, from late 1998 Taiwan began to eye Europe where it had, at that stage, only one diplomatic partner: the Holy See. After Macedonia shifted its diplomatic recognition to Taipei in January 1999, Taiwan offered U.S.\$300 million assistance, more than any other country, to help rebuild war-battered Kosovo. In July, a Taiwanese trade delegation of 100 officials and businessmen, headed by Economics Minister Wan Chih-kang, visited Europe in what the island called "*trade diplomacy*".⁷⁶ (see Appendix 4)

The Asian, African, European, Central and South American and the Caribbean countries having formal diplomatic relations with the R.O.C. have requested a review of the United Nations General Assembly Resolution 2758 because they think the 23 million people in Taiwan, including Penghu, Kinmen and Matsu, deserve a fair and reasonable representation in the U.N. They believe it is up to the General Assembly to find a practical solution to this issue. The petition has not been heard yet. The R.O.C. has now the support of 27 countries from developing countries. The "economic diplomacy" Taiwan offers by international cooperation and donations through the International Cooperation and Development Fund (I.C.D.F.) began operating on 1 July 1996.

One year later the International Cooperation and Development Fund assimilation of the Committee of

⁷⁶ "Taiwanese Trade Team on European mission", SCMP, 20 July 1999.

International Technical Cooperation (C.I.T.C.) confirmed it as the R.O.C.'s principal body overseeing foreign assistance. I.C.D.F. technical missions were involved in 103 projects in eight different categories: crop production enhancement; horticultural crop development (Costa Rica, El Salvador, Guatemala, Nicaragua); handicrafts training and promotion (Costa Rica, Guatemala); aquaculture, including shrimp, saltwater and freshwater fish farming (Honduras); improved livestock breeding and veterinary care (Nicaragua, St. Vincent); Industry service (Dominican Republic). All these technical mission achievements are powerful strategies of the ROC to establish and hold their diplomatic relations with all those countries.

Taiwan has been undergoing a peaceful transformation to full democracy. During the first years of the Kuomintang, the Taiwanese administration had a limited democratization, because it was impossible to gain a free election. The National Assembly elected the president without any participation of the people. The first direct president election is held and incumbent president and K.M.T. candidate Lee Teng-hui is elected. The second direct presidential election is held on March 18, 2000 Democratic Progressive Party candidate Chen Shui-bian is elected, ending the K.M.T.'s more than 50-year hold on the presidency in Taiwan. President Lee Teng-hui was forced to resign his chairmanship of the K.M.T. In April, supporters of James Soong combined with some of the K.M.T. and New Party members to form the People First Party (P.F.P.).

Taiwan has grown from an agricultural exporting economy to a leading producer of electronics, computers and other industrial goods. The Taiwanese are "paving the information highway" with disk drives, computer screens, laptop computers and modems. The success of their democratic evolution has provided tremendous hope for other developing nations, and they are sharing their experience with them. Their efforts helping others through agricultural development have been well received and they are eager to expand technical assistance programs to friendly nations in the developing world. Taiwan has done unusually well over

the past half century of development and continues to do so to this day. Though, not without problems opposition parties of real significance exist. Considerable civil and political liberties, including freedom of expression of the press, freedom to form organizations and to demonstrate and strike, are common features of public and political life.

The Taiwanese and Chinese electoral systems differ from those of liberal democracies. The Chinese electoral system's purpose is not to represent the people or ensure responsibility of the leadership to the electorate (as in the West) but to allow the Chinese Communist Party to rule China. As a result, congressional delegates are not concerned with representing their constituencies local interests against interests of the central party and government. Rather, their best chance of nomination for reelection rests in obedience to party directives. As a major propaganda tool, the press is an instrument of state policy in the P.R.C. According with the Government Information Office of the R.O.C., since taking office, President Chen Shui-bian has placed particular emphasis on "*people's diplomacy*". This concept includes the engagement of the whole of the Taiwanese people with the peoples of other countries in trans-national or inter-societal networks, as opposed to merely inter-state ones. It also implies the democratization of foreign policy making, including the principles of accountability and transparency, bringing the public more fully into the process.

The Ministry of Foreign Affairs (M.O.F.A.) has launched a series of measures to put these principles into practice. It has initiated a program of ambassadors-at-large that currently involves 11 prominent figures from Taiwan's civil society, including N.G.O. and business leaders, each responsible for promoting linkages with the international community in their respective fields. MOFA's Foreign Affairs Association has accomplished a regular series of lectures and seminars to promote public interest in, and awareness of, international affairs. In order to encourage participation among Taiwanese young people in overseas development work, the alternative military service program has

been expanded to allow conscripts to volunteer for work in technical missions overseas. 37 young men were successfully deployed in the first year of the program, 2001, and 35 were trained and sent out in 2002.

The universal values of human rights have become core national appreciation and new focal points for R.O.C. diplomacy. President Chen has committed the government to moving towards full integration of Taiwan in the international human rights system spearheaded by the U.N. As a crucial first step, both the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights have been approved by the Executive Yuan and sent to the Legislative Yuan for ratification.

President Chen intends to channel foreign policy resources into less politically oriented activities and make human rights diplomacy, economic cooperation, and cultural interaction a hallmark of his foreign policy. Human rights are inherent within the precepts of freedom and democracy.

Chapter 3

The Importance of Central America in Taiwanese Diplomacy

The history and experiences of Taiwan's economic development serve as worthwhile examples for other developing countries. On the other hand, it is important for the R.O.C. to have as diplomatic allies the whole bloc of Central American countries. These countries take advantage of the economic experiences of Taiwan, and Taiwan seeks the support of the Central American countries to secure its relations with the United Nations and other international organizations.

Geopolitically speaking, the Central American countries are very close to the United States of America (U.S.A.) and 80% of the Central America products are exported to the U.S.A. Therefore, the Central American economies depend a lot on the purchase of their goods by the U.S.A. There is a big challenge for the Central American countries which export U.S.\$11.000 millions of their products to the United States. Negotiations between the Central American countries and the United States were opened the first week of February 2003, in San José, Costa Rica to study the benefits or unfavorable effects to sign eventually a Free Trade Agreement.

The once wealthy island of Taiwan has been troubled by a dismal economy during the past two years, with unemployment at more than 5% while the government debt hit a record high of

N.T.\$3.3 trillion, (U.S.\$94.3 billion) in 2002. The government debt has been increasing and spending on welfare, and for the first time in five decades has exceeded economic investment. In December 18, 2002, the Executive Yuan of Taiwan approved public-works and job-creation plans to move the economy out of the doldrums, stimulate growth and lower unemployment. The U.S.\$1.44 billion public-works plan is expected to increase gross domestic product by US\$1.07 billion, raise economic growth by 0.38% and create 40,000 jobs in 2003. An annual increase of US\$546 million in GDP is expected following project completion with economic growth rising an additional 0.19 % in 2004 and 0.18% in 2005. The US\$575 million job-creation plan is expected to create 75,000 jobs in 2003 and lower unemployment to below 4.5% by the year's end.⁷⁷

In spite of its own financial difficulties, the R.O.C. has developed important international cooperation with programs which have contributed to the sustained development of countries in Asia, Africa and the Caribbean. All these small countries are important for Taiwan, because they belong to the Organizations of the United Nations and Costa Rica has been in two occasions non-permanent member of the Security Council, (1974-75 and 1997-98) and its main goal is to contribute to the peaceful solution of conflicts, humanitarian cooperation, and protection of human rights. Costa Rica is a member of the U.N. Economic and Social Council and it holds the presidency of the Council. All of the Central American countries are backing the movements for the R.O.C. to be reinstalled in its place as a member of the General Assembly.

It is important to know the background of the Central American countries, primarily Guatemala, El Salvador, Nicaragua, and Honduras, because they have similarities as well as divergences in their political lives. Costa Rica constitutes 8% of Central American territory and since 1888 has been a democracy. It is the fifth Central American state. It is the country with the

⁷⁷ Kennedy, Brian; Taipei Journal, Vol. XIX, No. 19, May 17, 2002, Published by the Government Information Office of the Republic of China on Taiwan", p. 6.

highest G.N.P. per head in Central America, and is in the top 15 developing countries in competitiveness worldwide. While having certain factors in common with the rest, Costa Rica has developed a unique political tradition in which violence has been largely eliminated and relative democracy is the rule. Costa Rica is excluded from the almost unrelieved pattern of violence in the other Central American republics. It has a political, social and macroeconomic stability, with strong public health and educational systems across the country.

These Central American countries support the R.O.C. and argue that a country with 23 million inhabitants, the fourteenth largest trading nation in the world and the sixth largest trading partner with the U.S.A., should be given a seat in the United Nations. By any measure – national sovereignty, political development, protection of human rights, or economic growth – Taiwan meets the standards of U.N. membership. As a member of the U.N., Taiwan would have much to offer the world and it would provide additional opportunities for greater interaction between China and Taiwan. The Central American allies consider some countries have parallel representation in the United Nations such as East and West Germany as well as North and South Korea. Without U.N. membership, Taiwan is not allowed to have important means of collaborating with international partners. This unnecessarily complicates the task at hand and hampers efforts to deal with all the nations. The R.O.C. remains in effective control of an area of 14,000 square miles and more than 23 million people, whose earnings average at US\$12,876 a year (2001).

Taiwan holds the world's third-largest foreign exchange reserve.⁷⁸ The "Taiwan experience" originally referred to Taiwan's rapid economic development. Since the late 1980s, the movement toward political liberation and stable political democratization in Taiwan has attracted more attention than its economic development. Central American countries share the

⁷⁸ Shulong, Chu, op. cit. p. 60.

same ideology and even though Taiwan is not represented in the United Nations, owing to its economic strength and political achievements, Taiwan has maintained substantive or functional relations with most countries in the world and has participated, under different names, in some important international economic organizations.

Taiwan participates in the Asia-Pacific Economic Cooperation (A.P.E.C.) forum and Chen's success on Taiwan's accession to the World Trade Organization (W.T.O.), it expresses hope that Taiwan would soon gain observer status in the World Health Assembly. Its sportsmen and women attend the Olympics and other sports activities. Its business people engage in global trade and investment. Its people travel the world for tourism, education and other activities. Central American countries maintain not only economic, trade and cultural ties with Taiwan, not on a large scale, but also political and security relations with foreign governments. The leaders of the regional countries want Taiwan's leaders to be able to travel abroad as governmental leaders and to pay official visits to foreign countries.⁷⁹

Without any doubt, the Central American countries wish Taiwan could participate not only in non-statehood but also in state-membership-only international organizations, such as the United Nations, International Monetary Fund, World Bank, and World Health Organization (W.H.O.), among many others. The island has significant professional expertise and that could contribute to W.H.O. activities. It is very important for Taiwan to participate in regional and international political-security activities such as the Korean Energy Development Organization (K.E.D.O.) or the Asia-Pacific region missile defense system.⁸⁰

It's no human the health dangers Taiwan is facing nowadays due to the island's exclusion from the global blanket of health protection offered by the world body. Although Taiwan has not been part of the W.H.O., the Taiwanese achieved progress in joining the international trading community. All the Central American countries

⁷⁹ Shulong, Chu, op. cit. p. 60-61.

⁸⁰ Ibid.

have full and formal diplomatic relations with the R.O.C., even though the role and status of Taiwan in the international community is not of those of a nation-state status, therefore, most of the foreign countries do not recognize the R.O.C. as a sovereign state, only as a province of China.

Maybe the Central American countries would like to see both, the P.R.C. and the R.O.C. at the General Assembly of the United Nations, because for all the allies, the R.O.C. fulfills the requirements for a sovereign state, according to the Montevideo Convention on the Rights and Duties of States, Art. 1, 1933. The R.O.C. has its own flag, political constitution, legal system, a crowded population close to 23 million inhabitants, a defined territory, a government, an army, and the capacity to enter into relations with other states. As far as Public International Law is concerned, the last qualification, the capacity to engage in formal relations with other states, is the most important and controversial. Before the 1971 U.S. Resolution 2758 which accorded China's U.N. seat to the P.R.C. in Beijing, Taiwan was recognized by almost half of the world countries. The R.O.C. has an unquestioned capacity to engage in foreign relations with other countries.

The admittance of the Republic of China to the United Nations is a fact that only hurt the pride of the government of the P.R.C. Both Chinas could accomplish much better trade and much more business with each other without having to go through a third country, such as Hong Kong or the United States. Chinese people from Singapore were allowed to have its own nation-state without facing Beijing's antagonism as Taiwan does.

On October 10, 2002, President Chen Shui-bian renewed his call for Beijing to dismantle missiles aimed at the island. In this message to mark the Double Tenth celebration, President Chen called solemnly upon the leaders of the People's Republic of China to remove 400 missiles that are deployed along the Taiwan Strait and to openly renounce the use of force against Taiwan. The President's speech was the latest in a string of declarations urging Beijing to stop using military threats against the island.

The missiles have seriously threatened stability in the Asia-Pacific region. The mainland has threatened to use force if the island declares independence.

It was President Chen's second Double Tenth celebration speech since coming to power in 2000 which differed somewhat from those held under the previous Kuomintang government. "Taiwan spirit" and "Taiwan's first" were the recurrent themes of the celebration, reflecting the Chen government's gradual ditching of the traditional Republic of China concept to embrace so-called "Taiwanization". "There is no need for Taiwan to declare independence because it is already independent". And what we need is to change its official title, added the President.⁸¹

Conventional diplomacy is the conduct of relations between sovereign states. There is no diplomacy without sovereignty. Yet sovereignty being the sore point between China and Taiwan, diplomatic confrontation has become another battlefield. Many foreign observers find it difficult to comprehend Taiwan and China's obsession over relations with tiny islands in the Pacific, such as Tonga and Papua New Guinea, when it is obvious that neither side of the Taiwan Strait has vital interests in these nations. The problem is that official diplomatic ties with countries such as Tonga or Papua New Guinea have deeper symbolic meaning: in the eyes of the R.O.C. and the P.R.C., they argue for Taiwan's existence as a sovereign state and this dispute is complicated and sensitive.⁸² The votes of those small islands in the U.N. General Assembly mean a lot for the interests of the R.O.C. Other small countries, such as Samoa, Tahiti, Fiji, Marshall Islands, Salomon Islands, enjoy the benefits of being Taiwan's allies because in the same way the R.O.C. contributes to the development of the Central American countries, the cooperation programs among those small countries have contributed to alleviating their needs. The Central American countries belong to multiple international organizations and U.N. specialized organizations where all the Central American governments have

⁸¹ *Hong Kong News*, Channel 15, Hong Kong, China, October 11, 2002.

⁸² Chiou I-Jen; op. cit. p. 156.

representatives. The influence of those countries in favoring the incorporation of Taiwan to the U.N. is significant.

In August 2002, Latin American presidents in Colombia gave a 58% support for democracy as the best choice for government rule. We live in an increasingly pluralistic world and the habits and practices of democracy are the more widely observed. In inter-state relations much persuasion is now employed to convince authoritarian governments to change their conduct and follow the pluralist path. Costa Rica has a continuing democracy and it has been an example for many Latin American countries.⁸³ The authorities in Taiwan know that Costa Rica has received special recognition by the international community, mainly because most of the other Central and Latin American countries were notorious for oppressive military or right-wing dictatorships generals who seized power in military coups. Costa Rica and Belize, both with civilian governments are the exceptions. Central America has been an important region for Taiwan, because the development of its diplomatic relations has been successful as a result of important programs have contributed to decrease unemployment and improved infrastructure throughout the isthmus.



Great Wall of China, Beijing, PRC



Tian'anmen Square and the Imperial Palace, Beijing, P.R.C.

The competition from Beijing strengthening in the Central American countries is evident. The Chinese Communist Party

⁸³ O'Donnell, Guillermo, "Decalogue of the audit of Democracy Workshop", March 2001, San José, Costa Rica.

has reinforced a new practice of approach to adversarial countries that Taiwan had considered loyal and establishing with them diplomatic relations. In the same way the R.O.C. has an almost traditional relation with countries under China's diplomacy. They use "*party diplomacy*". This party-to-party diplomacy is an effort to further isolate Taiwan politically. Dai Bingguo, director of the party's International Liaison Department, wrote on the party sponsored periodical, *Seeking Truth: "Establishing a new scene of party diplomacy with contemporary and Chinese characteristics"*,⁸⁴ his office was developing an all-front party diplomacy suited the global situation and developmental change in party politics in order to:

1. Continue deepening the friendship and exchange with parties of developing countries. Maintain the strengthening of the exchange and cooperation with ruling parties of socialist countries. Hold full fledged launching the exchange with mainstream parties of developed countries. Followed by steadily developing the exchange with parties of former Soviet and Eastern Europeans transforming countries, -- important progress in exchange with international parties organizations and regional associations.
2. Performing the unique functions of party diplomacy to enhance healthy and steady development of relationships among countries: -- as the foundation of the country's foreign relation, performed the support function, as the facilitator of the country's foreign relation, performed the bridging function.
3. Aggressively serving economic reform, opening and modernization in accordance with the country's economic development strategy.
4. Developing in depth the exchange in party and country management experience in accordance with the need for self-development and construction.
5. Through external exchange, display the party's good image of being civil and open, progress with time, peace loving, and work for cooperation and development.

⁸⁴ Bingguo, Dai; "**Establishing a new scene of party diplomacy with contemporary and Chinese characteristics**". *Seeking Truth*, Issue No. 19, October 19, 2002. Beijing, Popular Republic of China.

Mr. Bingguo, the top cadre in charge of international cooperation, said: "economic exchanges had been the major item on the agenda during the meetings", although he did not give details about what incentives China was offering. He mentioned that they had been using party diplomacy as the stage while playing economic and trading activities.

"In recent years the Communist Party has recommended a number of foreign partners to economic departments in the mainland government, and 30 inspection tours had been organized", Mr. Bingguo said.

During my stay in Beijing, I was not successful to interview Dai Bingguo concerning the Communist Party's effort to lure Taiwan's allies away, because he was out of Beijing. Instead I was able to talk to Mr. Wang Hua, Member of the Council of the Chinese Association for International Comprehension under the International Department of the Central Committee of the Chinese Communist Party, about the importance of the campaign to befriend both ruling and opposition political parties in countries that recognized Taipei instead of Beijing. Mr. Hua mentioned the importance of the National Congress of the C.C.P. held on November 8th, 2002.

We talked about three challenges on the agenda of the XVI Congress, which are not new because they have been mentioned since the 12th National Congress, the first one of the Post Mao era in 1982. These are:

1. To materialize the four modernizations in agriculture, industry, national defense (new measures against terrorism), and science and technology.
2. To effect reunification, expecting the use of force not to be necessary.
3. To keep peace and promote development.

The 2120 delegates represented 66 million party members of the C.C.P., which meant 1% party member for each group of 25 people. Of course, those delegates vote for the list of people already chosen by the Communist Party. We cannot talk about a

democratic or free election as the traditional democratic countries do. When China's 16th party congress met, everybody knew that it would rubber-stamp the decisions made by the ruling elite. We can talk about a "democratic" centralism, where the party is the main organization.

Dai Bingguo recognizes that the mainland's position on Taiwan means that other nations are forced to choose between diplomatic relations with Beijing or Taipei. Inevitably, Taipei has been left with just a handful of allies. He mentioned that "there are 14 Latin American countries that recognize Taiwan." He also said that "by forging relations with major parties in eleven of the fourteen Taiwanese allies, the mainland has gradually set the framework for the normalization of relations with these countries." I guess he did not take into consideration that there are other facts to count when we analyze the reasons of the Latin American countries to share diplomatic ties with Taiwan. There is an agreement with the political system, but also with environmental programs, respect to human rights, development and mutual international cooperation. For some of those countries there is very little interest in establishing ties with the Chinese Communist Party, because Communism is considered nowadays an unsuccessful cumbersome system which delays development and is not the most efficient in trade, industry and business. They do not offer economic help to all their allies and they do not give support for economic development.

Day Bingguo mentioned another kind of diplomacy, currently not exercised by the ROC: "*party diplomacy*". He said that "party diplomacy" had the advantage of being an unofficial civilian exchange, making it easier for Mainland China officials to deal with Taiwan's allies in Asia, Africa and Latin America.

This kind of diplomacy in the countries which have established diplomatic relations with the R.O.C. is very difficult to achieve and hold, mainly because Chinese officials cannot easily obtain visa to enter those countries. They need to solicit it to the Ministry of Foreign Affairs, and they must explain the purpose of the visit before the Minister of Foreign Affairs gives approval to

the Immigration Department for their permit for the visit. Dai Bingguo writes in his article that "the Communist Party claims to have received nearly 50 missions from Taipei's allies over the past five years". If the invitation includes free plane tickets, the assessment could be feasible; otherwise the high cost of traveling for a mission from Central or South America countries to Beijing, could be very hard to afford. Another inconvenience is the visa which has to be granted by a country which has established diplomatic relations with Beijing. The closest ones are Mexico and Colombia of which the former is the better choice. China has only a News Office in Costa Rica. After the Chinese mainland acceded to the W.T.O., its enormous markets are attracting innumerable foreign enterprises. Taiwan entrepreneurs have been investing in the mainland for several years, with accumulated investments of over US\$20 billion, or 40% of Taiwan's total foreign investments. Costa Rica considers important, not to waste the opportunity to take advantage of China potential great market, and increase the imports-exports through a trade office in the capital of Costa Rica, San José.

Chapter 4

The Importance of Costa Rica in Taiwan's Diplomatic Relations

Costa Rica is one of the oldest and strongest democracies of Latin America. It is a centenarian democracy, and the most mature among Latin American democracies. There are a few features that other democracies do not offer and we think there is a great reason why Costa Rica has much more significance for the diplomatic relations with Taiwan. Dr. Guillermo O'Donnell states that the common ground of democracy, human rights and human development that they share in the very foundation of their respective views is a moral conception of the human as an agent. This human condition originates not only from moral claims but also universalistic rights. The political rights – of expression, association, movement, and the like – are segments of civil rights. In other Latin American countries, particularly Central American ones, there is a lack of human development or human rights. In some of those countries there are political rights during the election period, allowance of participation – this is not complete freedom because the free expression is restrained, most of the time by government officials – there are limitations of movement, so that the rights are not equally fundamental.⁸⁵

⁸⁵ O'Donnell, Guillermo; op. cit.

Costa Rica has much more moral authority among the isthmus' countries since it has had a continuing democracy since 1888. Few countries apart from Costa Rica can proclaim the freedom of their people, where people have been able to forge their new destiny, to determine its basic features, and to breathe into it a new spirit. Behind the democratic awakening in Central America, lay over a hundred years of cruel dictators with great injustice and generalized poverty.

The Constitution of Costa Rica recognizes the basic rights of all individuals, without distinction, in accordance with Article 33. It guarantees the right to life, and there is no death penalty. It guarantees that no individual shall be secretly taken away by force, or subjected to torture, or cruel, inhuman, or degrading treatment or punishment. It stipulates that all people are born equal and are equal before the law. They shall therefore receive equal treatment from the authorities and enjoy the same rights, freedoms, and opportunities, without discrimination on grounds of gender, race, national or family origin, language, religion, political opinion, as well as personal and family privacy. The Constitution also states that all people shall have the right to legal capacity, and the inviolability of correspondence. It guarantees freedom of worship, freedom of expression, and freedom of movement, and guarantees that all people shall have the right to appeal to the authorities, whether for the collective interest or for their own interests, and to speedy resolution of their appeal. It states that work is a right and a social obligation and that it shall enjoy the protection of the State.

Costa Rican Constitution guarantees freedom of education and training. It also protects due process and states that no one may be molested in his or her person or family, nor imprisoned, detained, or have his or her house searched, without a written mandate from the competent legal authority. No one shall be imprisoned for debt, except in the case of unpaid maintenance. The Constitution establishes the right to institute the Petition of Habeas Corpus and the Petition for Protection of Constitutional Rights proceedings, and recognizes the right of asylum and the right to Political participation, among others.

Among Human Rights, there are also collective and environmental rights. The Constitution states that the law shall regulate the quality of goods and services offered to the people, that all individuals have the right to enjoy a healthy environment, and that the State shall cooperate with other nations in protecting ecosystems.

Henry Shue (1996:197) asserts that there are some "strategically critical rights which are necessary for the enjoyment of all other rights", and which consist of "security, subsistence and liberty". So, if there is deprivation of those interconnected rights and respect for basic human rights, it is clear that under the democratic regimes that presently exist in Latin America, political rights are the only ones that the popular sector more or less fully enjoys. Political democracy and its rights are a public good, so it is our moral and political duty to help the popular sector use the lever of these rights for the achievement of other rights. There has been a regression in social rights, which in addition, has occurred from a baseline that, as compared with the Northwest, is very limited.

With the exception of Costa Rica and Uruguay, the support for a democratic regime is low and no less worryingly, it has significantly diminished during the recent past years. In terms of human development and of human rights, little if any progress has been achieved in Latin America under the existing democratic regimes. In some dimensions of social welfare – such as literacy, schooling, and infant mortality-some countries have improved their indicators, but it is hard to know to what extent these changes are due to secular trends or to the impact of democratically elected governments, nor what kind of social policies have proved effective or may be recommended for achieving such improvements.⁸⁶

Costa Rica can be, without any doubt, a model of democracy for Taiwan, and since Taiwan has consolidated its democracy in the last elections of the year 2000, when all the Taiwanese people

⁸⁶ O'Donnel, Guillermo; op. cit.

had, for the first time, the opportunity to exercise the right of the suffrage, they chose their national leader, Cheng Shu-bian as president of the R.O.C. Previously, the National Assembly, elected Lee Teng-hui by direct vote in March 1996, as president of the R.O.C.

The Costa Rican political system was established with the Constitution of 1871, as that constitution is the foundation for the 1949 Constitution presently in force. In this Constitution, Costa Rica defines itself as a democratic, free and independent republic, whose sovereignty lies exclusively with the Nation. Article 9 of the Constitution stipulates: "The government of the Republic is popular, representative, alternative, and responsible. It is exercised by three distinct and independent branches: legislative, executive and judicial. None of these branches may delegate the exercise of their proper functions. The Supreme Electoral Court has the same rank and degree of autonomy as the branches of the Government. It is responsible, in exclusive and form, for the organization, management and monitoring of electoral activities, as well as for other functions accorded to it by this Constitution and the law".

Costa Rica is significant in Taiwan's diplomacy because among the Central American countries it has a peaceful background and it is the centre for peace. It also advocates demilitarization and disarmament. It is a country which has a lot of prestige among the countries of the area. It had the privilege of twice being a non-permanent member of the U.N. Security Council and it has more moral authority among the isthmus' countries after a continuing democracy for a century. Thanks to its neutrality in the face of external military conflicts, the diplomacy was the political means which achieved a final end to the fighting between brothers in Central America in 1987 without using a military force, because there is no army in Costa Rica. Such insight shaped the proposal "*A Time for Peace*" that was presented in San José, Costa Rica on 15 February 1987, to the Presidents of El Salvador, Guatemala and Honduras: Napoleón Duarte, Marco Vinicio Cerezo and José Azcona, by the Costa Rican Head of

State, Dr. Oscar Arias Sánchez. This was his first attempt to initiate a process to establish a firm and lasting peace in Central America.

This proposal reflected the popular will as expressed by the Costa Rican President when he took office on 8 May 1986. Ultimately, the proposal became the Central American Peace Plan, known as Esquipulas II. It was approved in Guatemala on 7 August 1987, by all the Central American presidents, including Daniel Ortega of Nicaragua. The Peace Plan was the culmination of a long process of negotiations in whose origins many Latin American nations took part, notably Colombia, México, Panamá and Venezuela, which formed the Contadora Group.⁸⁷



Dr. Oscar Arias Sánchez, winner of the Nobel Prize of Peace, Costa Rica

The plan was primarily the product of the perseverance of one man who upheld peace as one of mankind's supreme values and made him winner of the Nobel Peace Prize, 1987, Dr. Oscar Arias Sánchez. The ex-president is a living testimony that even small nations like Costa Rica can count with great leaders and play an important role in a globalized society. Despite being small, Costa Rica takes its responsibility seriously, i.e. the maintenance of the peace and welfare of the people. The time when a country can isolate itself from the violence, injustice and

⁸⁷ Cotter, María Eugenia, Jorge E. Regidor, "Horizons of Peace", Arias Foundation for Peace; San José, Costa Rica, 1994. pp. 16-20.

war existing in other parts of the world is gone. Our interconnected world globe has become too small for that. We should hope, then, that a new era will arrive when those leaders who defend peace will also be recognized as much as the war heroes of times past.⁸⁸

The Republic of China and Costa Rica share programme of mutual interest for the whole international community as Human Rights and Environmental Programme. Taiwan's standards of human rights, democracy, and basic freedoms have made great strides, from resistance to oppression in the early years, to mutual respect and compromise among people today. Human Rights for children, women, and aborigines have been greatly promoted.

In 2002 the U.S. State Department released its report to Congress on international religious freedom. In it, the government of Taiwan was lauded for its endeavors to protect the right to worship. Taiwan did not receive so flattering an entry in the fourth annual report and was identified again as a "country of particular concern." The people of Taiwan, according to the report, enjoy full religious liberty in terms of protection under the law, enforcement of human rights and construction of a society in which each individual can worship free from fear and coercion. In particular, it mentions the growing number of Falun Gong adherents as evidence of the harmonious relationship that exists between the R.O.C. government and religious groups. In contrast, the Falun Gong is one of the several belief systems that are repressed in China.⁸⁹

Another important program Costa Rica shares with the R.O.C. is the belief that environmental degradation, highlighted internationally at meetings like those in Río and Johannesburg, is one of the harmful consequences of rapid industrial growth which is particularly the case in East Asia, where "growth first, clean up later" environmental strategies have been the rule.

⁸⁸ Ibid.

⁸⁹ Lee, Abby: "US report denounces China, praises Taiwan for religious freedoms", Taipei Journal, October 25, 2002, p. 2.

This descriptive term is used by Michael Rock, the author of the book, *"Pollution Control in East Asia"*. The author began work on the project when examining the evolution of industrial pollution management on the island. Taiwan is one of six East Asian newly industrializing economies covered and pays particular attention to this issue. Twenty years ago, Taiwan completely neglected the problem and established many highly polluting industries in order to increase employment and encourage exports. Now people have begun to realize the severity of pollution and its harm to health. The ROC government has invested large sums of capital in an attempt to protect and conserve the environment. Mountain slopes have already been damaged, leading to soil erosion and other environmental destruction. The author reviewed development of pollution management in Taiwan. And he stated that several indicators reveal significant and substantial environmental progress and it appears that the island is well on its way to a cleaner environment.⁹⁰ Countries such as Taiwan, which are not permitted to sign international agreements, often take independent action to demonstrate they are good environmental citizens.

The attitudes of the public toward the Taiwan-China connection have been very pragmatic: supportive of a flexible policy toward the mainland, yet suspicious of the communist regime, and wanting more economic linkages, yet suspicious of the communist regime, and wanting more economic linkages, yet cautious about further political contacts. The public is against both hasty independence and hasty unification, they prefer the present status quo of "neither independence nor unification".⁹¹

One important program the R.O.C. does not share with the peaceful country of Costa Rica is demilitarization. The Costa Rican Constitution of 1949 abolished the armed forces. Article 12 states that "the army as a permanent institution is proscribed.

⁹⁰ Courtenay, Phillip, "Taiwan turns environmental corner", Taipei Journal, December 27, 2002, p. 6.

⁹¹ Kwak, Tae-Hwan, Gurtov Melvin; *The Future of China and Northeast Asia*", The Institute for Far Eastern Studies, Kyungnam University, Seoul Press, 1997. p. 225.

For vigilance and the preservation of public order, there will be the necessary police forces". The Constitution further provides for the introduction of both armed forces and military service when deemed necessary. Indeed, "only through continental agreement or for the national defense may military forces be subordinate to the civil power". Article 147 states that the Council of Government (President of the Republic and Ministers) "requests from the National Assembly a declaration of a state of national defense and authorization to order military recruitment, organize the army and negotiate peace. Taiwan is beset by national identity issues.

It had an intermittent colonial rule for four hundred years. First by the Ching Dynasty, the Dutch, the Japanese and the Spanish, the Taiwanese have continued to struggle to establish a national identity.

A survey conducted in July 1994 reported that when the respondents were asked if they were Chinese or Taiwanese, 34% replied "I am Taiwanese", 20% "think of myself as Taiwanese first, then Chinese", only 16% "think of myself as Taiwanese first". It appears to be that the "Taiwan Identity" of Taiwan residents is greater than their "Chinese Identity." Other survey revealed that about half of the respondents considered communist China to be Taiwan's most likely enemy.⁹²

A number of major events in the year 2000 indicated a further strengthening of ties between the R.O.C., Costa Rica and other countries of the region. Perhaps the most prominent was the visit by President Chen Shui-bian to attend the inauguration ceremony of the President of the Dominican Republic and the state visits to Costa Rica and Nicaragua. This first official foreign trip by President Chen underscored the new government's commitment to its ties with the region, which was further reinforced a month later when Vice President Hsiu-lien Annette Lu (September 6-October 6, 2000) headed a second delegation to El Salvador, Honduras, Belize, and Guatemala.

⁹² Hsin-Huang, Michael Hsiao; *The Taiwan-China Connection; Economic, Social and Cultural exchanges under political Rivalry*", p. 216.

Tsai Hsung-hsiung, Administrator of the Environmental Protection Administration, participated in the Integrated Environmental Planning for Sustainable Development in Central America in El Salvador in May 2000, and signed the joint declaration after the meeting. Local governments were also active exchange partners. Kaohsiung County Magistrate Yu Cheng-hsian traveled to Paraguay, Argentina and Brazil in March, establishing a "sister city" relationship with the Central Province of Paraguay. Taipei City Mayor Ma Ying-jeou traveled to Guatemala, Honduras, and Panama in August, 2000.

These visits were more than reciprocated by many countries of the isthmus. In early August, the foreign ministers of Taiwan's four Eastern Caribbean allies came to Taipei for a summit with Foreign Minister Tien and signed a communiqué on future cooperation and support for Taiwan's entry to international organizations. In November, for the first time, the Presidents' Forum of the Legislative Powers of Central America (FOPREL) held its regular semiannual meeting outside the region. The heads of the six Central American parliaments were invited to Taipei by Legislative Yuan Speaker Wang Jin-pyng. The latest official visit to Costa Rica was the Prime Minister of Taiwan Yu Shyi-Kun, on the 10th of August 2002.⁹³



Bridge built by the R.O.C., called "*The Friendship between ROC-Costa Rica*".
It measures 780 meters long and 13.30 meters wide and cost \$27 million.

⁹³ *La Nación*, Morning Newspaper July 26, 2002, San José, Costa Rica, p. 5.

The R.O.C. has been FOPREL's observer-permanent member since December 1999 and observer-member of S.I.C.A. since February 2000.

President Chen Shui-bian visited Costa Rica in October 2000, the President received the gratitude of the Costa Rican people for the bridge Taiwan had been building for the last two years in the north side of de country. It had a cost of US\$27 million. The bridge is called "The Friendship between the R.O.C.-Costa Rica," and according to the Ambassador of the R.O.C. in Costa Rica, Dr. Kao Wen Mao, the work is due to be completed in the second week of December 2002 and the official inauguration was set for March 2003. Other complementary infrastructure work has to be finished by the Ministry of Transportation of Costa Rica, such as the lighting, sidewalks, fences and 5 kilometers of road in the jurisdiction of Cañas and six kilometers in the jurisdiction of Nicoya. The bridge is 780 meters long and 13.30 meters wide. The bridge saves about two hours by road so that the products of the zone can more easily be transported to the capital and other cities of the interior. It will also encourage tourists to visit the Pacific beaches which are now accessible in a shorter time.⁹⁴ There are other infrastructure programs for important rural roads of 39,43 km, with 12 lanes and 12 bridges, for the main communities of Naranjo and Florencia in San Carlos, in the province of Alajuela, also in the north side of the country, at an expected cost of US\$35 millions. This amount will be donated by the ROC and the work has started in April, 2003 according to Taiwanese officials.⁹⁵

Other programs such as the diversification of crops, through the *fruit, vegetable and banana production improvement project*, include screening and introducing fruit trees and vegetables suitable to Costa Rica's environment. There is transferring of propagation technology designated to produce superior seedlings for extension purposes. Over the year, various fruit trees and seedlings were grown on 137 hectares, and 372 households were

⁹⁴ *La Nación*, Morning Newspaper January 24, 2003, San José, Costa Rica, p. 12.

⁹⁵ Ibid.

educated in fruit tree cultivation. The mission also cooperated with Turrialba's Small Farmer Agricultural Processing Agency, to develop investment for a food processing plant.

The Atlantic Fisheries Production Improvement Project is unifying fisheries production and marketing, and providing training to fishing, navigation and engine specialists. The project promoted 46 tilapia pools and trained 91 people in fisheries technology. There is no doubt that all these programs contribute to strengthening the development of rural areas of Costa Rica.⁹⁶

President Chen Shui-bian made a second visit to Latin American countries, from the 21st of May to the 5th of June, 2001. This was a successful diplomatic trip because on the way to Latin American countries he had the justification to stop in the United States which enabled him to reinforce the friendship between the two countries. Chen visited New York, Houston, followed by El Salvador, Guatemala, Panamá, Paraguay and Honduras. He had the opportunity to talk to Rudolph Giuliani, governor of New York and he received the keys of the city during his short visit. He also had important talks with Caspar Weinberger, Ex-secretary of Defense, and with Steve Forbes, twice presidential candidate of the United States. Chen had a meeting with 22 members of the Congress of the United States and he expressed his gratitude for the support President Bush was giving to his country.

During this last visit, President Chen attended the Third Summit of Central American State leaders from El Salvador, Costa Rica, Guatemala, Honduras, Nicaragua, Dominican Republic, Panama and Belize. All these countries expressed their loyalty to the R.O.C. and their support in the United Nations and other international organizations. President Chen expressed his wish to become an extra regional member of the Central American Integration System (S.I.C.A.). At that time, President Chen asked the support of the Central American countries to enter

⁹⁶ "Agro-industry investment expands in Costa Rica", International Cooperation and Development Fund"; A Quarterly Publication No. 27, December 2000, Republic of China, p. 22.

the WTO and he expressed his wish to become part of the Free Trade of the Americas (F.T.A.A.) known as A.L.C.A. in Spanish.⁹⁷

After visiting Panama, Paraguay and Honduras, President Chen returned to Taiwan and made a stop in Houston where he talked to several members of the Chamber of Representatives of the United States, among them, Salomon P. Ortiz, democrat for the State of Texas. This is the only way President Chen is allowed to visit the United States. He takes the opportunity when he travels to the Latin American countries.

There is a big political cost for the 14 Latin American allies of Taiwan, because by having an alliance with the island, they face opposition from the P.R.C. The main purpose of those Latin American countries is to improve their own economic situation by obtaining the cooperation and support of the Taiwanese government. The R.O.C. exercises great effort in diplomacy and very poor effort into improvements in the trade, economic, cultural and financial arenas. There is cooperation through donations and investments are scarce for each of the allies. The island should import more from the allies. Their current help does not benefit the development of the whole country. Taiwan, in exchange, needs constant support to open a space in the international organizations mainly in the United Nations. The dollar competition from Beijing is permanent, even with Taiwan's allies. For example, the visit of the Vice-president of Panama: Arturo Vallarino to Beijing, created doubts in 1999 about the loyalty of the Panamenian government to Taiwan. After Taiwan made a loan to Panama for 30 million U.S. dollars to generate nets of marketing for enterprises and to create employment. The President Mireya Moscoso of Panamá, promised President Chen her political support to the island. She said she would keep her promise to support the R.O.C. during her term in office and she believed her successor would not alter the commitment to maintaining diplomatic ties with Taiwan.

⁹⁷ ROC Executive Yuan Information Department, Taipei, R.O.C., October, 2002.

PART II

COSTA RICA TRADING WITH CHINA AND TAIWAN

Chapter 5

Background of the Economic situation of the Central American Countries

The five Central American countries (Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica) and Belize together cover a total area of 446 thousand square kilometers. A combined population of 48 million lives within their borders. Offering the advantages of low labor costs, diverse trade and investment opportunities, and a geographical location close to the North American Free Trade Area (NAFTA), they are rich in potential for trade and business investment. The Republic of China, in order to secure diplomatic recognition and maintain good relations with the Caribbean countries established the Guidelines.

They are drawn up for the purpose of strengthening the bilateral economic and trade relations between the Republic of China on Taiwan and the countries of Central America and Belize.⁹⁸ These

⁹⁸ Council for Economic Planning and Development, Executive Yuan, "Guidelines for Strengthening Economic and Trade Ties with the Central American countries and Belize", Republic of China, Taipei, January 6, 1997. p. 1.

Guidelines show us the responsibility the R.O.C. has assumed to facilitate financial, technical and scientific cooperation to its 27 allies countries.

Despite being a developing country, Costa Rica has achieved major social and economic advances since 1950s. With regard to human development, it holds second place among Latin American countries, and thirty-third place in the world. Life expectancy is high, and on a par with that of developed countries. Costa Rica has achieved major advances in the areas of health, education and environmental preservation. Although the development model pursued by successive governments since 1950 has been relatively successful, it began to show signs of weakness at the end of the 1970s.

An appropriate hypothesis would be the growth of Central American trade is one of the results of the restructure of national economies which was a response to the lack of dynamism and diversification which the economies have been shown as an answer to the necessary factor in the solving of the financial problems that began to appear with the oil crisis, the debt problem and the need to adapt the economies to the new conditions of the international market during the 70s and 80s.⁹⁹

In 1980, Costa Rica faced one of the most severe economic crises in its history. The effects of the world economic crisis and the progressive rise in external debt also made their effects felt on the weak national economy. Furthermore, an economic development model based on exports of traditional products, such as coffee, bananas, livestock, and sugar, combined with an industrial sector that was fiercely protected and directed at the Central American market, proved unable to respond to the demands of an increasingly globalised marketplace. As a result, the country was plunged into deep economic recession. In 1982, Costa Rica's GDP declined dramatically to - 7.2%. In the same year, inflation stood at 100%. For the rest of the decade, successive factors and

⁹⁹ Garcia, Rigoberto; "Central America: Crisis and Possibilities", Institute of Latin American Studies, Monograph No. 16, Barkarby Grafiska Industri, Jarfalla, Stockholm, 1988. p. 86.

productive recovery, as well as structural-adjustment and trade-liberalization measures.

Until the early 1990s, the country's economic strategy emphasized the return to agro-export activities involving traditional products that had attained high productivity levels, such as coffee and bananas, as well as other, non-traditional products. The industrial sector focused on restructuring small and medium-size industry, as well as the enterprise culture overall, as an indispensable prerequisite for the comprehensive modernization of the national manufacturing sector. The sector also encouraged the setting up of industries making intensive use of manual labor, such as the assembly industry, as an alternative way of increasing sources of employment and incentives, and ultimately became one of the main sources of foreign currency. Measures were also introduced to reduce the size of the State and to reorganize public finances.

As a consequence of these policies and measures, public finances were reorganized and the State apparatus was slightly reduced in size. However, the people's purchasing power was also reduced, along with social investment in health, education and housing, especially during the 1980s. Poverty levels exceeded those of the 1970s. The impoverishment was concentrated in rural areas in communities where the population density was lower than 100 inhabitants per square kilometer, with little access to land and productive resources, problems of communication, and a lack of basic services.

The efforts undertaken by various governments produced a relative degree of economic stability, and accomplished only limited growth and failed to resolve a number of social problems. Furthermore, once the Central American conflict was over, the country stopped receiving major aid donations from international cooperation agencies. The new context is that of the global economy, in which Costa Rica must compete internationally with all kinds of producers. The 1994-1998 Administration recognized the urgent need to define a development policy that could exploit the country's competitive advantages in order to participate appropriately

in the global economy, without imperiling the advances made in the social and environmental spheres.

The chosen strategy sought to guarantee an effective synthesis of economic, social, and environmental variables, with a view to achieving long-term, sustainable development. The central objective was to transform Costa Rica into a centre for high technology, at the regional level, focusing on the quality, productivity, and increasing yield of human natural resources, and on a social base founded on a higher quality of life for the country's human resources, accordingly harnessing all the advances achieved over the past five decades in the fields of education, health, energy, telecommunications, environmental protection, legal security, institutional development, and political stability.

The aim of this reorganization has been to replace the intensive activities of cheap unskilled labor with higher productivity and higher wages. At the same time, it seeks to achieve the kind of growth that makes use of competitive advantages, offering a harmonious relationship with nature, rather than the depredation of natural resources.

The change in the development model has been facilitated by the recovery in production and the stabilization of prices, the exchange rate, and interest rates. Costa Rica has achieved a sustained increase in exports and income, through tourism and private capital. Increased investment in high technology has helped improve the quality and diversity of export good. Furthermore, increased resources have been allowed to education, health, and other social services that offer opportunities to the poorest sectors of the population and protect their rights.

As a result, around 40 high-technology companies have set up operations, 10 of which started up in 1997. It is estimated that between 1998 and 2000, those companies created 10,000 new jobs. Over the past four years, around 80,000 new jobs have been created. This represents an increase of 7.2 %. According to data provided by the Department of Statistics and Census, the unemployment rate fell from 6.2% in 1996 to 5.7 % in 1997, and total employment reached its highest level as a percentage of the

population: 37.5%. Furthermore, the quality of the jobs tended to be higher than at the beginning of the decade.

The growth in the regional exchanges between the countries of Central America led many specialists to talk about miracles, spectacular increases and of new roads to overcome underdevelopment, but in reality the increase in the amounts of intraregional trade was only spectacular in the 60s when it grew from 33 million dollars to 300 million in 1970. Later on, Costa Rica and Nicaragua showed many problems in their intraregional trade balances and since 1980 an almost unmanageable payment crisis has existed. This manifests itself in high intraregional payment deficits in Nicaragua and El Salvador and in the fact where all Central American countries have continuous trade deficits with the highly industrialized countries.¹⁰⁰

Exports to the highly industrialized countries show a slow increase, since changes in the productive structure of these countries, have not been so deep and have occurred slowly. The importance of the agrarian sector in the Central American economies was not especially affected by the structural changes after the beginning of the integration programme. Perhaps the only aspects which have influenced the sector are the establishment of free trade for some agricultural products, the stabilization of prices of some grains and the installation of some research and coordination institutions to provide information about the sector.¹⁰¹

The agrarian sector was characterized by the coexistence of two areas with different social and productive structures. On the one hand, there was the agricultural export sector, characterized by large size properties, high concentration degrees and the control of export agriculture products (mainly coffee, bananas, and cotton). On the other hand, there was the traditional agricultural sector, oriented towards subsistence and the domestic market and characterized by its low productivity, small farms, landless

¹⁰⁰ Garcia, Rigoberto, *op. cit.* p. 87.

¹⁰¹ Garcia, Rigoberto, *op. cit.* p. 88.

groups, low incomes, high rates and unemployment and underemployment and by miserable living conditions.¹⁰²

The vulnerability and dependence on 3 or 4 agricultural export products for the world market has continued until now, along with the domestic social problems partly caused by the unbearable rural conditions such as poor irrigation sources, bad roads for transportation and communication, lack of agrarian research, shortage of credits, among others. In addition there are enormous inequalities in income and property distribution, deficient productivity and economic structures which do not even meet the basic needs of the population or the challenges coming up from the reorganization of international economy. All this creates enormous limitations to the development of the Central American countries.¹⁰³

The concrete expression of the good relationship established since 1945, is a wide cooperation and friendship agreement between the ROC and the Central American countries, both regionally and bilaterally. In many ways Costa Rica and the rest of the Central American countries have found a great benefit from the approach to the agricultural technology taken by the ROC. Their international cooperation gives priority to programs that governments cannot accomplish including the most basic infrastructure, such as the construction of rural roads and costly bridges, are a few of the common needs of growing industrialization and it is a precise direction for the development of the new world order in the regional countries. These are a few of the common needs of growing industrialization and this is a necessary direction for the development of the new world order in the regional countries.

For a long time the Central American countries have faced the problem of knowing how to begin a new entry into the world economy, in order to support their domestic development strategies and satisfy their import needs. The serious problem of the Central

¹⁰² Cohen, I. "Regional Integration of Central America," Chapter 3, Lexington, Massachussets, 1972. p. 55.

¹⁰³ Garcia, Rigoberto, op. cit. p. 92.

American countries has been in part alleviated by the international cooperation programme of the R.O.C., the World Bank and the International Monetary Fund. The government of Taiwan has been very specific on the Guidelines, stating clearly the purpose they have in contributing to the improvement of the economies of the region and the most important trade relations with the Central American countries and Belize.

The main agenda items emphasized in all the high-level diplomatic exchanges with the regional countries, were launched by the Executive Yuan of the Republic of China (R.O.C.) assisted by the Council for Economic Planning and Development (C.E.P.D.) and top officials from relevant governmental and private agencies. These include the Ministry of Foreign Affairs (M.O.F.A.), the Ministry of Economic Affairs (M.O.E.A.), the Ministry of Transportation and Communications (M.O.T.C.), the Ministry of Finance (M.O.F.), the Central Bank of China (C.B.C.), the Council of Agriculture (C.O.A.) the Council for Labor Affairs (C.L.A.), the Chung-Hua Institute for Economic Research, and Industrial and Commercial Associations. The official agencies are responsible for the coordination and timeframe for implementation of the Guidelines delivered to the Central American countries and Belize.

Chapter 6

Present Trade Patterns of Costa Rica - Taiwan

On the implementation of the Guidelines, between the Executive Yuan and the governments of the Central American Countries and Belize, the Republic of China has established an agroindustry investment that expands in Costa Rica and in other Central American countries. The International Cooperation and Development Fund (I.C.D.F.) has chosen a wild guava pulp processing project in Costa Rica to serve as one of its agroindustry investments in Central America. A loan and cooperation agreement signed between the I.C.D.F. technical mission in Costa Rica, A.P.P.A.G. (Asociación de Pequeños Productores Agroindustriales de Guayaba) an association of 70 or so small farmers from Mollejones, San Vicente, Pacayitas and San Joaquín, communities in Turrialba, Cartago, and the National Board of Production (C.N.P.) will make possible the construction of a fully equipped Guava Processing Plant.

Turrialba was selected because it is a relatively undeveloped economic area and because success in the project will make a noticeable difference in the lives of the local people. The I.C.D.F. loan will amount to a maximum of U.S.\$27,664.850 for the association of farmers. They hope that, through this investment and their own efforts, they will be able to create a viable agro-business. To ensure sustainability, A.P.P.A.G.. will be setting up a fund to improve the farmers' knowledge and farming methods.

The guava (guayaba in Spanish) plant, which is common throughout the tropical regions, enriches the diet of millions of people in Latin America. In addition to being an excellent source of soluble fiber, it is a good source of vitamin C, lycopene, beta-caratone and other essential nutrients. The guava is extensively processed for jam, jelly, nectar and fruit juices, and serves as a flavoring for other foods. Traditionally, Costa Rica's economy has depended upon the export of agricultural products (coffee, bananas, sugar, corn, rice, beans, potatoes, etc). The expansion of wild guava processing will create added value by popularizing a fruit that is readily available in Costa Rica and extending the range of agricultural products that are exported. The exploitation of this crop is bringing important benefits to the farming communities of Turrialba.¹⁰⁴

Another technical mission was brought to Costa Rica by the Engineer Hou Shui-lai. While stationed in Honduras, Mr. Hou, in charge to develop the programme by the R.O.C., responded to local needs and the changing requirements of the I.C.D.F.'s bamboo-planting project by helping farmers use bamboo to build homes. This work met the housing needs of poor farmers by cutting construction costs by two-thirds. The free trade zones in each of the Central American countries are the areas on which employment has been created. Seven enterprises from Taiwan invested U.S.\$70 millions in industrial park called "Formosa" in Honduras. It has given five thousand opportunities for employment. The Industrial Park is located in the city of San Pedro Sula, in the northern part of the Central American region. Three companies, specializing in shipping industry have been set up in this particular industrial zone. A total of 22 Taiwanese enterprises are operating in Honduras and show good commercial statistics.¹⁰⁵

One particularly successful Taiwanese enterprise called: "Taisuco de Costa Rica, S.A.", a subsidiary company of Taiwan Sugar Corporation, is a wholesale phalaenopsis nursery located

¹⁰⁴ Council for Economic Planning and Development, Executive Yuan, op. cit. pp. 1-4.

¹⁰⁵ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002

in the Zona Franca B.E.S., Alajuela, Costa Rica. The company established in 1998 has one propagation laboratory to supply either seedlings or meristem and a number of fine environmentally controlled green-houses with the capacity to produce one million plants per year. Meristem is a formative plant tissue usually made up of small cells capable of dividing indefinitely and giving rise to similar cells or to cells that differentiate to produce the definitive tissues and organs. The varieties under cultivation mostly are the hybrid crossed by Taiwan Sugar Corporation. There is an ideal environment in the Alajuela area so that the addition of the high-tech facilities and the propagation special varieties this company can provide the best quality phalaenopsis for both domestic and export customers.

The company also exports orchids to European countries, Latin American countries and the United States. They actually export about 25 different varieties of those beautiful flowers. Since June 2001 to June 2002, the exports reached a volume of 462.000 plants with total sales amounting to U.S.\$1 million.¹⁰⁶

Costa Rica: Orchard-Exports by designated country
(A subsidiary company of Taiwan Sugar Corporation)
Years 2000-2001 and January-May 2002

Period	Country	US\$
2000	United States of America	393.418,50
	Mexico	51.048,88
	Canada	3.900,31
	United Kingdom	978,24
	Honduras	43,60
	Nicaragua	20,00
	Spain	7,80
	France	1,20
	Colombia	0,00
Total 2000		449.418,53

¹⁰⁶ *Noticias de la Republica de China*, Vol. 30. No. 10. Boletín Informativo sobre Taiwan, Abril 16, 2000. p. 4.

Period	Country	US\$
2001	United States of America	483.883,84
	Mexico	53.133,70
	Canada	11.792,30
	Holland	10.714,92
	Chili	8.533,30
	Honduras	739,00
	Germany	5.014,20
	Colombia	3.789,60
	El Salvador	2.649,00
	Panama	2.575,00
	Bolivia	1.953,80
	Guatemala	873,00
	United Kingdom	142,46
	Nicaragua	14,40
Total 2001		590.808,52
	United States of America	331.253,30
	Mexico	26.131,00
	Holland	17.265,00
	Venezuela	700,00
	Canada	2.209,50
	Colombia	1.483,10
	El Salvador	1.064,00
	Francia	127,60
	Honduras	109,00
	Nicaragua	20,00
Total January-May 2002		385.362,50

Source: PROCOMER (Foreign Trade Office) (Promotora del Comercio Exterior de Costa Rica) San José, Costa Rica, July, 2002

The Republic of China has paid great significant attention to the development of interesting archeological sites in the small country of Belize. They have an ambitious project to strengthen the tourism sector which has been made possible by the co-financing offer by the Inter-American Development Bank (I.D.B.), the Central American Bank for Reconstruction and Development and Taiwan's contribution to the development of

the region through the International Cooperation and Development Fund (I.C.D.F.). The loans will assist the government in developing and conserving major archaeological sites of the ancient Mayan civilizations, and improving access to those areas. The objective is to augment foreign earnings through the revenues that enhanced tourism will bring, and to increase employment opportunities in the tourism sector. The focus will be on archaeological development based on the excavation and research activities undertaken by the Primary Archaeological Advisors currently authorized to operate in Belize. However, attention will also be paid to improving visitor facilities and services at the sites.

Caracol, the first site to be developed, it was the center of a once dominant regional power, is the site of the largest Mayan ruin in Belize. Archeologists believe that at one time 150,000 people lived here. Excavation of just some of the thousands of buildings, including major plazas and temples at Caracol has been going on since 1985 and the findings of the archeology team are challenging many previously held notions about Mayan civilization and culture. Excavation and research at Caracol, which is surrounded by miles of uninhabited virgin rainforest, is possible only during the dry season, as the dirt road is impassible during the rainy season. A priority goal of the project will therefore be the creation of a first-class rural road to Caracol.¹⁰⁷

At Lamanai, another major site of development, the Mayan ruins cover a two-square-mile area at the edge of a lush forest reserve. Archeologists believe that Lamanai was occupied from approximately 1500 b.C. to perhaps as late as the 19th century, and that its main temple was built around 100BC. Several hundred buildings (including the tallest building found in the Mayan world), pyramids and royal ball courts have been uncovered. The trip to the site, up the New River, delights visitors with sightings of rare orchids, beautiful birds, iguanas, howling monkeys, and many other natural attractions.¹⁰⁸

¹⁰⁷ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

¹⁰⁸ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

Components of the tourism project include the development of strategies for the protection of Belize's environmental and archaeological assets, the upgrading and maintenance of access roads (in the first instance of Caracol, as noted above) and the strengthening of the Department of Archeology. Where feasible, NGOs and community groups will be encouraged to become involved in the project. The International and Development Fund will contribute about U.S.\$3 million of the project's total estimated cost of U.S.\$14 million.

The Caracol project's executing agencies will be the Ministry of Work, (M.O.W.) Transportation, Citrus and Banana Industries and the Ministry of Tourism and Youth (M.O.T.). Upgrading the access road to Caracol will constitute the prime component of the project, and the M.O.W. will be responsible for this.¹⁰⁹

With a total area of less than 23,000 square kilometers, Belize is the second smallest country in Central America. Over 70% of its land area is still covered by natural forests, and the country is remarkable for its biodiversity. In recent years, tourism has become an important industry and a primary source of foreign exchange. Because most of the tourist who visit Belize are ecologically aware and are lovers of nature, there is a clear link between the financial well-being of the tourism industry and the state of the natural environment. It is clear that the several hundred Mayan sites that have been discovered in Belize offer a prime attraction for greatly increased tourism to this Central American nation. During the classic period of their civilization (the years between 250 and 900 A.D.), the Mayans created huge cities, built huge temples and created beautiful artwork from stone and jade.

The uncovering of some of the treasures they left behind is sure to be of interest to tourists from many parts of the world.¹¹⁰

¹⁰⁹ Ibid.

¹¹⁰ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

The International Cooperation and Development Fund (I.C.D.F.) has extended its help to another of its allied countries: the Dominican Republic. Since the early 1990s, the Dominican Republic has been modernizing its institutions and implementing series of reforms affecting the macroeconomic sector and the legislative and judicial branches of government. The reforms have produced very positive results, and the country is enjoying stability and growth rates that are much higher than the regional average.

In the flourishing democracy that the Dominican Republic is today, the legislative branch, which in the Dominican Republic is the National Congress (N.C.) is an essential institution. In previous times, especially during periods of authoritarian government, the N.C. was prevented from playing fully its intended balancing role as one of the three powers of state. At other times the improper electoral practices and procedures that were prevalent in the Dominican Republic kept it from exercising its role properly.¹¹¹

As the reform process gathered force in the mid 1990s, the people of the Dominican Republic agreed on the urgent need to implement constitutional reform. Henceforth the legislature would be independent from the executive, and linkages between the legislators and the electorate would be strengthened. In 1995 the presidents of the National Congress's two houses, the Senate and the Chamber of Deputies, submitted to **the Inter-American Development Bank (I.D.B.)** a funding request in order to finance the huge investments that reform and modernization would require over an estimated period of three years. The I.D.B. looked favorably upon the funding request, because it considers a strong legislature and principal state audit agency are a key part of the institutional modernization process. The total cost of the program would amount to U.S.\$ 28,324.250, and the I.D.B. was prepared to finance approximately 80% of that. The I.D.B.'s project financing will amount to U.S.\$22.3 million. The I.C.D.F. will provide a loan of U.S.\$4.6 million to the Dominican Republic for

¹¹¹ Ibid.

its counterpart funding, making it possible for the latter to shoulder U.S.\$1,424,250 of the project's cost. The project will contribute to the long-term objective of strengthening the democratic governance in the Dominican Republic by, in the case of the National Congress, improving its legislative capacity; enhancing the efficiency with which it discharges its oversight responsibilities; and increasing its capacity to fulfill its representative functions. The objectives of the Comptroller General subprogram will be to enhance the independence and consequence of the work; and to raise technical capacity so as to help it perform the tasks entrusted to it.¹¹²

The modernization program in the Dominican Republic complies fully with the type of democracy supporting programs among the R.O.C.'s allies that President Chen's government wishes to support. While the I.C.D.F. continues to fund many programs at the community level, helping small farmers and entrepreneurs to enhance their standard of living, it does not lose sight of the capacity building and modernization that are required at the national level.¹¹³

The devastation of a few countries in Central America caused by Hurricane Mitch at the end of October 1998 resulted in a severe setback to social conditions and economic progress in the area. Honduras and Nicaragua were some of the countries where the hurricane brought considerable loss of life, displacement of families and widespread destruction of infrastructure and agricultural production. Given the long-lived friendship between the countries of the Central American region and Taiwan, the latter lost no time in offering substantial help to the region. In Nicaragua, the assistance included the extension of a US\$3 million loan by the Republic of China to a "Housing Consolidation Program" that would be implemented in cooperation with the Organization of American States (O.A.S.), the World Food Program (W.F.P.) and local government. The program was

¹¹² <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

¹¹³ Ibid

designed to support individuals and families whose houses had been destroyed by Hurricane Mitch. Under the guidance of the O.A.S., based upon its successful experience in housing reconstruction in Central America; the program brought together affected families and provided technical training to make it possible for them to rebuild their homes under a self-help concept. The result was decent houses, in well-planned neighborhoods, reconstructed by groups working together to recreate their communities. During the process of reconstruction, the W.F.P.'s work-for-food grant relieved the families of worries about food and provided them with a modest income.¹¹⁴

China (P.R.C.) has had a long friendship with Nicaragua, particularly during the administration of Anastasio Somoza Debayle since 1930. Somoza first opened a Taipei Consulate in Managua in 1960. Five years later it became a Consulate-General. The relation between the two countries was excellent while Somoza was the President of Nicaragua. He reciprocated by appointing a consul to represent Nicaragua in Taipei. Both countries appointed their own ambassadors two years later, in 1962. Following two years of open insurrectional activity, political power in Nicaragua passed into the hands of a Junta in July 1979, with members drawn from the various groups which opposed the dictatorship of General Anastasio Somoza. Real power, though, was vested in the nine man-directorate of the Frente Sandinista de Liberación Nacional (F.S.L.N.), the guerrilla group which had spearheaded armed action against the Somoza regime.

The F.S.L.N. created an explicitly partisan army and enlarged its representation in the formal government apparatus by promoting the creation of openly pro-Sandinista mass organizations. The revolutionary changes did not affect the relations between Nicaragua and Taiwan, at the beginning, because Taipei recognized the Junta. As soon as Anastasio Somoza was ousted, the Junta Sandinista established diplomatic relations with China in 1985, in order to obtain support at the U.N. Security Council,

¹¹⁴ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

concerning the problems between the revolutionary Junta and the United States. When the Junta lost power, following the elections in 1990, the new elected President, Violeta Barrios de Chamorro, signed the reestablishment of the diplomatic relationship with the Republic of China in Taiwan the 5th of November of 1990. On the 10th of December of the same year, Beijing closed its Embassy in Managua, capital of Nicaragua. President Chamorro visited Taiwan twice, first in March 1992 and later in May, 1996. His son was appointed Ambassador of Nicaragua in Taiwan in 1990. In May 1994, President Lee Teng-hui visited Nicaragua, followed by President Chen Shui-bian in August 2000. The R.O.C. has given a very substantial economic cooperation to Nicaragua. Between 1991 to 2000 the amount was US\$288.4 millions. That cooperation has taken different forms: financial cooperation through no-reimbursed (donations) methods, and financial cooperation through reimbursed funds for technical and scientific cooperation.

The help has contributed to the development of agro-industry programs, various social welfare programs, including food and emergency needs, and payment of interest for external and internal debts. Some of these donations provided social relief but did not solve the problem of poverty in Nicaragua.¹¹⁵ Not all of those donations reached the social purpose.

During the administration of President Arnoldo Alemán, (1997-January 2002) the Nicaraguan people started complaining loudly and publicly stating that some of the government budget was taking different direction from the one everybody expected, that was, to solve the needs of the country. When President Chen Shui-bian was leaving from Costa Rica to visit Managua in August, 2002, he was advised by the Ambassador of Nicaragua in Costa Rica, about the suspicions of embezzlement by President Alemán. He was deprived of his immunity by 47 votes from the 92 Nicaraguan Congressmen. The congressman, Mariano Suárez had to be protected by the National Police,

¹¹⁵ <http://www.gio.gov.tw/taiwan-website5-gp/yearbook/chapt09.htm>, Latin American and the Caribbean, July 11, 2002.

together his home and family because he made the necessary casting vote. The Nicaraguan people expressed their happiness on the streets of Nicaragua, that Arnoldo Alemán could then be judged on the same basis as any other Nicaraguan citizen. He is accused of misuse of public funds and tax evasion amounting to more than 650 U.S. dollars, and receiving U.S.\$1.549.985 million from Taiwan for an alleged foundation and other donations from Taiwanese enterprises. His daughter, who was a congresswoman, might face serious charges of embezzlement, if she ever comes back to her country to face those charges.

The development program of the Republic of China in Nicaragua includes areas other than the capital such as: Nueva Segovia, Jinotega and the autonomous regions of the North and South Atlantic. In 19 rural and urban communities, 838 housing units were built over a period of two years. In addition to being of low cost and technically sound to withstand natural disasters, the O.A.S. designed houses were more human oriented and safer than the houses that they replaced. This has made people more aware of the dangers of inadequately built dwellings, and it is having a positive effect on the development of other communities. As all the subprograms were completed and the project came to an end in mid-November, 2000, people from the affected communities gathered to celebrate the achievements. The president and vice president of Nicaragua, together with the R.O.C. Ambassador Antonio Tsay and the O.A.S. representative, attended the closing ceremonies, where they share their happiness at the success that marked another milestone in Taiwan-Nicaragua cooperation.¹¹⁶

Haiti, a country of the Caribbean islands, was fortunate to have the help of the International Cooperation and Development Fund (I.C.D.F.). It cooperated with several international organizations to establish a micro credit institution in Haiti,

¹¹⁶ Salavery, Jorge; "La cooperación entre los países centroamericanos y Taiwán. El caso de Nicaragua", Universidad Thomas Moore, Managua, Nicaragua, 2001, pp. 9-10.

which had no formal financing institutions in the micro credit field. Micro Credit National S.A. (M.C.N.) is the result of a joint investment by the international organizations and the I.C.D.F., and its operations are guided by a German technical consulting company. M.C.N. is the first financial institution to be dedicated exclusively to lending on a commercial basis to micro-enterprises in Haiti. I.C.D.F. has also trained several young loan officers, who have returned to their country with increased knowledge and enthusiasm to help their clients in local markets. In the early stages, the I.C.D.F. also provided a long-term loan to M.C.N.¹¹⁷

A Technical mission to the country of St. Vincent and the Grenadines, in the Eastern Caribbean has been assisted by the engineer, specialist in agriculture Chung Jen-sheng. The Department of Agriculture of the R.O.C., has given important assistance to plan and design a new national hog farm, and personally oversaw the move to the new farm. Mr. Chung worked to help resolve livestock disease problems, assisted farmers in applying for agricultural loans at local banks, and helped hog raisers successfully adopt foreign hog-raising technology. Chung's work won the admiration of local officials and farmers, creating a good image for the R.O.C. technical mission.

The R.O.C. is building a children hospital in David-Chiriquí, Panamá. The building has been progressing fast and it will be completed in June, 2004. It will benefit the 18,000 inhabitants of the city of David. The first minister Yu Shyi-kun visited Panamá in August, 2002, and made the donation on behalf of the R.O.C. The president of Panama, Mireya Moscoso, attended the ceremony and thanked the Government of Taiwan for its generosity.

As we see, the R.O.C. has been assisting the governments of the countries of Central American and Belize throughout different programme. When the President of the R.O.C. visited Costa Rica, in 2001, he proposed the signing of Free Trade Agreements with Costa Rica. The R.O.C. wants also to expand two-way trade with

¹¹⁷ Salavery, Jorge; op. cit. pp. 9-10.

the countries of Central America and Belize and have the countries of Central America and Belize to participate in specialized international commercial exhibitions in Taiwan, to promote their products and increase trade opportunities.

To increase the import of Central American products to the R.O.C., is one of the main goals. For this purpose they are looking into the possibility of importing beef and other products from Central America and assist in setting up a Regional Packaging Researching Laboratory in Central America and Belize.

Since the Guidelines were drawn up for the purpose of strengthening the bilateral economic and trade relations between the Republic of China on Taiwan and the Central American countries, they want to expand investment and they are looking to develop export processing zones by investigating the feasibility of establishing export processing zones in the region.

They encourage and assist R.O.C. firms to invest in Central America and Belize, encouraging state-owned enterprises to invest in Central America and Belize and enhance investment services to Taiwan investors in Central America and Belize with continued implementation of measures to encourage private investment in countries maintaining official relations with the R.O.C.. By strengthen financial support for R.O.C. firms, they assist R.O.C. firms investing in Central America to apply for loans from the Central American Bank for Economic Integration. The Executive Yuan together with the C.E.P.D. and the R.O.C. proposed in to strengthen technological cooperation with the Central American countries and Belize and so far they have been very successful in all the countries of the isthmus. They actively implemented the R.O.C. Technical Assistance Plan for Small and Medium Businesses in Central America and Belize and have sent Consultation Service Groups to the region.

They have assisted the countries of Central America and Belize in vocational, commercial and economic training by inviting vocational training teachers from Central America and Belize to attend specialized manpower training programs in Taiwan.

They have been promoting to strengthen cooperation between the R.O.C. and Central America and Belize in agricultural and fisheries technologies as it has been done in Panama, Honduras, and other Caribbean countries. They have helped to promote tourism by encouraging R.O.C. citizen to visit Central American and Belize as tourists, and to promote the development of the tourist industry in the region.

Chapter 7

Background of Costa Rican's Trade in Asia

During the most unstable political period of the Central American war, Costa Rica, Panama and Belize were the only countries not involved in military engagements. United States helped Costa Rica through the **Agency for International Development (A.I.D.)**. This agency funded the creation of the **Costa Rican Investment Promotion Program (C.I.N.D.E.)**, responsible for the development of marketing strategies, presentations, etc, in order to induce Asian Companies to invest in export manufacturing activities in Costa Rica, promote exchanges of international trade, investments, and other business. It involved programs to attract investors mainly from Korea, Japan, Taiwan (R.O.C.), Singapore, and China (P.R.C.). The investment promotion results and information on companies brought to Costa Rica from 1984 to 1990 showed a total of 23 enterprises, including areas such as Hong Kong, South Korea and Taiwan. For the purpose of this study only the enterprises from Taiwan will be discussed.

1. Evergreen Marine Corporation. Evergreen Group. Taiwan. Shipping services. (Its arrival helped to reduce freight rates from Costa Rica to the rest of the world by approximately 35%).
2. Diez Dobles Guantes de Costa Rica S.A. Savitas Trading Co., Ltd. Taiwan. Manufacture of gloves. Investment: \$500.000. 250 employees.

3. P.R.I. Inversiones S.A. Draco International Company. Taiwanese Manufacture of sandals (Footwear). Investment: US\$250.000. 60 employees.
4. Taiwan Industrial Park & Free Zone; B.E.S. Engineering Company of Taiwan. Industrial Park Construction, Development, Administration & Promotion. Investment: U.S.\$ 10.000.000. 1000 employees.¹¹⁸

The Costa Rican Investment and Development Office (C.I.N.D.E.) relating to Asian Affairs completed its program in Asia from 1984 to 1990, after which there was no further budget allocation from the United States to maintain the investment office in Hong Kong and later in Taipei. The help provided by A.I.D. from the United States ceased in Costa Rica around 1992. The companies, mentioned above, were set up in free zones or industrial parks. Most of these companies stayed in Costa Rica no longer than three years.

The investment office was moved from Hong Kong to Taipei in 1990. An application for the establishment of an office in Taiwan to promote trade and investment was filed with the Ministry of the Interior of the R.O.C. According to the rules announced by the Ministry, the Representative of a foreign organization in Taiwan must be an R.O.C. citizen or an individual holding an alien resident certificate, for this reason the Costa Rican government office could not remain in Taipei after 1992.

There appears to be, currently, no possibility that a new trade office will be opened in Hong Kong or Shanghai. After serious cost-benefit, it seems that it is not economically viable for Costa Rica to open a new trade office in Hong Kong because Costa Rica is not considered a good option for Asia's foreign trade, according to Anabel Gonzalez, director of the Costa Rican Investment Office. Other Asian governments such as those of Korea and Taiwan have been interested in investment. They have invested in other Central American countries, as Guatemala and Panama, because those two countries have economic benefits that

¹¹⁸ [http://www/cweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field\(DOCID+bz0103\)](http://www/cweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+bz0103))
03-08-2002.

Costa Rica cannot offer. For example, 1. Low salaries (mainly for Korean investments in maquila) 2. The advantage of certain infrastructure, for Taiwan, such as the Panama Canal. Taking into consideration these two important economic factors, there is only a slight possibility of attracting investment from the Asia-Pacific region to Costa Rica, through the establishment of a trade office in Hong Kong or in Shanghai. The maintenance of a trade office in either of those two Chinese cities would be very costly for the Government of Costa Rica. There are other important characteristics that Costa Rica could take into account to establish a trade office in Hong Kong, mainly the benefits of the social and economic systems and the features of the capitalist system such as private property, ownership of enterprises and the "rule of law" that ensures foreign investment will be protected. The economic importance of Hong Kong to mainland China (P.R.C.) is vital, and without any doubt China has been trying, by every means possible without infringing the "Basic Law" agreement made at reunification, to maintain the economic prosperity and stability of Hong Kong, since July 1, 1997.

It seems that Hong Kong is in a position to make significant contributions to the modernization of mainland China, in the areas of trade, finance, commerce, business management, social development, democracy and the legal system. Costa Rica is aware of the democratic system that Hong Kong has maintained and the role as an entrepot for trade between the two sides of the Taiwan Straits and it is likely to play a more significant intermediary role in the future relationship between Taipei and Beijing,¹¹⁹ although this may change when direct transport links are fully established between the R.O.C. and the P.R.C. History making charter flights occurred in February 2003. If these services are expanded, then Hong Kong's role may well diminish when business people and tourists from P.R.C. can fly direct from Taipei to Shanghai.

¹¹⁹ León, Ricardo; 26th of July, 2002, Managing Director for the Asian Affaire Office in Hong Kong for the Costa Rican Government from 1988 to 1990. San José, Costa Rica. (author's interview).

There is currently little information about the type of investments Costa Rica could offer to the regional countries of the Asian area. All the Asian countries would be more interested in the offering of Central American products if all the countries would have an annual fair where those products could be exhibited in the northeast Asian countries.

There is no promotion in that region showing the kind of products the Central American countries have to offer nor is there information promulgated about enterprises and investments that the Central American countries would like to attract from the Asian regional countries. Costa Rica must not avoid to negotiating a bilateral Trade Agreement with China (P.R.C.). Costa Rican imports are actually higher from P.R.C. than the imports Costa Rica accepts from Taiwan, according to information submitted by the office that promotes the Foreign Trade Office (PROCOMER). China (P.R.C.), with its one and one quarter billion people, is an important market that Costa Rica can not ignore.¹²⁰

The entry of China into the World Trade Organization (W.T.O.) in December, 2002, is giving China a greater access to the United States market. Countries like Mexico are no longer a favorite location for global manufacturing companies. Investment dollars are flowing into China instead of Mexico and companies as Philips are moving factories from Mexico to the P.R.C. In the first half of 2002, direct foreign investment in Mexico dropped 15% to U.S.\$6.1 billion. Investment in China rose 19% to U.S.\$24.6 billion according to China's Ministry of Foreign Trade and Economic Cooperation. About 50 electronic plants a year will move to China from Mexico to cut costs, and 50,000 factory workers have lost their jobs. The firing pushed Juárez's unemployment rate to a seven year high of 4.6% in April, 2002. All told, 529 factories and 223,000 related jobs have left Mexico since December 2000, according to statistics agency Inegi.¹²¹

¹²⁰ Wang, Heh, Song; "Economic Relations between Taipei, Hong Kong and Beijing," Graduate Institute of Southeast Asian Studies, Tamkang University, Taiwan, 1997, p. 91.

¹²¹ Gonzalez, Anabelle, Director of the Costa Rican Investment and Development Office (CINDE), Interview at her office, San José, Costa Rica, July 2002.

The exodus of manufacturing plants is rippling through Mexico's economy, as it did in the United States and Europe during the 1990s, when factories moved to Asia chasing lower wages and cheaper components and raw materials. What is surprising about Mexico, analysts say, is that it is the first developing country outside Asia to face the upheaval that rising wages can bring. Prof. Peter Smith, at the University of California, remarks that "what has to be surprising and disappointing to Mexican policy makers is, the advantages of N.A.F.T.A. are not sufficient to overcome this market challenge". "Mexican factory workers earn about US\$3,300 a year without bonuses and benefits, according to Anthony Gillam at Mercer Human Resource Consulting in the U.S. Skilled Chinese laborers earn about U.S.\$2,000".¹²²

Last year, China's exports to the U.S. climbed 2.3% to U.S. \$102 billion, while Mexican exports to its northern neighbor fell 3.3 % to U.S.\$131 billion, according to the U.S. Census Bureau. Our countries in Latin American must react with the W.T.O if China does not phase out tax breaks and other perks during a three years W.T.O. transition period, because if China subsidize investment, is not giving ability to their countries to compete.¹²³

Costa Rica: Trade with Taiwan, U.S. Millions of dollars, 1990-2001
COSTA RICA: TRADE BALANCE WITH TAIWAN

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	January -April 2002
Exports	6,0	6,6	8,1	7,5	12,8	16,0	13,5	13,3	24,8	19,9	9,9	11,3	4,9
Imports	53,9	40,8	50,8	73,0	60,7	44,6	46,1	57,1	71,0	68,7	65,5	68,3	19,2
Balance	-47,8	-34,2	-42,7	-65,5	-48,0	-28,6	-32,7	-43,8	-46,2	-48,8	-55,6	-57,0	-14,3

Source: PROCOMER – Costa Rica: Trade Balance with Taiwan
U.S. Millions of \$ 1990-2001

¹²² Gonzalez, Anabelle, op. cit.

¹²³ CINDE: Costa Rican Investment Borrado: "Investing in Costa Rica, San José, Costa Rica, August, 2002, pp. 1-19".

MAIN PRODUCTS IMPORTED AND EXPORTED BY COSTA RICA FROM AND TO TAIWAN

2000		2000	
Import main products	Share	Export main products	Share
Textile parts	17,30%	Machine parts	41,23%
Screws	2,92%	Frozen fish	34,55%
Integrated circuits	2,02%	Other parts for modular circuits	8,92%
Moulding machines	1,82%	Bovine Leather and skin	4,36%
Shoes	1,82%	Electrical switches	2,53%
Plates and Plastic sheets	1,82%	Ovine Leather and skin	1,62%
Tires	1,57%	Ornamental Plants	1,32%
Plastic manufacturers	1,48%	Aluminum residues	1,22%
Lighting fixtures	1,45%	Electrical batteries	0,91%
Plastic sheet	1,42%	Fresh fish	0,61%

Source: PROCOMER: Imports and Exports with Taiwan , 2001, San José,
Costa Rica. July, 2002.

MAIN PRODUCTS IMPORTED AND EXPORTED BY COSTA RICA FROM AND TO TAIWAN

2001		2001	
Import main products	Share	Import main products	Share
Textile parts	13,91%	Other parts for modular circuits	64,55%
Bridges and their parts	7,26%	Fresh fish	12,80%
Screws	4,40%	Machine parts	8,25%
Bicycle spare parts	4,08%	Bovine leather and skin	2,44%
Shoes	2,17%	Ornamental plants	1,73%
Furnitures	1,84%	Electrical switches	1,67%
Plastic sheet	1,74%	Dried fish	1,10%
Plates an plastic sheets	1,27%	Aluminium residues	0,98%
Lighting fixtures	1,22%	Polished leathers and skins	0,82%
Fresh fish	1,16%	Ophthalmology devices	0,66%

Source: PROCOMER: Imports and Exports with Taiwan , 2001, San José,
Costa Rica. July, 2002.

MAIN PRODUCTS IMPORTED AND EXPORTED BY COSTA RICA FROM AND TO TAIWAN

January-May 2002		January-May 2002	
Import main products	Share	Import main products	Share
Textile parts	12,82%	Other parts for modular circuits	56,85%
Screws	4,69%	Electric machine parts	26,04%
Bicycle spare parts	3,96%	Electrical switches	5,85%
Plastic linings	2,50%	Bovine switches leather and skin	5,08%
Shoes	2,50%	Polished leathers and skins	3,08%
Tires	2,19%	Frozen fish	1,39%
Plates and plastic sheets	2,14%	Other salty leathers and skins	0,77%
Plastic manufactures	1,88%	Ornamental plants	0,61%
Lighting fixtures	1,71%	Vegetables extracts	0,15%
Vehicle spare parts	1,30%	Medicines	0,15%

Source: PROCOMER: Imports and Exports with Taiwan 2002, San José, Costa Rica, July 2002.

During the 80's decade, Costa Rica consolidated what is called the Costa Rican Coalition of Development Initiatives, thanks to the financial assistance of international entities. Since then, foreign investment was appropriated regulated in order to establish a favorable atmosphere for such endeavor. It forms the platform to lead national exports to other markets, that of the Republic of China and the P.R.C.

Today, the country has a contemporary infrastructure in telecommunications, satisfactory provision of electricity, water and the cost of land and labor which appear to be favorable is we compare it with the Republic of China.

The country is geographically located in a close affluent market: of the United States, with which it has consolidated a Treaty of Free Trade. At the same time, Costa Rica enjoys all the advantages benefits related to import tariffs to those markets: member of the Common Market and signatory of a Free Trade with Mexico, Canada, Chili and the countries of the Caribbean Market (Caricom). All of these makes of Costa Rica a strategic commerce center between Central and North American markets.

The conditions mentioned above make apparent the Costa Rican advantages for investment of medium and small industries of the

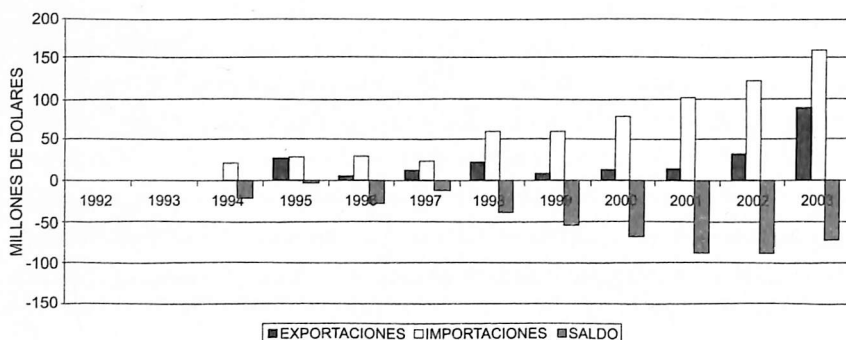
Republic of China. I can add the infrastructure of the industrial parks, under the free zones organization which favor the establishment of these enterprises in the country, with the support of the Office of Economic Affairs.

The Republic of China and the Republic of Costa Rica exchanged signs over a Surety Board to protect the investments inside the industrial parks. Each country has established appropriate incentives for investors to take advantage of the twofold fringe benefits.

In order to continue the strengthening of the commercial relations, investment and cooperation in the Central American region and the Republic of China in the year 2000, the Second meeting of vice-ministers of Central American Economic Integration and the Economic vice-minister of the Republic of China, Mr. Yen- Shian Shih convened at the Ministry of Foreign Trade of Costa Rica.

During this meeting the vice-ministers talked about those initiatives which could attain a significant dynamism to the Central American countries exports to the Republic of China, such as improving the conditions to promote the investment conduit coming from the country to the Central American region. Those relations increased the trade between Costa Rica and the P.R.C. from the year 2000, as we can see on the Commercial Interchange with China, shown on the following graphic.

**Costa Rica: Commercial Interchange with China,
US Millions of dollars, 1992, 2003.**



Source: PROCOMER: Office of Foreign Trade, San José, Costa Rica, 2003

This Chart shows that Costa Rican imports are decreasing in 1996 and 1997, and from 1997 imports start increasing.

In the last five years imports and exports are increasing. The deficit decreases in the year 2003.

**COSTA RICA: IMPORTS FROM CHINA AND TAIWAN
IN MILLIONS OF U.S. DOLLARS**

	JULY 2000 – JUNE 2001	JUNE 2001 - JUNE 2002
China	100,55	48,07
Taiwan	68,34	29,15

Source: Central Bank of Costa Rica, July, 2002

The trade with China is increasing and in the near future is becoming an important trade market which Costa Rica must take care. Costa Rica imported from China U.S.\$100 millions in good from July 2000 to June 2001. Between 2002 and 2003 the exports to China increased more than 100%: moving from U.S.\$34 millions to U.S.\$89 millions. The P.R.C. manage much bigger volumes of trade, as we can see on the tables. The imports also increased from U.S.\$122 millions to U.S.\$160 millions. Costa Rica imported U.S.\$68,34 millions in good from Taiwan in the same period. In the first six months of the year 2002, Costa Rica imported from Taiwan U.S.\$29,15

**Costa Rica: Commercial Interchange with Popular China.
U.S. Millions of dollars. 1992-2003.**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EXPORTS	0,0	0,3	1,1	26,9	4,4	13,2	22,5	7,5	12,7	13,8	33,7	88,9
IMPORTS	0,1	0,3	20,8	27,3	30,4	23,6	58,1	60,5	78,7	100,6	121,7	160,2
DEFICIT	-0,1	0,0	-19,7	-0,4	-26,0	-10,4	-35,6	-53,0	-66,0	-86,8	-88,0	-71,3

Since 1994, Industrial Parks and Active Finishing Regime are included herein.

Source: PROCOMER: Office of Foreign Trade, San José, Costa Rica,
May, 2003 and Central Bank of Costa Rica

Main Imports Products	Percentage	Main Imports Products for Exportation	Percentage
Textiles	22.66%	Modular Circuits	60.43%
Shoes	11.50%	Parts for Electrical Machines	28.87%
Toys	4.15%	Amplifiers	3.05%
Video Games	2.21%	Ferns	1.10%
Tires	1.94%	Fish Fillet	1.05%
Machinery for working cloth	1.66%	Dried fish	0.97%
Insecticides and Fungicides	1.33%	Aluminum residues	0.77%
Urea	1.24%	Glue and adhesives	0.53%
Televisions	1.01%	Lumber	0.49%
Medicines	0.92%	Ornamental plants	0.23%

**Source: PROCOMER: Office of Foreign Trade, San José, Costa Rica,
May, 2003**

It is important to acknowledge Costa Rican exports of parts to Taiwan. A 56,85% for modular circuits, 26,04% for Electric machine parts and a 5,85% for Electrical switches.

Taiwan Imports from Costa Rica, 2001/01-2001/10 – 2002/01-2002/10

Partida		2001/01 - 2001/10	2002/01 - 2002/10		%
Total	Total	12.140.585	15.453.228		27,286
8542	Electronic integrated circuits and micro-assemblies	8.193.757	8.344.388	1	1,838
8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machines of headings Nos.84.69 to 84.72	523.239	1.901.511	2	263,412
8517	Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or/for digital line system.	816.353	1.424.191	3	74,458
4104	Leather of bovine or equine animals, without hair on, other than leather of heading No. 41.08 or 41.09	982.100	1.071.291	4	9,082

9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific-graphic apparatus, other electro-medical apparatus and sight-testing instruments	0	939.813	5	---
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holder, junction boxes) For a voltage not exceeding 1,000 volts.	159.777	425.106	6	166,062
8533	Electrical resistors (including rheostats and potentiometers), other than heating resistors	455.732	195.486	7	-57,105
6204	Women's or girls' suits, ensembles, jackets, blazers dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear)	30.975	142.249	8	359,238
4107	Leather of other animals, without hair on, other than leather of heading No. 41.08 or 41.09	0	141.039	9	---
8548	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus.	0	132.784	10	---
304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	227.161	112.737	11	-50,371
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	147.172	109.580	12	-25,543
9899	MISCELLANEOUS	63.937	84.980	13	32,912
602	Other live plants (including their roots) cuttings and slips; mushroom spawn.	75.670	81.555	14	7,777
305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption	18.018	71.410	15	296,326

303	Fish, frozen, excluding fish fillets and other fish meat of heading No. 03.04	71.222	58.490	16	-17,876
901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion	42.853	29.307	17	-31,61
6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)	0	24.998	18	---
8504	Electrical transformers, static converters (for example, rectifiers) and inductors	1.559	24.032	19	1.441,50
4202	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers.	26.458	22.184	20	-16,154
3004	Medicaments (excluding goods of heading No. 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale.	21.371	21.274	21	-0,454
6206	Women's or girls' blouses, shirts and shirt-blouses	3.486	17.769	22	409,725
3915	Waste, parings and scrap, of plastics	0	10.424	23	---
4203	Articles of apparel and clothing accessories, of leather or of composition leather	29	9.505	24	32.675,86
6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	3.703	8.467	25	128,652

**Source: PROCOMER: Office of Foreign Trade, San José, Costa Rica,
October, 2002.**

Chapter 8

Reasons why Costa Rica could be a Trade Partner for Taiwan and China

Costa Rica has become a new leader in production of many years background with Taiwan if we take into consideration the following items:

1. Taiwan has been undergoing a peaceful transformation to full democracy. Costa Rica is proud to have the most mature democracy in Latin America since 1888.

2. Taiwan has grown from an agricultural exporting economy to a leading producer of electronics, computers and other industrial goods. They are "paving the information highway" with disk drives, computer screens, laptop computers and modems. Costa Rica, after depending on the export of coffee and bananas is today the U.S. largest provider of technology goods in the entire Latin American and Caribbean region, exceeding even the gigantic Brazilian market.

In 2001, global economic sluggishness and the September 11, 2001, terrorist attacks in the United States had a chilling effect on Taiwan's economy. External trade fell dramatically, not only dampening domestic production, but also leading to a 29.2% plummet in real private investment and a higher unemployment rate of 4.6%. During 2001, Taiwan's economy contracted by 2.18%. However, consumer prices were exceptionally stable, with the

consumer price index decreasing by only 0.01%. With the efforts and the gradual recovery of the world economy, Taiwan's economy regained positive growth in 2002.

On January 1, 2002, Taiwan formally became a member of the World Trade Organization. Since then, Taiwan has been busy opening its markets for agricultural products, industrial products, and services in order to honor its commitments as a W.T.O. member. As of July 2002, 9,739 commodity items (91.69% of all export items) could be exported from Taiwan and 10,564 items (99.48 % of all import items) could be imported into Taiwan without the necessity of obtaining export or import permits. Taiwan was the world's 14th largest exporter and 16th largest importer. It also held the world's third largest foreign exchange reserves. The report from the Government Information Office of the R.O.C., says that by 2001, China had become Taiwan's third largest trading partner, and Taiwan had become the fifth largest source of foreign investment in China. Of the 1,178 approved inward foreign investments, totaling US\$5.13 billion decreased by 32.59%. Most of Taiwan's inward foreign investments in 2001 came from British territories in Central America, mainly the British Virgin Island and the Cayman Islands (27.23 %)

3. Taiwan experience has already gained widespread recognition by international community. It is being taken by many developing nations (Asian, African and Latin American) as a model to emulate. Costa Rica has been a paradigm among the Latin American countries, because they have seen that democracy also promotes development. Many technology firms are attracted to Costa Rica because of the country's political stability, a skilled, well educated, and productive workforce, the availability of technological infrastructure and the central location in the Hemisphere. All these special characteristics position Costa Rica as an ideal site for the electronics manufacturing, assembly, test and refurbishing.

4. Taiwan currently finds herself in what might well be called a science and technology-oriented development sub-phase. This means that agriculture, having performed its historical

mission, is no longer a major contributor of savings and has instead become something of a subsidized appendage of the economy. Second, the increasing shortage of labor has caused a marked shift in the output and export mix. Electronics, information science and technology-intensive exports have soared and now substantially exceed those of traditional textiles, garments, electronic assembly, and other light industries.

Foreign direct investment has moved out in search of cheap labor in neighboring countries, and the legal or illegal immigration of labor has become an important phenomenon. Third, the government has been paying vastly increased attention to infrastructural bottlenecks, transport, environment, and the like, as well as to financing large-scale directly productive activities.¹²⁴

There are other reasons why Costa Rica is able to be a trade partner and investment outlet for Taiwan and China. Costa Rica can offer the following opportunities and attractions:

- A highly educated, skilled, easy to train and productive human resources at a reasonable cost.
- Political, macroeconomic and social stability.
- Legal guarantees, predictability and economic freedom.
- Strategic location in the center of the Americas, with the same standard time zone as Central United States. There are two ports in the Atlantic and in the Pacific. The distance between the coast of the Pacific and the Atlantic is less than 310 kilometers. Three hours by air from Costa Rica to Miami. Access to duty free in the United States of America, Canada, Mexico, Dominican Republic, Central America and Europe.
- Export-oriented infrastructure, reliable power and advanced telecommunications.
- Preferential access to important markets.
- Attractive tax incentives.
- Good company of other important foreign corporations.
- Free professional assistance from Costa Rican Investment Board.¹²⁵

¹²⁴ CINDE: Costa Rican Investment Board: "**Investing in Costa Rica**", San José, Costa Rica, August, 2002, pp. 1-19.

¹²⁵ Ibid

Costa Rica offers an outstanding professional carrier in all the fields. There are 46 private universities, including HBS/I.N.C.A.E., four state universities, and many training schools, technical colleges, free training (I.N.A.) for vocational fields, a Center for Training teachers (C.E.F.O.F.); Research and development centers. Elementary and high schools are compulsory and free in the country since 1870, (the first country in Latin America to have compulsory education), and Costa Rica has the highest rate of literate people in Latin America. It also has a population of 3,9 millions. 27% of the population is between the age of 15-29 years old. 1,4 million is the workforce, an annual growth of 5,8%; unemployment in 2001: 6,1%; underemployment: 7,3%. Universal system for health and education: 6,5% of the G.N.P. is only for educational expenses. 50% of the elementary schools have computer labs and 100% have computer labs in high schools. There are state programs of English teaching for the 50% of the elementary schools in rural and urban areas.¹²⁶

There is no higher degree programme of Asia-Pacific Studies in any of the universities of Costa Rica so far, specifically of the Northeast or Southeast countries of the Pacific area. Attending the rapid political, economic, and social changes in the modern world, it is of great importance to introduce a comprehensive and cohesive overview of most fields of interest concerning a historical background of the Republic Popular of China, Japan, Korea, Taiwan, and the Southeast countries of the Pacific area. It is also important for the students of International Relations, to know the countries which have established trade, imports and exports with Costa Rica in the context of 21st century globalization. A programme for a Master degree on those particular studies is in the process of approval by the authorities of the Universidad Nacional. The students of International Studies can not miss the opportunity to explore the outstanding and rich knowledge of the most ancient civilization and the ones of China's neighbors in the Pacific.

¹²⁶ CINDE: Costa Rican Investment Board: "Investing in Costa Rica, San José, Costa Rica, August, 2002, pp. 1-19.

The Universidad Nacional's authorities showed their interest to add Asia-Pacific studies to European Studies, Latin American Studies, and International Affairs and Strategic Studies. For that reason, it was necessary to visit scholars in charge of the Institutes of Asia-Pacific. I interviewed specialized professors in order to hear their suggestions about establishing a Graduate Programme of Asia-Pacific studies first in Costa Rica, and later the programme could be expanded to the Central American region.

I accepted the invitation of Dr. Young Seek Choue's founder and Chancellor of the Kyung-Hee University System in Seoul, Korea. I interviewed scholars at the Graduate Institute of Peace Studies and the Graduate School of Pan-Pacific International Studies (G.S.P.) throughout the three weeks I stayed at the campus. The M.A. program at the G.S.P. was established in March 1997 at the Suwon Campus of Kyung Hee University to meet the complicated demands of globalization and international affairs. The G.S.P. also offers doctoral program starting in 2000. The program aims to train students to become experts of world-class quality in various areas, who will lead the society with vision. Through academic and practical training at the G.S.P., students will become internationalized figures equipped with practical knowledge, a sense of international affairs, and skills not only to identify global problems but also to solve these problems. The G.S.P. also tries to keep up the students with the new developments in information technology.

I had opportunity to talk to Dr. Jae-Shik Sohn, Rector and Director of the Graduate Institute of Peace Studies; Dr. Sang-Hyup Shin, professor and chair department of International Trade and Cooperation at the Graduate School of Pan-Pacific International Studies. They offered great ideas and help by giving scholarships for the School of International Relations students interested in Pan-Pacific International Studies. The first of our students to take advantage of the grant offered, is Ricardo Montero, who attended the M.A. programme at the G.S.P., and completed the programme successfully.

Dr. Pedro Bernaldez, professor of Human Welfare and Politics at the Graduate Institute of Peace Studies, suggested to emphasize the studies of Northeast Asia at the beginning and offered some conferences about the Southeast Asian countries. At the Korea University, Dr. Kwang-pil Choi, Coordinator of the Asiatic Research Center, and Dr. Byung-Kook Kim, professor of Political Science, expressed their support for the Asia-Pacific programme in Costa Rica, and offered their contribution for lectures and scholarships for the students of the Universidad Nacional.

Dr. Hi Won Yoon, Deputy Director for International Affairs at the Korea Research Foundation talked to me about the scholarships we could get through the International office at the Seoul National University.

Author's interviews at Kyung Hee University, Seoul, Korea



Dr. Romano Prodi, President of the European Union, Honorary Degree at the Hyung Hee University, Seoul, Korea.



Dr. Young Seek Choue, Founder and Chancellor of the Kyung Hee University System, Seoul, Korea.



Dr. Jae-Shik Sohn, Rector and Director of the Graduate Institute of Peace Studies at Kiung-Hee University, Seoul, South Korea



Dr. Choongsoo Kim, Dean at the Graduate School of Pan Pacific International Studies.

Dr. Young Jo Lee, Associate Dean and Professor.

Graduate School of Pan-Pacific International Studies. Kyung Hee University, Seoul, Korea.

Author's interviews at National Chengchi University, Taipei, Taiwan



Dr. Elisa Wan, Professor of the Graduate School of Latin American Studies, Tamkang University.

Dr. Ren-rang Chyou, Associate Research Fellow, Institute of International Relations National Chengchi University.



Dr. Szu-yin Ho, Director of the Institute of International Relations, Professor of Political Science, National Chengchi University, Taipei, Taiwan.

The Institute of International Relations (I.I.R.) began to expand and develop contacts and exchange relations with other academic institutions in 1968. Since July 1, 1975, the I.I.R. has been affiliated with National Chengchi University under the title Institute of International Relations has continued to develop its research into mainland. On August 1, 1996, the I.I.R. was fully integrated into the university. The I.I.R. has four research areas: First Division conducts research into the countries of America, Europe, and Africa, including their international political and economic relations and international organizations. Second Division: Covers similar topics in Asia, Oceania, and the Pacific Rim. Third Division: Conducts research into mainland China affairs, specializing in ideology, politics, law, foreign relations, and military affairs, as well as Taiwan-mainland relations and Hong Kong and Macao affairs. Fourth Division: Focuses on the social, economic, cultural, and minority affairs aspects of mainland China.

I visited the National Chengchi University and the Institute for International Studies in Taipei. It is a sister University with Universidad Nacional, Heredia, Costa Rica.

Dr. Liu Chan-hui, professor of Japanese Studies, and Dr. Elisa Wan, professor of the Graduate School of Latin American Studies at Tamkang University, were pleased to know the establishment of the program of Asia-Pacific in the Central American region. Tamkang University at Tamsui Campus includes among its programme the College of International Studies which is made up of eight graduate institutes: American Studies, European Studies, Japanese Studies, International Affairs and Strategic Studies, China Studies, Latin American Studies, Slavic Studies, and Southeast Asian Studies.

Author's interviews at The Chinese University of Hong Kong



Dr. Fong-Ching Chen, Director,
Institute of Chinese Studies,
Hong Kong, P.R.C.

The Institute of Chinese Studies of the Chinese University of Hong Kong, is one of the largest ones in Asia. It has a Research Centre for Contemporary Chinese Culture; a Centre for Chinese Archaeology and Art, a Research Centre for Translation, a Chinese Language Research Centre and a beautiful Art Museum. There are three important options for emphasis in Asia-Pacific Studies: on Asia-Pacific of Business; on Chinese Business Studies and on Financial Research on China. The university also has a Department of Japanese Studies. Dr. Fong-Ching Chen introduced me to the different programme of the Institute and it was amazing how serious they take the Asia-Pacific and mainly Chinese Studies.

Dr. Hi Won Yoon, Deputy Director for International Affairs at the Korea Research Foundation talked to me about the scholarships we could get through the International office at the Seoul National University.

Once in Hong Kong, I had an interview with Dr. Joseph Yu-shek Cheng, Coordinator of the Asian Research Programme at the City University of Hong Kong. He became very interested to make in Costa Rica the establishment of the Graduate Programme in Asia-Pacific Studies. For this achievement he visited the Universidad Nacional in July, 2001. We made the proposal to be submitted to the authorities of the Universidad Nacional. Dr. Cheng was appointed by the Rector of the Universidad Nacional, as Honorary Consultant of the Master Degree

Programme in Studies of the Asia-Pacific. Dr. Cheng can help in meeting the Asia-Pacific region challenges of the future and to enhance the growth and prosperity of our future on Asia-Pacific studies programme.

Author's interviews at the Institute of Asian Studies in Bangkok, Thailand. Dr. Srisuda Chongsithphol, Research program of Asian Studies, Bangkok, Thailand.



Dr. Weerayut Chokchai at
Tammasat University,
Bangkok, Thailand.

I visited the Chulalongkorn University to interview Dr. Srisuda Chongsithphol in charge of the Research program they have in Asian Studies in Bangkok, Thailand. Dr. Weerayut Chokchai at Tammasat University also offered his support for our research project.

Dr. Daljit Singh, Senior Research Fellow, at the Institute of Southeast Asian Studies and Dr. Victor R. Savage, Coordinator of Asian Studies Programme at the National University of Singapore were very pleased to know about the possibility of opening a special programme along the universities of the Central American region.

The Institute of Southeast Asian Studies was established as an autonomous organization in 1968. It is a regional research centre for scholars and other specialists concerned with modern Southeast Asia, particularly the many-faceted problems of stability and security, economic development, and political and social change.

Author's interviews at the Institute of Southeast Asian Studies, Singapore



Dr. Daljit Singh, Señor Research Fellow, Institute of Southeast Asian Studies, Singapore.



Dr. Victor R. Savage, Coordinator of Asian Studies Programme at the National University of Singapore

The outstanding Asian scholars contributed with great advices and good ideas to the programme of Asia-Pacific studies in Costa Rica. During three months I was able to visit the most important Institutes of Asia Pacific Studies at important universities of the North and Southeast countries. They were very helpful to give their time for the interviews and to offer their assistance. The collaboration of Asian scholars helped to obtain a full idea of the academic resources we need at the Universidad Nacional to offer a programme in Asia-Pacific studies. The Hyung-Hee University, sister university of the Universidad Nacional has been the first university to give a scholarship for one of our students. The number of academics specialized on the field of Asia-Pacific studies needed may hinder a close opening of this important programme. Dr. Joseph Y.S. Cheng, is continuing supervising the Asia-Pacific programme and we hope to find more resources and more scholarships to have future professionals in Asia-Pacific studies.

Other attractions that Costa Rica offers to be a Taiwan trade partner and to attract investors:

◇ Costa Rica is a peaceful country and offers the best environment for business. Long traditional peace and stability. Its government has three independent powers: Executive, Legislative and Judicial. The president has a period of four years with no reelection. Costa Rica abolished the army in 1949. It also has a financial and economic stability too.¹²⁷

◇ Foreign people living in Costa Rica have no limitations. They have the right of property and the right of ruling business. The Political Constitution gives the same rights and obligations to foreigners and there is no restriction to repatriate or to transfer funds. Legislation follows the Intellectual Property of the World Trade Organization (W.T.O.). There are well established agreements with several countries to promote and protect investments.

¹²⁷ CINDE: Costa Rican Investment Board: "**Investing in Costa Rica**", op.cit., pp. 1-19.

◇ Costa Rica has a privileged location in the center of Central and South America. Its proximity to Miami is an advantage for the transportation of perishable products like flowers, sea food, fruits, meats, etc. to export them to different markets of Europe and the United States. Having the standard time zone with Central U.S. is a great opportunity to deal business at office hours. It has the same time zone with Chicago. Being located between two of the main oceans is another asset to boost foreign investment and open up the domestic market to competition.¹²⁸

◇ The infrastructure offers plenty of water and electricity. Costa Rica consumes only 1,4% of its total sources. Water is reliable. Sources: Hydroelectric: 92%; Geothermic: 6%; others: 2%. Total of installed capacity: 1,400 MW; Cost: tariff from 7 to 11 cents U.S. per (kw/Hr) industrial tariff. There is a reliable electric net across the country and a good telecommunication infrastructure. There are 200 telephones for every 1000 inhabitants. 87% digitalization.¹²⁹

◇ There are many foreign enterprises as: INTEL, Bourns, C&K, Panduit, Reliability, Sawtec, Remee, EMC, Merrimac, AETEC, Agilent-HP, DEK, Pycon, Babylliss/Conair, Sylvania, Sykes, Western Union, Procter & Gamble, Baxter, Abbott Laboratories, DeRoyal, McGhan Medical, Bayer, Alkoa, Ikor, Levi's, Sara Lee/Bali, Wm. Carter among many others.¹³⁰

◇ Costa Rica has signed treaties to promote and protect reciprocal investments with countries of Europe, Asia and Latin America. With the following countries Costa Rica has signed trade agreements and they still have to be negotiated and approved by Congressmen:

¹²⁸ Ibid.

¹²⁹ CINDE: Costa Rican Investment Board: "Investing in Costa Rica", op.cit., pp. 1-19.

¹³⁰ Ibid.

Treaties signed and to be signed between Costa Rica and foreign countries

Approved by Congress	Introduced to the Congress	Negotiated Not sign yet	Negotiation initiated
Germany	Belgium-Luxembourg	Austria	
Argentina	Ecuador	Bolivia	Barbados
Canada	El Salvador	Poland	Brazil
Chili	Switzerland		Denmark
China(Taiwan)	(Renegotiation)		Greece
Spain	Finland		Ireland
France			Italy
Great Britain			Jamaica
Holland			Norway
Paraguay			Peru
Czech Republic			Portugal
Switzerland			Rumania
Venezuela			Sweden
Korea (August 26, 2002)			Uruguay

Source: Costa Rican Investment Opportunities (CINDE), San José, Costa Rica, July , 2002

◊ By the year 2000, Costa Rica occupies the second place in the world in alphabetization. Costa Rica abolished army since 1949 and all the budget that other neighbor countries like: Nicaragua, Honduras, El Salvador and Guatemala use to maintain heavy armies and training in their countries, Costa Rica applies that budget for Education. This is the reason why Costa Rica is one of the most literate countries in the world.

Year 2000: Costa Rica occupied the literacy second place in the world

First place	Ireland
Second place	Costa Rica
Third place	Philippines
Fourth place	Hong Kong
Fifth place	Singapore
Sixth place	Mexico

Source: Costa Rican Investment Opportunities (CINDE), San José, Costa Rica, July 2002.

HUMAN RESOURCES

Homes with potable water	93%
Access to telephone services	92%
Homes with electricity	92%
Health services	90%
Birth rate	2.3%
Infant mortality	11.8/1000 (similar to industrialized countries)
Life expectancy	76.1 years
Life expectancy in industrialized countries	74.2 years

Source: Costa Rican Investment Opportunities (CINDE), San José, Costa Rica, July, 2002.

Another attraction for Taiwan and China about the profile of Costa Rica as a trade partner is the improvement that it has as the new leader in production of high technologies. Costa Rica is today the U.S. largest provider of technology goods in the entire Latin American and Caribbean region, exceeding even the gigantic Brazilian market. The recent investment in electronics assembly in Costa Rica has resulted in U.S. imports "increasing some 4,400% between 1993 and 1999. It is also the largest and fastest growing U.S. technology export market in the region. Technology firms are attracted to Costa Rica because of the country's political stability, a skilled, well educated, and productive workforce, the availability of technological infrastructure and the central location in the Hemisphere. All these special characteristics position Costa Rica as an ideal site for the electronics manufacturing, assembly and test and refurbishing.¹³²

Like many other Central and South American countries, Costa Rica has focused on developing its export sector and on increasing foreign direct investment (F.D.I.) as a means of generating employment and foreign exchange. However, instead of concentrating in labor-intensive industries like some of its neighbors, Costa Rica focused its attention on the high-tech sector.

¹³² CINDE: Costa Rican Investment Board: "**Investing in Costa Rica**", op.cit., pp. 1-19.

Costa Rica is focusing on Information and Communications Technology (I.C.T.).¹³²

In 1996, faced with declining prices of its primary source of exports and growth, Costa Rica saw the need to develop alternatives to coffee production. The government recognized the potential of the emerging Information and Communications Technology sector and the importance of attracting a global corporation such as INTEL to locate in the country. Today, the Costa Rican factory is INTEL's second largest for final assembly and testing of computer microprocessor chips. One-third of all INTEL microprocessors used in computers around the world come from the INTEL plant in Costa Rica.¹³³

Costa Rica's location vis-à-vis North and South American markets, its peaceful and stable political environment, the business-friendly policies it adopted in the 1980s, its excellent infrastructure, and its educated and skilled workforce have all made it an attractive location for high-tech, export-oriented firms and other International Technology-enable industries. Once the success of INTEL in Costa Rica was demonstrated, other major US companies followed, including consumer products maker Proctor and Gamble, medical devices manufacturer Abbott Laboratories and money transmitter Western Union.¹³⁴

Costa Rica's export focus is being broadened to include software development companies currently operate in Costa Rica, employing more than 1,000 professionals and exporting to countries in Latin America, the Caribbean, North America, South East Asia, Europe and even Africa. The total exports of the six largest software development companies in 1997 surpassed U.S.\$5 million. The target for 2001 is to export over U.S.\$200 million. According to the Costa Rican government, "software is destined to become in the coming century what coffee represented for the Central American country for over two centuries".¹³⁵

¹³² Ibid.

¹³³ Ibid.

¹³⁴ CINDE: Costa Rican Investment Board: "Investing in Costa Rica", op.cit., pp. 1-19.

¹³⁵ Ibid.

A critical element of Costa Rica's approach has been a focus on education. Not only does Costa Rica have high national standards of education, it has also worked on ensuring that education institutions produce appropriately skilled workers and professionals. Given the limited number of engineers and technicians, the government has embarked on an aggressive campaign to transform the knowledge base of the country in alignment with the requirements of the high-tech sector. The Instituto Nacional de Aprendizaje (INA), an autonomous institution financed with public resources and private contributions, and the Instituto Tecnológico de Costa Rica (ITCR) are the main providers of engineering professionals. Costa Rica has been supported in its efforts to upgrade its education system by the Inter-American Development Bank and private investor funding.¹³⁶

To encourage demand, computer duties were removed in the 1980s. The falling computer prices stimulated usage and Costa Rica now has one of the highest rates of usage in Latin America.¹³⁷

There are achievements and limitations. Intel's impact on the Costa Rican economy is indisputable. The balance of trade turned positive due to the dramatic increase in exports (20 % annual increase). Traditional exports, such as bananas and coffee, could not create such a boost in exports and in any case were declining. The gross national product (G.N.P.) also grew by approximately 6.4 percent and 8 percent in 1998 and 1999, respectively. In 2000, computer products accounted for 37% of Costa Rica's exports. This is higher than bananas at 10 percent and coffee at 5 percent, making the technology free trade zone regime the most important foreign exchange earner for the country.¹³⁸

This kind of export focus requires developing countries to compete with each other for limited foreign capital. Offering financial incentives can have a costly impact on the budgets of small countries, particularly when foreign companies' operations do not create many linkages with the rest of the economy.

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ CINDE: Costa Rican Investment Board: "Investing in Costa Rica", op.cit., pp. 1-19.

Countries such as Ireland have experienced growth in local satellite industries around large foreign investment such as that of INTEL. Though this has not yet happened in Costa Rica, the government is trying to use foreign companies' presence to spur development of domestic-owned suppliers and other satellite businesses such as software development firms.¹³⁹

The Costa Rican Government has launched several separate initiatives to use Information and Communications Technology to address developmental goals (for example, school-nets and public access sites), but these are not integrated with the wider export promotion approach.

U.S. Trade Balance with China and Taiwan (millions of U.S. dollar)

	China			Taiwan		
	Exports	Imports	Balance	Exports	Imports	Balance
2003	16808.90	93819.50	-77010.60	10972.70	20610.20	-9637.50
2002	22127.70	125192.60	-103064.90	18381.70	32147.90	-13766.20
2001	19182.30	102278.40	-83096.10	18121.70	33374.30	-15252.60
2000	16185.20	100018.20	-83833.00	24405.90	40502.60	-16096.70
1999	13111.10	81788.20	-68677.10	19131.40	35204.40	-16073.00
1998	14241.20	71168.60	-56927.40	18164.40	33124.90	-14960.50
1997	12862.20	62557.70	-49695.50	20365.80	32628.50	-12262.70
1996	11992.60	51512.80	-39520.20	18460.30	29907.30	-11447.00
1995	11753.70	45543.20	-33789.50	19289.60	28971.90	-9682.30
1994	9281.70	38786.80	-29505.10	17108.90	26705.70	-9596.80
1993	8762.90	31539.90	-22777.00	16167.80	25101.50	-8933.70
1992	7418.50	25727.50	-18309.00	15250.40	24596.00	-9345.60
1991	6278.20	18969.20	-12691.00	13182.50	23023.00	-9840.50
1990	4806.40	15237.40	-10431.00	11490.80	22665.90	-11175.10
1989	5755.40	11989.70	-6234.30	11334.50	24312.70	-12978.20
1988	5021.60	8510.90	-3489.30	12129.10	24713.80	-12584.70
1987	3497.30	6293.60	-2796.30	7412.80	24621.70	-17208.90
1986	3106.30	4771.00	-1664.70	5524.30	19790.70	-14266.40
1985	3855.70	3861.70	-6.00	4700.00	16396.30	-11696.30

Source: U.S. Census Bureau, www.census.gov/foreign-trade/balance

¹³⁹ Ibid.

PART III

THE CHINESE COMMUNITIES IN COSTA RICA

Chapter 9

Reasons for the Migration of Chinese people to the Americas

There is nothing more international and more delicious around the world than the tasty Chinese dishes. This means that Chinese people are residing so many countries that we really do not know just how many countries do have Chinese residents. The main and important question, is why and how Chinese people have gone to so many different countries? It seems that for some reasons they left their fatherland looking for a better living and for more economic prosperity in other countries, in spite of all the struggles they had to go through in order to do so.

But there was not only a Chinese spreading during the nineteenth century. Millions of Europeans emigrated to the Americas and Australia, at the same time when millions of Chinese started emigrating as well, mostly to Southeast Asia, but some traveling far beyond its homestead. As population swelled, opportunities for internal migration to thinly populated regions all but disappeared. Then, after 1842, the economic decline around Guangzhou brought on by the local collapse of the tea trade

increased the supply there of young men in need of a way to make a living. Chinese from the southern coastal regions of Fujian and Guangdong had formed mercantile communities throughout Southeast Asia. In Buddhist countries like Thailand and Vietnam, Chinese often assimilated, intermarrying with the local population and adopting their language and customs. They rarely assimilated in Muslim areas, such as Java, Catholic areas, such as the Philippines, or primitive tribal areas, such as northern Borneo. In these places, Chinese communities remained separate and distinct, many of them consisting primarily of speakers of one dialect.¹⁴⁰

With the expansion of European imperialism into Southeast Asia, new opportunities were created for enterprising Chinese. After Singapore was founded on a nearly barren island in 1819, Chinese poured in. The region around Guangzhou was soon sending thousands of men to work in the tin mines in nearby spots in Malaysia. By 1850 there were about 10,000 Chinese in the city of Malacca, and the Chinese had become the dominant ethnic group in the nearby cities of Kuala Lumpur and Singapore. Further away, in Sarawak and Sabah, on the north side of the island of Borneo, Hakkas from Guangdong were arriving in large numbers, encouraged by British authorities who perceived a local shortage of labor. Chinese settled better in some places than in others.¹⁴¹

Great fortunes were made from the tin business in British-dominated Malaysia, where the Chinese community included both old overseas families long settled in Malacca, who spoke Malay, and a much larger number of more recent immigrants, mostly Cantonese speakers. In the Spanish-controlled Philippines and Dutch-controlled Indonesia, however, the Chinese had to put up with repeated persecutions. Early in the nineteenth century, the Dutch seized the mines in Borneo that Chinese had worked for generations, and hostilities between the

¹⁴⁰ Buckley Ebrey, Patricia; "**China**," Cambridge University Press, 1996, pp. 249-250.

¹⁴¹ Ibid.

Chinese settlers and the Dutch lasted until 1854, after which Chinese emigration to the region essentially ceased. Yet the Dutch conquest of southern Sumatra led to a massive immigration of Chinese to work in the sugar and tobacco plantations there, beginning in 1864. By 1900 there were more than 500,000 Chinese living in the Dutch East Indies, now Indonesia.¹⁴²

Starting in the 1840s, because the world-wide anti-slavery movement had largely ended the trade in African slaves, labor contractors began coming to China to recruit cheap workers. Unscrupulous foreign contractors and equally unsavory Chinese middlemen signed up hundred of thousand of Chinese to work for plantations and mines in Cuba, Peru, Hawaii, Sumatra, and elsewhere. These "coolies" (from the Hindi word for hired servant, and *kuli* in Chinese literally means "hard laborer") were often treated little better than slaves during transit and at the plantations and mines. Some of the worst abuses were in Peru, where nearly 100,000 Chinese had arrived by 1875, lured by promoters who had promised them easy riches only to find themselves forced to work in chains if they tried to flee.¹⁴³ W.P. Reeves in his preface to Campbell (1923) wondered how such 'sinister experiments, so unattractive at their best, so repulsive at their worst, came to be tried in civilized countries in the 19th and 20th centuries".

The important overseas migrations of the Chinese may be roughly grouped into three periods: those of the seventh, fifteenth, and nineteenth centuries. The First Migration began during the Seventh Century when the Chinese colonists settled in the Formosa (Taiwan) and the Archipelago Pescadores. In the west of Pescadores, it was a prosperous seasonal agricultural movement which became a commercial center for the pioneer Chinese settlers. Tachi, a neighboring town, was another favorite resort of the junk traders. Makung, the capital of the Archipelago, became the insular metropolis of Chinese culture. Soon the tide of an eastward movement set in. The Hakkas began

¹⁴² Ibid.

¹⁴³ Buckley Ebrey, Patricia; op. cit. p. 246.

to trade with the inhabitants of Takow, Tayouan, Kiirun and Tansui, and laid the foundations of Chinese settlements in Formosa.¹⁴⁴

At time went on, the Chinese in these places, with the cooperation of their friends at home, started to have relations with the neighboring countries. Three main trade routes were opened: one leading to British Malakka, one to the Dutch East Indies, and one to the Philippines. These routes paved the way to the second great migration of China.¹⁴⁵

Beginning with the fifteen century, a second wave started in the Ming period the junk trade was flourishing. The power of the Ming emperors was extended to the neighboring nations, and Chinese nationals went out in large numbers to southern Asia and the sea countries for trade. The colonization of the Malay Archipelago, Java, Sumatra, Borneo the south of the Archipelago, and the Philippines, which began in a small way at the seventh century, was much stimulated.¹⁴⁶

The most import wave of Migration is the most important for the purpose of this research. About 1860 or the middle of the 19th century, the third wave began with the opening of treaty ports in China when a new epoch of emigration began. And started with the legalization of the coolie trade. Spain, Portugal, Holland Great Britain and other European powers were bent on developing colonies and possessions commercially and industrially. They looked to China as an inexhaustible source of manual labor very inexpensive. They also were excited by the much-vaunted opportunities on the mining and agricultural frontiers of Hawaii, California, British Columbia, Mexico and Peru. Chinese poured out of the southeastern coastal provinces and before 1930, more than 8 million Chinese had settled throughout the world.¹⁴⁷ It is well known that the coolie trade was funded by the demands of

¹⁴⁴ Chen, Ta; "Chinese Migrations, with Special Reference to Labor conditions;" U.S. Department of Labor, Bureau of Labor Statistics; Ch'eng-Wen Publishing Company, Taipei, 1967, p. 5.

¹⁴⁵ Ibid.

¹⁴⁶ Chen, Ta; op. cit. p. 5.

¹⁴⁷ Ibid

the economic opportunities created by the European colonial expansions of earlier decades. The stimulus for migration in this context of an international demand for labor was provided by socio-economic conditions in China. The Ch'ing court's inability to handle such demands in a period of dynastic decay contributed to the phenomenon that came to be known as the coolie trade. Internationally, probably the most significant trigger for the development of the coolie trade was the end of slavery, which threatened the plantation economies and colonial infrastructure of the European powers with collapse. The labor-intensive plantations and mining developments were important to the economies of both the colonies and the home country. And the Chinese coolie, as a surrogate slave became an important economic resource. Chinese brokers working with coolie agents resorted to illegal means to fill their quotas. Many coolies did not intend to become indentured laborers, but were deceived or forced into the system.

Latin American nations alternately encouraged and restricted Chinese immigration, but despite the horrors of the "coolie trade" to Peru and the massacres of Chinese in Mexico, by 1950 there were more than 54,000 Chinese in Spanish and Portuguese America. A small portion of the third wave of emigration from China came to North America and several thousand were imported to build Canada's transcontinental railway. An anti-Chinese movement in Canada curbed immigration in the last decades of the 19th century, but more than 46,000 Chinese were admitted in Canada until 1953.¹⁴⁸

One of the major employers of Chinese labor in the 1860s was the Central Pacific Railroad. At first it had been reluctant to take on the Chinese, fearing that because of their slight stature they would not be up to the strenuous nature of the job. But the railroad company was desperate for men, and since most who made their way to California preferred to try their luck in the goldfields, the railroad decided to give the Chinese a try.

¹⁴⁸ (McKenzie, Roderick D., "Migration in the Pacific Area", in Amos H. Hawley, ed. Chicago and London: University of Chicago Press, 1968.)

They started with 50 Chinese laborers and the report of the Sacramento Union of June 15, 1858, found them "very good working hands." They do not work as fast as the white men, but they keep constantly at it from sunrise until sunset. The experiment bids fair to demonstrate that Chinese laborers can be profitably employed in grading railroads in California. Of the ten thousand men who built the Central Pacific railroad in California, nine thousand were Chinese.¹⁴⁹

In the mean time, the diaspora of Chinese laborers or coolies going abroad increased year by year. The tradesmen found it difficult to accommodate them, and emigration companies soon came into existence. They have brokers or agents stationed in important cities, who undertake to recruit emigrants, to provide food, lodging, and steamship accommodation for them, and to send them to their destination. When labor was needed in a certain foreign country, it has been customary for that country to send a labor contract with the Chinese broker, specifying the number of persons needed, conditions of employment, and the length of the term of service. The broker then advertises the labor terms at the various emigrant communities. Emigrants willing to accept the terms were then brought to the port of embarkation for a medical examination. In some cases this examination is given after the emigrant arrives in the employing country. In the latter case the broker assumes the task of repatriating those who are rejected for physical infirmities or other defects. For the services rendered between the recruiting and the signing of the contract by the employer and the emigrant, the broker is paid a certain commission at varying rates. Emigrants who go to foreign countries without the assistance of emigration companies secure necessary help from their relatives and friends abroad. Tradition, attractions of climate, relationship, and kinship between new emigrants and those who are already in foreign countries have influenced the selection of certain places for colonization.¹⁵⁰

¹⁴⁹ Perrin, Linda, "Comino to America, Immigrants from the Far East," Delacorte Press, New York, 1980. p. 23.

¹⁵⁰ Chen, Ta., op. cit. p.4.

The total number of Chinese emigrants residents abroad in 1922 has been estimated to be 8,179,582, distributed geographically among the following countries:

Anan.....	197,3000	Java.....	1,825,700
Australia.....	35,000	Korea.....	11,300
Brazil.....	20,000*	Macao.....	74,560
Burma.....	134,000	Mexico.....	3,000*
Canada.....	12,000*	Peru.....	45,000*
Cuba.....	90,000*	Philippines.....	55,212
East Indies.....	1,023,500	Siam.....	1,500,000
Europe.....	1,760	Siberia.....	37,000
Formosa.....	2,258,650	Straits Settlements.....	432,764
Hawaii.....	23,507	South Africa.....	5,000
Hong Kong.....	314,390	Continental United States...	61,639*
Japan.....	17,700	*Chinese emigrants in Canada, USA and Latin American countries.	

Source: Ta Chen A.M. *"Chinese Migrations with Special reference to Labor Conditions"*, p. 15.

Of the countries of the Americas: Cuba, United States and Peru, were the countries that had more Chinese emigrants that left probably since 1896 and many crossed the Pacific to North, Central and South America. Social and cultural assimilation has not been easy but they worked hard together with new people in different environments expecting better livelihood. The reasons why these people left their fatherland and adopted new countries, new culture, new language enabling their children to share new lives, were many. The growing economic importance of the Pacific Rim and the increasing Asian immigration to the Americas during the late nineteenth century and the first half of the twentieth century show the great population problem that China was undergoing at the time.

In 1800, China had about 300 million people, while Russia had 40 million, Japan 30 million and England 11 million. From 1800 to 1850 China added at least 100 million people reaching over 400 million inhabitants.¹⁵¹

¹⁵¹ Ho, Ping-ti; *Studies on the Population of China, 1368-1953*", Harvard University Press, Cambridge, Massachusetts, 1974. p.91

The writer, Ping-ti Ho, also mentions on his studies, the extraordinary growth of the Chinese population in the last few centuries. He assures that if the official figures can be believed, shortly after the People's Republic of China was founded its population was ten times that of the last dynasty, the Ch'ing, three centuries earlier. The first census carried out by the government in order to get details of the number of people living in the mainland China showed a population of 580 million people in 1953. It was not fairly accurate. Originally the census authorities planned to count both the permanently resident and the transit populations. Since the counting of people in transit would have to be carried out within a very short period of time in trains, railway stations, hotels, and many other places, and since such a plan would require an enormous number of census-takers, it was later decided that the census should undertake only an enumeration of the resident population. A special census sheet was designated to avoid the dangers of double-counting. It was originally planned that the census should register sex, age, nationality, literacy, occupation, place of work, and social class. Partly because of technical difficulties and partly because of the extra work involved, the census authorities decided in the late stage of planning to retain the first three items only. The census was therefore concerned merely with sex, age, nationality, and the permanent resident population. It is hard to explain the earlier growth of the Chinese population, and particularly its rate. The unavailability of full census returns enables us to discuss only a few demographic aspects of China's 1953 population. Shortly after the completion of the census the State Statistical Administration announced that the urban population as of June 1953 was 13.26% of the total population.¹⁵²

Besides a high birth rate and a high death rate and infant mortality, the health programs were not good for the increasing population. These were other reasons why Chinese people were unsatisfactory for the socio economic conditions due to low

¹⁵² Ho, Ping-ti; *op. cit.* p. 183.1

wages, health services, and the main reason: lack of housing. The scarce housing and the poor conditions, without any doubt, produced a lot of stress for the Chinese people. Sometimes there were more than ten people in a single room not very big. In great numbers the needy were forced out of the country. And the people expect to find better conditions of living. In this sense the outflow of the emigrants arose from the pressure of population weighs heavily on the side of emigration. It seems reasonably clear that the population has been outstripping the food supply and forcing a vast number of people out of the country. The official estimates of Chinese population between 1749 and 1920 can be considered only rough indications of the actual conditions during these years.

According to Prof. Ho Ping-ti, for "nearly a thousand years, China's food situation was appreciably better than Europe's. A series of advances, some of them revolutionary, made possible increase after increase in the acreage under cultivation and in per-acre yield, and every increase helped to feed an expanding population. Some advances were, such as the introduction of early-maturing strains of rice, dated from the Sung dynasty (960-1279).

Rice culture in China seems to have reached its saturation point by about 1850. Yet three centuries before this long-range revolution in land utilization and food production had run its course another similar revolution had already begun and is still continuing. The main agents of this second agricultural revolution have been American food plants, such as maize, sweet potatoes, Irish potatoes, and peanuts. Sweet potatoes became the poor man's staple.

In the 18th century the sweet potato gradually spread to all inland Yangtze provinces. In 1931-1937 China, with an average annual output of 18,500,000 metric tons, was easily the world's largest producer of sweet potato. Next to rice and wheat, the sweet potato is now the most important source of food for the Chinese. Prof. Ho Ping-ti, adds "that with the native and imported crops an equilibrium could be achieved between food supply and population."¹⁵³ Prof. Ta Chen considers there was a shortage of grains and scarcity of resources in the same period of time.

¹⁵³ Ho, Ping-ti; op. cit. p. 183.

The amelioration of the social and economic conditions in China are therefore desirable in order to insure social progress and promote international good will. The decrease of population from 1842 to 1882, may be partially due to the tremendous loss of human lives from wars and famines. The migrations seem to have begun in the 17th century, and continue with increasing importance during and since the 19th century. For the purpose of this study is important what happened in the year 1860, when the third overseas migration was started with legalization of the "coolie" trade to Latin American countries.¹⁵⁴ The major influx did not occur until 1847. From then until 1874, parts of Latin America imported over 250,000 coolie laborers.

The coolies were indentured servants, but the conditions under which they were transported, sold, fed, clothed, housed, and treated were similar to those suffered by African slaves. Indeed, the initial impetus for Asian immigration to the American came from Great Britain. As British ships stopped the trade in African slaves, Latin American landowners and others with requirements for large, cheap labor forces turned to Asia for their needs. This form of indentured servitude was supposed to act as a transition phase, at least in the tropics, between slavery and wage labor. The plight of the British West Indian sugar planters, where sugar production had dropped by one-third because of the loss of labor, carried more weight in the arguments between moral beliefs and the pragmatic need for labor. In July 1844, British authorities opened up the emigration of Indians to British colonies.¹⁵⁵

The abolition of slavery and emancipation of the slave population marked a turning point in the history of the West Indies. The British government passed the Act of Emancipation in 1833 and declared it law in the following year, freeing a slave population of around 665,000 in the British Caribbean. In the

¹⁵⁴ Meagher, Arnold Joseph, "The Introduction of Chinese Laborers to Latin America: The 'Coolie Trade,' 1847-1874". (Ph.D. dissertation., University of California, Davis, 1975), p. 21.

¹⁵⁵ Chen, Ta; op. cit. pp. 41-42

years to follow, slavery was similarly abolished in the French (1848), Danish (1848) and Dutch (1863) Caribbean. The regional economy – which, in turn, held a key position in each respective imperial political economy – centered on labor-intensive plantation agriculture, especially devoted to the production of sugar. While the emancipation of slaves was brought about by growing humanitarian and liberal sentiments in Europe, in the tropics it caused an immediate crisis among planters. They perceived their success as hinged upon a kind of critical ratio between abundant land and cheap labor, a ratio which slavery had served and which, after abolition, they felt needed replacement by ‘a new system of slavery’. After abolition, sugar production dramatically decreased and the market value of West Indian estates declined. Caribbean planters argue that a labor shortage was at the heart of the problem. Various immigration schemes were soon initiated in parts of the British Caribbean, including the introduction of African peoples liberated from other nations’ slave ships, brought directly from the African continent or from other Caribbean islands. Portuguese, Madeira islands and Chinese were also induced to immigrate to West Indian plantations. The influx of such peoples added considerable heterogeneity to already multi-cultural colonial societies. But for various reasons, none of these groups were found to be suitable by planters, who demanded a wholly controllable, extremely cheap workforce that was used to agricultural labor.

The main inquiries of this study resolve themselves into three major divisions: historic, social, and economic. The Historic phase includes important conflicts, and the political and civil relations between China and the particular country to which the emigrants have gone. In tracing these events, the plan has been to terminate the account with the last significant clash whereby the Chinese either gained or lost socio-economic importance in their adopted country. Likewise, historic events in Formosa have been outlined up to the time Koxinga's¹⁵⁶ conquest of the island, and in the Philippines up to the third massacre of the Chinese by Spaniards.

¹⁵⁶ Chen, Ta; op. cit. p. 2.

Under the economic phase have been included the main occupations of the Chinese, and their activities in industry, commerce, and agriculture, in order to ascertain their economic importance in the given country. Owing to insufficient data, the accounts of the modifications of the Chinese guilds to suit the local needs and labor organizations are deficient in part.¹⁵⁷

The discussion of the social conditions of the overseas Chinese includes population, education, government, social organizations, racial discriminations, customs and manners, and interracial marriage and fusion. An attempt is here made to show their assimilability group solidarity, the changes in their mode of living, and social problems of various kinds. The chief inadequacies lie in the insufficient data on education and social organization, and the paucity of statistical material on racial amalgamation.¹⁵⁸

The principal significant points disclosed are that by and large the Chinese emigrants were forced out of China by the *population pressure*, that under favorable social conditions, they have been successful in business and trades: that by their aid in capital and labor they have initiated and developed important industries to augment the wealth of their adopted country: that they have been handicapped by social and legal discriminations; that they have been loyal to their mother country: that there has been evidence to show eugenics benefits between the Chinese and other nationalities; that by frequent contact with other states the Chinese abroad have complicated the international relations; and that owing to their idiosyncrasies and persistent indulgence in certain vices they have created vexed problems of administration for foreign governments under whose jurisdiction they live.¹⁵⁹

¹⁵⁷ Ibid.

¹⁵⁸ Ibid. pp. 2-3.

¹⁵⁹ Ho, Ping-ti; op. cit., p. 165.

Chapter 10

Movements of Emigration

The movement of emigration was given additional impetus during the Ming period after the return of Cheng Ho from his voyages to the "Western Ocean" or El Dorado, (1405-1430). His tales much exaggerated and distorted of fabulous wealth in the foreign countries which he had visited and the encouragement which the flourishing empire gave the seafaring merchants were great incentives to the young and adventurous.¹⁶⁰ The mountainous Province of Fukien had poor production of rice and other food, not sufficient to feed its local population. Consequently the inhabitants of the coast villages were also under a strong economic pressure to emigrate. The boatmen live on boats all the year round and they were excellent fishermen. They sailed in junks between Formosa and the Fukien coast. Continual harassment of these coasts Provinces (Fukien and Kwangtung) by Japanese pirates was a potent influence for the emigration of the natives. Gradually, Chinese pirates began to work with Japanese rovers. Occasional visits to the Formosan coast by these Japanese pirates opened trade routes between Japan and Formosa, and for this

¹⁶⁰ China. Inspectorate General of Customs. "Treaties between China and Foreign Status". Shanghai 1917, Vol. I, p. 432.

reason their unlawful activities were condoned. In 1592, Japanese merchants in Kyoto, Nagasaki and Mikuni were able to secure government license to open trading posts in Formosa.¹⁶¹

As Formosa is near the coast of Fukien, Chinese emigrants went there as early as the 7th century. Then a period of inactivity followed in which no great movements of migration have been noted. Around the 16th and early 17th centuries when the Dutch and Portuguese began to trade with the Far East and when the Ming dynasty was in full power, the number of Chinese colonists in the island steadily increased. These colonists gradually developed important industries and laid the foundation of the political and social institutions of the country. Even when the island was under the political control of the Japanese Empire, the Formosan Chinese were maintaining and extending their influence in economic and social life there. After 1683 the southeast coast was thrown open and an increasing number of Chinese went to Formosa either to settle or to work as seasonal agricultural laborers on the rich alluvium of the west coast. The people who come to Formosa as agricultural laborers are called "hakkas: guest people". Their places of residence are called "guest" villages. They number several hundred thousands and are all without wives and children. Although they are often described as violent people, their main aim is to make a living by farm labor and they generally return to Kwangtung after selling their autumn crops. With their income they buy property at home and support their families. By spring they come back to Formosa and kept doing it every year.¹⁶²

There were two main categories of immigrants to Formosa – the seasonal workers from eastern Kwangtung and permanent colonizers from prefectures of southern coastal Fukien. During the 15th century about 25,000 Chinese settled in and around Anping and were engaged in agricultural and industry. Fishermen visited the southwestern shore of the island and had temporary homes in the coast villages. Japanese and Chinese pirate occasionally attacked the trade junks and caused loss to the

¹⁶¹ Chen, Ta.; op. cit. p. 39

¹⁶² Chen, Ta.; op. cit. p. 39

merchants and farmers. These were pioneer days in Formosa. Yet, an international struggle for the possession of the island was approaching. From this time onward the Formosan situation was complicated by the activities of European nations which finally led to the Dutch occupation of the island. In 1511 King Manuel I (1469-1521) of Portugal, most notable for the successful continuation of Portugal's overseas enterprises, requested to China trading privileges.¹⁶³ In 1557 Macao was granted as a trading station. Sailing eastward from this little peninsula, the Portuguese frequently anchored at Formosa, the "beautiful island". In 1571 Spain conquered Manila and 24 years later Holland, through the efforts of her envoy Cornelius Houtman, succeeded in surveying Java.¹⁶⁴ The Netherlands East India Co., which was organized, planned to expand its trade by ousting the Portuguese from Formosa. A battle was fought between the Dutch and the Portuguese in 1622, resulting in the retreat of the former to the Pescadores. There they fortified themselves and, following the example of Portugal at Macao, asked of China a trade mart in Fukien. As the Pescadores were nearer to the coast of Fukien, China requested The Netherlands to abandon them and gave her in return freedom of trade in Formosa.¹⁶⁵

The colonists gradually developed important industries and laid the foundation of the political and social institutions of the country. Even when the island was under the political control of the Japanese Empire, the Formosa Chinese were maintaining and extending their influence in economic and social life there.¹⁶⁶

¹⁶³ Ibid. p. 37.

¹⁶⁴ <http://www.encyclopedia.com/html/section/Portugal-history.asp>

¹⁶⁵ Chen, Ta; op. cit. p. 39.

¹⁶⁶ Ibid.

Chapter 11

Causes for Emigration of Taiwanese People

By the 19th century the character of immigration had undergone a basic change and most of the Kwangtung immigrants had become permanently settled, because the population revealed a total of 232,443 households and 1,901,833 adults and children of both sexes, excluding the Formosan aborigines. Meiji Japan's territorial ambitions along the China coast by the end of the nineteenth century, brought a fundamental change in Chinese government policy toward Formosan immigration, which instead of being legally banned, was now greatly encouraged. Although Formosa still remained a prefecture under the jurisdiction of Fukien province Liu Ming-ch'uan was appointed as governor of Formosa in 1884. **The Island of Formosa became a new Province in 1887.**¹⁶⁷

Between 1884 and the resignation of Governor Liu in July 1891, Governor Liu subsidized immigrants' boat fare and substantially expanded the cultivated area. Even though about 200,000 Chinese fled to the mainland after the cession of Formosa from Japan in 1895. By 1887 the return of 3,200,000 indicates that Formosa absorbed surplus population of Southern Fukien, eastern coastal and north-central inland Kwangtung to a

¹⁶⁷ Ho, Ping-ti, *op. cit.*, pp. 164-165.

significant degree. Of course, if we compare the interregional migrations on the mainland, however, the migration to Formosa had only secondary importance.¹⁶⁸ It should not be overlooked that the occasional wars and famines in Fukien and Kwangtung were no small factors in forcing the inhabitants to seek new homes abroad.

It is important to mention the dialects spoken by people who moved to Formosa. According to Dr. Paul R. Katz, from the Institute of Modern History, Academia Sinica of Taipei, there were "Hakka, Southern Min (Hokklo), Fuzhou, and Chaozhou dialect." The term "punti" is used to describe dialects spoken in Taiwan; it seems to be used most often to describe forms of Cantonese spoken in Hong Kong and the New Territories, as opposed to Hakka. In modern Taiwan, the term "bensheng ren" (native of the province) is used to describe all Taiwanese who lived on the island before 1945, as opposed to "waisheng ren" (people from outside the province) which refers to mainland Chinese who moved to Taiwan after World War II.

The Hakka speaking segment of the native Taiwanese populace accounts for about 10-15% of the total Taiwan population. The "mainlander" community of post-1949 refugees also includes some Hakka speakers. Over the centuries, there were no doubt conflicts among the various peoples residing on Taiwan. Little is known about their early inter-relationships, social stratification, or settlement patterns. What is known is that they lived a relatively communal life-style, engaging in traditional forms of slash and burn agriculture, cultivating root crops, engaging in some simple herding, and living off of the plentiful ocean resources available to them. The Hakka, known as "Ke chia jen", or "guest people, in Mandarin, are according to legend, the descendents of a long ago deposed imperial dynasty. Their relations with the speakers of other Chinese dialects have always been uneasy, as they are known for their diligence, thrift, and business acumen. Earlier, Han settlers had already occupied the

¹⁶⁸ Ibid. p. 165.

nearby Pescadores by the 12th Century, engaged in some limited commerce with Taiwan's inhabitants.¹⁶⁹

In the 16th Century, the Minnan or Hoklo people from south Fukien Province in China began their supposedly illegal migrations to Taiwan. They gradually wrested control of Taiwan's fertile plains on the north, south, and west coasts from the Originals, whom they drove into the high mountains that occupy most of Taiwan's surface.¹⁷⁰ The Australian scholar, William G. Goddard, assures that hakkas were the first ones to cross the sea searching for a better future far from the Chinese continental territory, because it did not offer any land property hope.

John Copper also mentions the arrival of meaningful settlements of hakkas in the southeast site of Taiwan around the year 1000 a.C.

On Taiwan, Hakka have played prominent roles within both the K.M.T. and the opposition. Four Taiwanese Hakka sit on the K.M.T. Central Standing Committee: President and Party Chairman Lee Teng-hui, ex-Vice-President Hsieh Tung-min, Taipei Mayor Wu Po-hsiung (the youngest man on the body), and Taiwan Provincial Governor Chiu Chuang-huan. Hakka oppositionists include not only the Hsu brothers, but Chiu Lien-hui, the Chair of the D.P.P. Legislative Yuan Caucus; D.P.P. Provincial Assembly members Yu His-kun and Ms. Huang Yu-chiao; National Assemblyman Chang Kuei-mu; and Taipei City Councilor Chang The-min, who was also a Kaohsiung Incident (Southern Taiwan, December 1979), defense lawyer.¹⁷¹ Since 1965, especially, Hakka and Aborigines have migrated from highland farms to the industrial parks that line the freeway between Taipei and Changhua on the west central coast and between Kaohsiung and Pingtung in the southwest. Taoyuan, Hsinchu, Miaoli, and Pingtung Counties remain the Hakka heartland.¹⁷²

¹⁶⁹ Cohen, Marc J.; "Taiwan at the Crossroads", Asia Resource Center, Washington, D.C., U.S.A., 1988. pp. 117-118.

¹⁷⁰ Ibid.

¹⁷¹ Cohen, Marc J.; op. cit. p. 379.

¹⁷² Ibid.

Chapter 12

Trade of Chinese Coolies

The migrations of the Chinese people seem to have begun in the 7th century, been reinforced in the 15th century, and continuing with increasing importance during and since the 19th century. We notice that by 1712, during the reign of Yung-ching, when considerable numbers of Chinese were residing abroad, an edict was issued which prohibited them from returning home, and inflicted a *death sentence* for those who violated this law. Two points may be advanced for the explanation of this edict:

In the first place, *since the mass of people did not like to emigrate, those who had sailed, beyond the seas were presumably the socially undesirable, such as Koxinga's followers, exiles of wars, and criminals who were banished from the country.* In the second place, *China's traditional policy of the closed door has led her to shut out all strangers, of whom she has been very suspicious. Because some Chinese have been abroad for a long time, the State entertained a fear that they might, upon their return home, act as spies for foreign countries. Not only did the Government punish the returning emigrants, but the emigrants themselves were afraid to return to their fatherland, because they would be falsely accused as robbers and pirates, as spies of the barbarians (foreigners) as purchasers and abductors of slaves,*

others would have their homes torn down and would be prohibited from building new ones. They were considered strangers by their relations.¹⁷³ In many localities emigration from Kwangtung and Fukien began to assume notable proportions late in the nineteenth century. We assumed that the Hakkas had limited means of sustenance due to the continual growth of their population. They were forced to move downhill and settle in central and lowland Kwangtung. They migrated to Formosa and being a population of 16,000,000, were among the laborers of the Chinese communities to be among the emigrants in Latin American, Caribbean countries and North America. The biggest coolie trade to arrive in Cuba and Peru came from Macau. By 1859, the coolie trade was legalized by Governor Peh-kwei from Kwangtung who had consented to let British and French authorities recruit Chinese laborers from the Province under indenture.¹⁷⁴ Much of the vice and inhumane treatment formerly associated with the slave trade from Macao to Cuba and Peru still exists in the emigration to British Malakka, the East Indies, and the Philippines. Cases are on record of emigrants being induced to go to these countries through fraud and coercion. The emigrants to these places were sometimes known as "hogs" and the emigrant brokers as "hog dealers".¹⁷⁵ During the year 1860, the legality of this traffic was spread widely in the following terms:

"As soon as the ratification of the treaty of 1858 shall have been exchanged, His Majesty the Emperor of China will, by decree, command the high authorities of every Province to proclaim throughout their jurisdictions, that Chinese, choosing to take service in the British colonies or other parts beyond the sea, are at perfect liberty to enter engagements with British subjects for that purpose, and to ship themselves and their families on board any British vessel at any of the open ports of China. Also that the high authorities aforesaid, shall, in

¹⁷³ Chen, Ta; op. cit. pp. 165-167. See: Convention to regulate the engagement of Chinese emigrants by British and French subjects, March 5, 1866.

¹⁷⁴ Chen, Ta; op. cit. p. 18..

¹⁷⁵ Ibid. pp. 18-19.

*concert with Her Britannic Majesty's representatives in China, frame such regulations for the protection of Chinese emigrants as above, as the circumstances of different open ports demand".*¹⁷⁶

Six years later the coolie trade was first legalized. The convention to regulate the engagement of Chinese emigrants by British and French subjects was signed in Peking on March 5, 1866 by France, Great Britain, and China. They establish the basis of later treaties or contracts of emigrant labor. They specified the following: 1) place of destination and the length of employment, 2) a free passage for the emigrant and family to and from the port of embarkation, 3) working hours day and working days in the year, 4) wages, food, lodging, and medical attendance, and 5) monthly remittance to the family at the desire of the emigrant.¹⁷⁷

The Government of China reiterated her old position on the question of emigration in more simple language: "First, the Chinese Government throws no obstacle in the way of free emigration, that is to say, to the departure of Chinese subjects embarking of their own free will and at their own expense for foreign countries: but that all attempts to bring Chinese under and engagement to emigrate otherwise than as the present regulations provide, are formally forbidden, and will be prosecuted with the extreme rigor of the law. Secondly, a law of the Empire punishes by death those who by fraud or by force may kidnap Chinese subjects for the purpose of sending them abroad against their will. Thirdly, whereas the operations of the emigration agents, with a view to supply coolie labor abroad, are authorized at all the open ports when conducted in conformity with these regulations, and under the joint supervision of the consuls and the Chinese authorities, it follows that where this joint supervision can not be exercised such operations are formally forbidden".¹⁷⁸

¹⁷⁶ Payne, E. George: "An Experiment in Alien Labor". Chicago, 1912, p. 5, footnote 2.

¹⁷⁷ Chen, Ta, A.M.; "Chinese Migrations..." op. cit. p. 18.

¹⁷⁸ Chen, Ta, A.M.; "Chinese Migrations..." op. cit. p. 18.

French and British were very surprised with the formality of the edict and both refused to ratify it because it permitted Chinese emigration only under Government supervision and imposed the death penalty for unauthorized and illegal emigration. The development of the colonies of these countries made necessary a large supply of Chinese labor, and private recruiting agencies were doing a considerable portion of this work. Quite a number of these companies would have been liable to punishment under this law. By 1867, the French and British Governments drafted 23 articles of "Project de Reglement International d'Emigration" and presented them to Peking as a substitute for the convention. Owing to several features objectionable to China, this document was buried in the Government archives of the Chinese capital. Meanwhile, *the convention of March 5, 1866, was proclaimed by the Chinese Government as the law of the land regarding emigration.*¹⁷⁹

*Diplomatic representatives of Great Britain, France, Italy and Belgium, in Peking, jointly petitioned the Chinese Emperor for the annulment of the old edict of 1712 "which prohibited them from returning home, and inflicted a death sentence for those who violated this law". This was granted by an edict of September 13, 1893, whereby Chinese emigrants in foreign countries were permitted to return home at will. This marked a great step toward liberalizing emigration policies of China.*¹⁸⁰

Shortly the Governor of Fukien, memorialized the throne for the establishment of a Chamber of Commerce to look after the welfare of returning emigrants, which was granted by an imperial edict of May 24, 1899.¹⁸¹

The Government of China took a more sympathetic interest in her subjects overseas and ordered high authorities to grant them protection wherever possible. An edict of five month later, on October 12th, 1899, reads:

¹⁷⁹ Ibid.

¹⁸⁰ Chen, Ta, A.M.; "Chinese Migrations..." op. cit. pp. 18-19.

¹⁸¹ Ibid. p. 19.

*"Since the opening of the treaty ports of our subjects have been drawn into foreign countries to engage in trade; in the foreign land, they retain, however, with unshakeable loyalty, their memory of the fatherland. They can not treasure their native country too highly and this is most commendable. In a former message we requested the governors of the Provinces to take all returning emigrants under their special protection so that they might enjoy in peace in their homes the money earned in the foreign countries. In our anxiety for the welfare of our subjects, and especially those sojourning in foreign countries, we, herewith, command our ambassadors and consuls as far as in their power, to extend help and protection to the Chinese in their districts."*¹⁸²

It is important to say that the Chinese are bound to the home by a strong family tie which creates an intimate relationship among the members. There is a multitude of duties which tradition decrees that members of the family should perform, and any evasion of these provokes disapproval and adverse comment from neighbors, friends, and relatives. For the dead members, too, ceremonies and other religious rituals in conformity with ancestor worship are periodically observed. In time this tradition becomes embodied in the laws of the land, and State ways and folk ways both discredit emigration.

¹⁸² For the Chinese experience in Cuba and Peru, see Ching Chieh Chang, "The Chinese in Latin America: A Preliminary Geographical Survey..." (Ph.D. dissertation, University of Maryland, 1956).

Chapter 13

Established Chinese Laborers Trade in Latin American Countries, including Costa Rica

The two Latin American countries that imported the most Chinese laborers or "coolies" were Cuba (1847) and Peru, mainly to build railroads in those two countries. Until 1880 Chinese laborers began to enter Mexico and the increases in their population was significant through the 1920s. The Chinese were nominally brought in as indentured servants to replace the dwindling stream of African slaves. However, the Cubans treated the Chinese in the same manner they had treated their African slaves, with whippings, shackles, long hours of work, and insufficient provisions as the norm. Beginning in 1849, Peru also imported large numbers of Chinese to work in its guano (palms of tall round trunk) fields, on its coastal plantations, and on its railroads. Chinese labor was deemed necessary because the American Indian population of Peru disliked the lowlands and Peru was unable to attract European laborers in any number. Though Chinese labor did produce large amounts of wealth for Peru, the poor conditions and high death rates of the "coolie" system eventually created an international

reaction that advocated ending indentured servitude. In 1860, the British Antislavery Society denounced the "coolie" trade and the *"New York Times"* and the *"Times of London"* called on the international community to stop what the former newspaper proclaimed "the slave trade on the 19th century".¹⁸³

To study the emigration of Chinese people to new lands, is an evidence of the hard life that those people suffered trying to seek new livelihoods overseas for themselves and for their families. They were seeking for fortunes elsewhere and many found death instead of great future. Others had the fortune to survive the mistreatment, the weather and lack of sanitary conditions, but malaria took the lives of many of them.

The scientific explanation why the Chinese collies did not resist the environment and the malaria mosquitoes has its roots in the genetic composition of the Chinese population. It shows that the HLA (human lymphocyte antigen) is weaker than the African immigrants. The function of the HLA is to recognize foreign bodies for the immune system attack them, therefore preventing the development of the malaria. Other factors which determine the strength against malaria are blood type, skin thickness, mix of genes. The West Africans have HLA-DR and DQ three times stronger genes which protect them from malaria. While the oriental people have the HLA-DPB1 which is not stronger as the HLA-DR and DQ.¹⁸⁴

Chinese emigrants of the first generation showed in Costa Rica harder capacity for social adaptation to new culture, language, religion and traditions. The following generations, that have attended the Costa Rican schools, have learned the language and enjoy a multi ethnic society, they assimilated the new environment much easier. Specific cases of the immigrants who settled down on the Atlantic coast of Costa Rica, they were very

¹⁸³ Fomento #1055, Archivos Nacionales de Costa Rica, in Casey, "Inmigración China", pp. 147-152; Fomento #1600, ANCR; Casey, "Inmigración China", pp. 162-163. For exchange rate, see Tomas Soley Guell, *Historia Económica y Hacendaria de Costa Rica*, vol. 1 (San José, Costa Rica, 1949)

¹⁸⁴ www.pubmedcentral.gov/artclrender.fcgi?tool=puvmed&pubmedid=8917569

successful in commerce. They established the "comisariatos" which facilitated the neighborhood people, all kind of groceries and clothing, main tools for agriculture and many other kind of goods were available at those hand stores. These general stores or mini-markets, were the means to begin many fortunes made by Chinese men in the Atlantic zone of Costa Rica. One of the most relevant newcomers and more successful Chinese men who came to the Atlantic was Luis Wachong Lee. He grew up in the village of Tung Mui, in the District of Hoc San, the Province of Canton, the country of China. He was born in 1900, with the start of the new century, into the LEE family. His family was part of a group known in China as "Hakka", because they speak a Chinese dialect called "Hakaa". The word means "Guests from the North". His daughter Elena Wachong, mentions to me that the Hakka have characteristics of the Jews of Europe: they were successful merchants, kept their own language and customs, did not mix with the local populations, and they remain as tribal clans or groups in Taiwan. Mr. Lee left his town of Tung Mui in 1919. He walked several days to the port of Canton, went on Hong Kong, got on a ship, and after a three months trip he arrived in Panamá. There he found several cousins, from the Roque Díaz and Fermín Chang family. He eventually arrived to the Port of Limón, Costa Rica. When he arrived in Limón, he as asked his name, and he replied in Chinese, "Lui Wa Chong". On the Costa Rican records his arrival is registered of one Mr. Luis Wachong Lee, a citizen of China, in 1920.

Mrs. Wachong also mentioned that her father joined his uncle "Old Ka Chong", in a grocery store at the community of Roxana, Limón, eventually expanded to a banana farm, a cattle farm, another general store, and a coffee plantation. He was quickly successful and became Labor Mediator by the United Fruit Company. At a time when Chinese were not allowed to enter Costa Rica (except on short term, for 2-3 years work contracts), Mr. Wachong was a respected and successful businessman who became Costa Rican citizen in 1933.

He joined other respected business leaders of the Chinese community in Costa Rica. One of these was Mr. Emmanuel Ho, owner of the "Limón Trading Company", the leading Chinese business in Limón at the time. Mr. Emmanuel Ho had been a consul of China in Jamaica around 1880. Mr. Ho spoke Chinese, French and English, and had arrived in Limón from Jamaica around 1890. Mr. Ho had 13 children, who studies at the British Primary School in town. Among the youngest daughters was Teresa Ho Sosa, who became a nurse, and eventually married Mr. Luis Wachong Lee. He used to travel on horseback from Limón to San José, driving a herd of cattle to market. By 1934 Mr. Wachong visited all the Chinese small stores (pulperías) in each town, as well as non-Chinese stores, much like the Jewish salesmen did (in Costa Rica Jews were known as "polacos" or "turcos", depending on where they arrived from). He became a traveling salesman and product distributor for Northern Costa Rica.¹⁸⁵

Mr. Wachong represented many San José food manufacturing companies, carrying such basic staples as flour, rice, candies and cigarettes, to all the towns of Guanacaste too. His tours would last two weeks. He would go to sell on horseback, from one town to another, carrying samples. Mr. Wachong would collect payment on the following tour and he was an avid adventurer and explorer, and he never passed a fork on the road, a new town or sight, which he did not visit. He enjoyed his trips into pioneer towns, with country roads and large forests. He learned and spoke Spanish and Mandarin at age of 70, out of the need to talk to his friends of the K.M.T. and the government in Taiwan. Ambassador Wu Wen Hui of Taiwan was his best teacher. He had been poor, sometimes hungry, for many years worked over 15 hours a day, and always with a good spirit. Mr. Wachong was a great merchant, loved trading, and was always delighted to see what could be produced from nothing. He believed in selling a good product and giving good service. Mr. Wachong passed away on April 6, 1989, at Chinese age 90. He is survived by two of his

¹⁸⁵ Author's interview. Elena Washong wrote the memories of her father, Luis Wachong Lee, about his difficult and successful life.

four children, at least five grandchildren and six great-grandchildren, all are living in Costa Rica.

The Chinese community dominates the commercial establishments in the city of Limon, and the influence of Chinese people is very evident. Laundries, restaurants and general stores were introduced in the Atlantic and the Pacific by Chinese people.

Chinese food restaurants became very popular for Costa Rican people, because they were low price meals, mainly: chop suey, chow min, fried rice, among others. Some Chinese people have intermarried Costa Rican people, and they became very respectable families. Some keep their Chinese last names, others took their spouse Spanish last name in order to avoid discrimination. Among Chinese-Costa Ricans people, there were relevant in politics, diplomats, scholars, medical doctors, and a very outstanding NASA's astronaut and scientist: Dr. Franklin Chang Diaz. To a great extent, they were legally discriminated, isolated, mistreated, humiliated and very occupied in making a living in the foreign countries they arrived. For that reason, they had very little opportunity for self improvement. The assimilation process for Chinese people usually begins slowly, mostly until the second and third generations.



Dr. Franklin Chang-Diaz, NASA astronaut and scientist. His father is Chinese and his mother is Costa Rican.



Elena Wachong, Mr. Luis Wachong's daughter



Mr. Luis Wachong's descendants.



Steven F. Wang, Ambassador of the Republic of China in Costa Rica and his wife Mary Wang.



Dr. Reinaldo Con Wong, medical physician and Isidro Con Wong, artist, painter and sculptor.

The paper written by Dr. James L. Huesmann, "*The Chinese in Costa Rica, 1855-1897*," mentions that "scholars have long believed that the first Chinese in Costa Rica were brought in to construct a line from the Central region of the country to Puerto Limon for the Atlantic Railroad in 1873." He adds that "despite this widespread belief, the Chinese presence in Costa Rica preceded the date of the railroad construction by at least 18 years." Of course, the first Chinese people did not come to the Atlantic, they came in small numbers to the Pacific in 1855 to work in agriculture in big farms. Costa Rica imported no large Chinese populations during the 1850s. The 22nd of May, 1855 arrived 32 Chinese coolies to work in the farm called "Lepanto". Forty five Chinese coolies arrived on December 18th, 1855,

brought from Panama by the German Baron von Bulow, to work in agriculture in his own farms. They arrived in Puntarenas aboard the New Granadian steamship "Josef". They tried to establish identity groups helping each other to speak the new language and learning and assimilating the cultural traditions of the Costa Rican society. They were hard workers and they found the opportunity to exploit social needs, and rapidly they had a virtual monopoly and success in commerce.

It was in 1873, when the General Tomás Guardia, president of Costa Rica, signed an agreement with Henry Meiggs Keith to build the Atlantic Railroad. One year before, in April 1872, Mr. Keith had brought one thousand coolies, some of the ones employed by his Railroad Company in the building of Cuba and Peru railroads. The Chinese that later on came to the region of Puerto Limon, the majority of them were brought by the railroad consortium Meiggs Keith and Cooper Keith who were the railroad builders in Perú. 686 Chinese coolies were brought from the Portuguese colony of Macau. They requested Chinese coolies to be in good health, good behavior, addicted to work, between 18 and 40 years old. The official newspaper "*La Gaceta*" published on February 1st, 1873 (three months later) about the 686 coolies arrival on the Italian ship called Glensannox, by the command of Captain Dominico Capelo which came from Macau to Puntarenas in November 1872.

The Government of Costa Rica promised Mr. Keith to pay 30 colones for each Chinese coolie brought into the country. The holders of the important concession offered more Chinese coolies for the next coffee harvest. Henry Meiggs and his nephews: Henry and Minor established a model contract between the holders of the import permission and the people wishing to purchase a Chinese laborer's contract. The coolies were supposed to receive 5 colones for each month of work, per 12 hours work. Food, covered room, three sets of cotton clothes and a blanket each year. The employer also had to provide three holidays and free medical care. These first Chinese coolies were assigned to work between Angostura and Cartago, which was a very difficult task in the building of the railroad.

When they were deceived with the low salaries and very bad working conditions, the Chinese coolies made the first labor strike known in the history of Costa Rica. This happened the 6th of January, 1874, almost a year after they arrived into the country. Six coolies died and seven were injured. Some of them escaped and were captured and severely punished by the Government.

The construction of the railroad in the Atlantic region, was stopped for finance reasons. Then, the contractors decided to sell in the first months of 1874, between 145 and 189 coolies. The price for a coolie was between 350 colones and 400. They became private property of many farmers and were employed for agriculture work.

Historians said, that President Tomás Guardia, purchased 12 or 14 coolies to work in his farms, and those were the first Chinese coolies brought to the Central Valley of the country to work like slaves in the farms and as domestic servants of very influential people of the time.

It was until 1887 when by Official Decree No. 6 of June 29, 1887, that the Government calls Mr. Minor Keith, as president of the consortium of the Railroad of Costa Rica, to hire as many as 2000 coolies for no more than two years. They assigned them to work between Cartago and the Reventazón Bridge.

General José María Cañas contracted 32 of these indenture servants for his Hacienda, El Lepanto, located on the southeastern tip of the Nicoya Peninsula. Their intelligence was not a condition "sine qua non" to be contracted for the agricultural affairs. Costa Rica had a very low population at that time, of about 67,000 inhabitants in 1824. The first migrations to Costa Rica during the middle of the 19th century was the need for a cheap labor force but unfortunately, they did not know the unpleasant weather of the region, the bad shelters and the lack of medical control for the mosquito, which spreads along the small community the malaria disease. This was some of the many reasons why most of the coolies were resistant to work in the Atlantic area. They prefer to work in agriculture or commerce, therefore, it was necessary for the Railroad Company to bring black men from

Jamaica. These people were stronger and resistant to malaria and it seems that the inhospitable region was not a big problem for them, because later, they settled in the Port of Limon and in the surrounding communities of the same province. Very few returned to Jamaica, most of them stayed in the city. The malaria is a serious disease proper of the Caribbean region, it is carried by mosquitoes and causes high fever and death. Unfortunately no medical treatment for this mortal disease was available yet. Nowadays malaria is controlled in most of the countries.

The earliest documented instance of the Costa Rican Government's interest in Chinese immigration is a diplomatic correspondence addressed in 1852 to the Costa Rican Minister in Washington, D.C., to investigate the possibility of importing Chinese coolies. The next year, a contract to a French businessman for importing two hundred Chinese laborers apparently failed due to the lack of reliable transport. In 1854, a letter written from Baron von Bulow, a German colonist with the *Compañía Colonizadora de Berlín* in Costa Rica, mentioned Chinese laborers as possible colonists.¹⁸⁶

In 1862, Costa Rica approved the Immigration Law (Bases y Colonización) which forbids Chinese and African immigration. A clause in the law stated that "in case it was considered necessary," their entry would be allowed in limited numbers.¹⁸⁷

Despite this law, Costa Rican landowners maintained their interest in importing Chinese labor. In 1866, the government gave Buenaventura Carazo permission to bring 500 Chinese into the country. This adventure apparently failed when the US legation in San Jose stridently disapproved. In 1869, Frederick Alberding, a trader who shipped Chinese from China to Nicaragua, requested permission to import Chinese into Costa Rica. While his letter apparently was not answered by the

¹⁸⁶ Caja de Relaciones Exteriores No. 26, (ANCR); Guerra y Marina #4659 (ANCR); Congreso No. 5750 (ANCR).

¹⁸⁷ Caja de Relaciones Exteriores No. 47 (ANCR); Congreso No. 8423, (ANCR).

Government, it is of interest because it mentions previous contracts.¹⁸⁸

As the Chinese from the mainland and from Taiwan prospered economically from the late 19th century, they repeatedly attempted to open legal immigration and direct contacts between China and Costa Rica. Chinese economic power in Costa Rica, combined with internal and external development, finally led to the commencement of Sino-Costa Rican relations and the cancellation of anti-Chinese immigration restrictions at the end of 1943. Chinese supported the Costa Rican Civil War of 1948 whose leader, José Figueres, contributed to abolish immigration restrictions.¹⁸⁹

There are several Chinese Associations in Costa Rica. The oldest one in Puntarenas opened its doors since October 27th, 1909. Its members were among the successful businessmen of the first Chinese who established in that province, as José Chen Apuy, who was the founder of the association, and had a business in the city called "Man Chiong Sing". Other owners of important businesses in the port of Puntarenas were Gil Con, of the "Tat-Jen Lun", and Jacobo Sánchez, who had the firm "Kon Tai Cheon".

The Association became a shelter for all the newcomers to the country as immigrants. The Chinese Association changed its name in 1950 for "Chung Wah" (Chinese Centre). One successful businessman was Adan Yong Apuy, who came in 1927 from Canton. He came to the house of José Chen Apuy family in Puntarenas.

His son William Yong Sing, mentions how difficult it was when his father arrived to a new land at the beginning of the XX century. He did not speak the Spanish language, the culture was different, even though he worked hard and made capital to send their children to the best universities.

¹⁸⁸ Huesmann, James L., "The Chinese in Costa Rica, 1855-1857". *Historian*, Summer 1991, Vol. 53 Issue 4, p. 711, p. 4, Oklahoma: Blackwell Publishers, 1991.

¹⁸⁹ Caja de Relaciones Exteriores No. 24, Archivos Nacionales de Costa Rica; Gobernación No. 8401. Caja de Relaciones Exteriores No. 26.

Young Chinese students opened a new Chinese Association in 1960 in San José to help the students who were coming to the university from other cities. They also wanted to be closed to the Embassy of the R.O.C. They established the Cultural Centre Chinese –Costa Rican in 1974, a group of Chinese and Costa Rican citizens interested to support the friendship relationship between Taiwan and Costa Rica. They have cultural activities: different arts and Chinese language lessons.¹⁹⁰

There is a professional Chinese Association where most of the members belong to the second Chinese generation and they are from Canton. The goals of the organization are to spread the Chinese culture, research the development of Chinese in Costa Rica, conferences about the Chinese history and improve the Chinese identity in Costa Rica. There is one association of Chinese University Students at the University of Costa Rica, and a Cantonese Costa Rican Association, established in June, 1992. 70% are from Canton and 30% are from Taiwan.

¹⁹⁰ Salas Viquez, José Antonio; "Los Chinos en Costa Rica," Rumbo, La Nación, Año 1, No. 33, Junio 1985, No. 50 and 67.

Chapter 14

Conclusion

The origin of the political dilemma between China and Taiwan is discussed in the first chapter which provides an overview of Taiwan's diplomatic relations and policies. I must add some further comments on the ambiguous policies of U.S.A.-Taiwan-China in early 1996. The Taiwan government asked its cabinet-level Council for Economic Planning and Development (DEPD) to commission local scholars and experts to prepare a comprehensive report on U.S. interests in Taiwan as a basis to evaluate the possible U.S. response to cross-strait conflict in March 1996. Their report pointed out that Taiwan was far more important to the United States politically and militarily than economically. Politically, the report said, if Taiwan continued to exist, the United States could use Taiwan to check mainland China's activities in the international community.

If cross-strait relations retained a certain degree of tension, it would be easier for the United States to sell arms to Taiwan, mainland China and Southeast Asian nations. As the United States regarded mainland China as one of the biggest threat in the Asia-Pacific region, it had actively developed a strong defense line in the west Pacific from Japan, South Korea, to Taiwan and the Philippines, to contain Beijing's potential expansion. The report mentions that Taiwan was an important point in

Washington's west Pacific defense line and that "Taiwan can serve as an immovable aircraft carrier".

As for the Republic of China's bid to join the United Nations, Beijing tried to push back Taiwan's every effort at enhancing its international profile. Beijing insisted that Taiwan should renounce its "pragmatic diplomacy" to expand international living space, end its efforts to intensify lobbying to obtain membership at the United Nations, stop establishing official relations with other nations, as well as avoid the international visits of its leaders.

The serious concern of the R.O.C. to adopt concrete objectives and strategies for establishing foreign relations meets with Beijing's effort to internationally isolate Taiwan. Beijing's aim is to sabotage Taiwan's struggle to become a U.N. member or a steady observer and to be able to join international organizations that require statehood as a precondition for membership. China also works to strengthen relations with those countries that may be tempted to shift diplomatic recognition to Taiwan as a result of the latter's "economic diplomacy".

After the break in official US-Taiwan relation, President Chiang Ching-kuo did not travel to foreign spots via the United States, President Lee Teng-hui was carefully restricted in U.S. transit stops, though the U.S. policy was reversed once, allowing his visit to Cornell University in 1995. Beijing's harsh response to Lee's visit took the Clinton administration and many in the Congress by surprise, leading to the result that the United States became more careful in dealing with Taiwan related issues after the event. President Chen Shui-bian faced strict restrictions during the Clinton administration, but the Bush administration changed these restrictions, allowing Chen to meet U.S. Congressional officials, spend more than one day and engage in various public activities during his transit stops in U.S. cities.

China recognizes the existence of Taiwan. However, the point is whether the R.O.C. government should be another central government of China. China urges Taiwan to stop its "ostrich mentality". Chinese officials continue to insist both publicly and

privately on the principle of "one China". with Beijing as the government of China and Taiwan as part of China. Beijing insists that Taiwan's reunification should follow the general guideline of the "one-country-two-systems" formula used in incorporating Hong Kong in 1997 and the cross-strait exchanges should move expeditiously to "political talks" aimed at ending the state of hostility between the P.R.C. and Taiwan and carrying out peaceful reunification.

Many experts believed that China did not want to pounce on Hong Kong's rights and freedom when it took back this former colony in 1997. The P.R.C. government pledged to allow the Hong Kong Special Administrative Region (HKSAR) and its people continue to enjoy the previous rights and freedom they had before the change over. Had Beijing immediately trampled Hong Kong's rights and freedom, confidence would be shattered. It would severely impair the delicate Chinese economy, which was making headway as a manufacturing powerhouse and attracting investments.

However, those people in Taiwan who oppose unification with China have been vindicated by recent actions against civil liberties in Hong Kong. One of the most serious threats came in early to mid 2003 when the HKSAR government proposed an anti-sedition law as per Article 23 of the Hong Kong Basic Law. I was in Hong Kong when most of the critics on TV and news media published the move would constitute a major step in eroding Hong Kong people's civil rights and liberty.

The Taiwan government claimed that the move proved that the "one country, two systems" formula was problematic and unacceptable to Taiwan. Taiwan will now more than ever be wary of Beijing's intentions.

Part I also explains the importance of the Central American countries in Taiwan's diplomacy. The small countries of the area support the R.O.C.'s strive to enter the U.N. to seek the rights due to the 23 millions residents in a changing international environment and to contribute to the solution of global problems for the benefit of all. The independence and sovereignty that the R.O.C. claims

to have, are not accepted by most of the international community countries. Taiwan meets most of the qualifications for membership in the United Nations but it misses the most important qualification of statehood. With 23 millions inhabitants, the R.O.C. is larger than three-fourths of all U.N. member nations in terms of population. The Central American countries try every year to open a space on the agenda of the U.N. General Assembly to discuss the status of the R.O.C. They have not been successful but they consider that the continued exclusion of the R.O.C. on the basis of the Chinese communists' objections or out of fear of the P.R.C.'s hegemonic power runs counter to the principle of universality of U.N. membership and sacrifices the spirit of freedom, peace and justice which the U.N. represents.

The international cooperation between the R.O.C. and the Central American countries has contributed to the latter's development with every evident results and the R.O.C. has also played a constructive role in the region's financial organizations, including the Central American Bank for Economic Integration which gives loans to increase rural infrastructure development. The R.O.C. has served as a facilitator, cooperater, and an active participant in numerous programs of the Central American region. If the R.O.C. joins the U.N. and its international organizations, Taiwan would be able to contribute more to the solution of economic and developmental issues of concern to all members of the international community.

Part II illustrates in a wider scope the significance of Costa Rica's trading with Taiwan and China. Costa Rica exported US\$449 millions to Taiwan during the month of February 2003 and U.S.\$ 1,260 millions to China.

With China's accession to the World Trade Organization (WTO) in December 2002, after 15 years quest, it provides the world with unprecedented access to China's markets. This includes Costa Rica and the rest of the Central American countries, members of the W.T.O. The accession will also bind China's economic reforms in accordance with the norms of international business. The Central American countries do not need diplomatic

relations to continue trading with the P.R.C. Optimists say it would eventually make China's secretive, undemocratic, and corrupt government more open and accountable. Pessimists fear it would exacerbate unemployment and financial instability and hasten the collapse of the Communist Party.

It is true that the terms of China's accession to the W.T.O. are more far-reaching than those set for any other new member of the trading organization or its predecessor, the General Agreement on Tariffs and Trade (G.A.T.T.). They require China to open hitherto jealously guarded markets, such as banking, insurance, telecommunications and agriculture. In some sectors, the lowering of trade barriers will cause unemployment to rise. In others, it will create new job opportunities. But tariff barriers are the least of China's problems; its tariffs are already among the lowest of the developing countries. The country will still need to introduce many changes before it can call itself a market economy.

Taiwan has been very generous with its Central American allies in spite of not importing the region's products in big amounts. Essential to the development of Taiwan's market economies and thriving business systems are transparent governmental institutions, sound legal protections and accountable government officials. The division of China under two separate governments is a great misfortune for the Chinese people, less so for the Chinese people on Taiwan. After the communist take over the mainland China, the territory of Taiwan, Penghu, Kinmen, and Matsu was preserved as a base for nurturing China's future vitality. After forty years of effort, the Republic of China on Taiwan has created a degree of democracy and prosperity unprecedented in Chinese history.

These forty years or more have seen the transformation of Taiwan from a remote offshore island into a pivotal force affecting China's future.

Part III discusses the reasons for the migration of Chinese people to the Americas and the movements of emigration. The major causes of these migrations are varied and intricate. The pressure of population weights heavily on the side of emigration.

The population has been outstripping the food supply and forcing a vast number of people out of the country. Although it is often difficult to determine exactly when and where population pressure increases, there is a reason to believe that in the case of China, the optimum condition – the point at which "a population produces maximum economic welfare" at the technological level of the time, was reached between 1750 and 1775. Up to the third quarter of the 18th century was a continual rapid increase of population as an almost unqualified blessing but the generation of Chinese who reached maturity during the last quarter of the century began to be alarmed by the noticeable lowering of the standard of living that had become "customary" since the earlier decades of the 18th century.

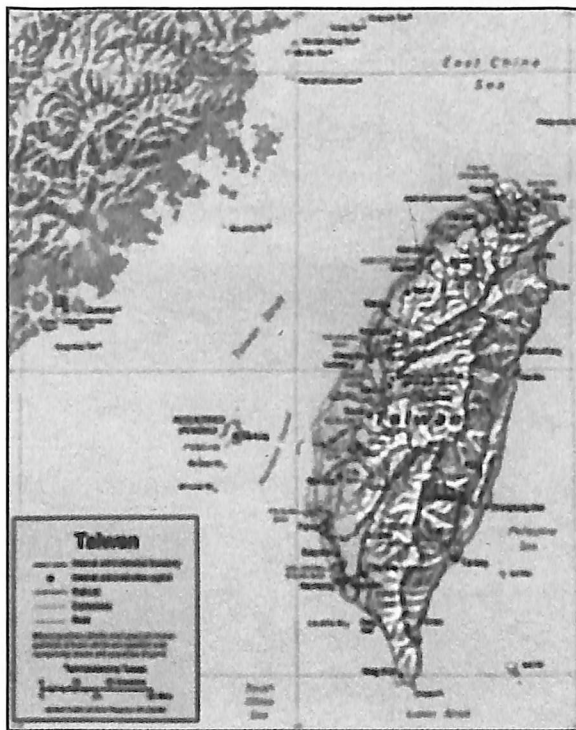
This book represents my first in-depth examination of various topics appropriately included under the general classification of Asian Studies. Many scholars from an increasing number of countries around the world are now focusing on Asia, as area of obviously growing importance. Their work was of immeasurable assistance to me in developing my own and my sincere gratitude, as cited in my footnotes, goes out to all who have thereby assisted in assembling the legacy I now confer upon my students of International Relations.

I hope to promote in the future among both students and colleagues, an increasing interest in the many topics subsumed under the general title of "Asian Studies". I am confident that much interesting, serious, and useful research will proceed from such an effort.

MAPS

MAPS OF THE REGIONS THAT THIS RESEARCH CONCERNS ABOUT

Map of the Republic of China in Taiwan



Map of the Republic of Costa Rica



Map of the People's Republic of China



APPENDIXES

Appendix 1

JOINT COMMUNIQUÉ ON THE ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA

JANUARY 1, 1979

(The communiqué was released on December 15, 1978, in Washington and Peking.)

The United States of America and the People's Republic of China have agreed to recognize each other and to establish diplomatic relations as of January 1, 1979.

The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.

The United States of America and the People's Republic of China reaffirm the principles agreed on by the two sides in the Shanghai Communiqué and emphasize once again that:

- Both wish to reduce the danger of international military conflict.
- Neither should seek hegemony in the Asia-Pacific region or in any other region of the world and each is opposed to efforts by any other country or group of countries to establish such hegemony.

- Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.
- The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.
- Both believe that normalization of Sino-American relations is not only in the interest of the Chinese and American peoples but also contributes to the cause of peace in Asia and the world.

The United States of America and the People's Republic of China will exchange Ambassadors and establish Embassies on March 1, 1979.

U.S.-PRC JOINT COMMUNIQUÉ AUGUST 17, 1982

1. In the Joint Communiqué on the Establishment of Diplomatic Relations on January 1, 1979, issued by the Government of the United States of America and the Government of the People's Republic of China, the United States of America recognized the Government of the People's Republic of China as the sole legal government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. On this basis, relations between the United States and China were normalized.

2. The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again following normalization. Recognizing that this issue

would seriously hamper the development of United States-China relations, they have held further discussions on it, during and since the meetings between President Ronald Reagan and Premier Zhao Ziyang and between Secretary of State Alexander M. Haig, Jr., and Vice Premier and Foreign Minister Huang Hua in October 1981.

3. Respect for each other's sovereignty and territorial integrity and non-interference each other's internal affairs constitute the fundamental principles guiding United States-China relations. These principles were confirmed in the Shanghai Communiqué of February 28, 1972 and reaffirmed in the Joint Communiqué on the Establishment of Diplomatic Relations which came into effect on January 1, 1973. Both sides emphatically state that these principles continue to govern all aspects of their relations.

4. The Chinese government reiterates that the question of Taiwan is China's internal affair. The Message to the Compatriots in Taiwan issued by China on January 1, 1979, promulgated a fundamental policy of striving for Peaceful reunification of the Motherland. The Nine-Point Proposal put forward by China on September 30, 1981 represented a further major effort under this fundamental policy to strive for a peaceful solution to the Taiwan question.

5. The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "two Chinas" or "one China, one Taiwan". The United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question as indicated in China's Message to Compatriots in Taiwan issued on January 1, 1979 and the Nine-Point Proposal put forward by China on September 30, 1981. The new situation which has emerged with regard to the Taiwan question also provides favorable conditions for the settlement of United States-China differences over the question of United States arms sales to Taiwan.

6. Having in mind the foregoing statements of both sides, the

United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue.

7. In order to bring about, over a period of time, a final settlement of the question of United States arms sales to Taiwan, which is an issue rooted in history, the two governments will make every effort to adopt measures and create conditions conducive to the thorough settlement of this issue.

8. The development of United States-China relations is not only in the interest of the two peoples but also conducive to peace and stability in the world. The two sides are determined, on the principle of equality and mutual benefit, to strengthen their ties to the economic, cultural, educational, scientific, technological and other fields and make strong, joint efforts for the continued development of relations between the governments and peoples of the United States and China.

9. In order to bring about the healthy development of United States-China relations, maintain world peace and oppose aggression and expansion, the two governments reaffirm the principles agreed on by the two sides in the Shanghai Communiqué and the Joint Communiqué on the Establishment of Diplomatic Relations. The two sides will maintain contact and hold appropriate consultations on bilateral and international issues of common interest.

Source: Dumbaugh, Kerry; "Taiwan: Texts of the Taiwan Relations Act, and the U.S. --China Communiqués, and the Six Assurances", Novinka Books, Huntington, New York, 2001, pp.18-19.

Appendix 2

The "Six Assurances" to Taiwan

In 1982, during negotiations for the 3 U.S.-China Communiqué on Arms Sales to Taiwan, the Taiwan government presented the United States with six points that it proposed the United States use as guidelines in conducting U.S.-Taiwan relations. According to former Ambassador John Holdridge, the United States agreed to these points, conveyed this assent to Taiwan, and, in late July 1982, informed Congress of the agreement. The six points are:

1. The United States would not set a date for termination of arms sales to Taiwan.
2. The United States would not alter the terms of the Taiwan Relations Act.
3. The United States would not consult with China in advance before making decision about U.S. arms sales to Taiwan.
4. The United States would not mediate between Taiwan and China.
5. The United States would not alter its position about the sovereignty of Taiwan which was, that the question was one to be decided peacefully by the Chinese themselves – and would not pressure Taiwan to enter into negotiations with China.
6. The United States would not formally recognize Chinese sovereignty over Taiwan.

Source: Taken from *Legislation on Foreign Relations Through 1994*, S. Print 1-4-25. Printed jointly by the Senate and the House of Representatives, July 1995. Volume II, page 1393.

Appendix 3

Foreign Embassies and Representatives of the Republic of China

Australia Taipei Economic and Cultural Office, Australia	Vietnam Taipei Economic and Cultural Office, Hanoi, Vietnam
Australia Taipei Economic and Cultural Office, Melbourne, Australia	Vietnam Taipei Economic and Cultural Office, Hanoi, Vietnam
Australia Taipei Economic and Cultural Office, Sydney, Australia	Fiji Trade Mission of the Republic of China ,Suva, Republic of Fiji
Hong Kong Chung Hwa Travel Service Hong Kong	Indonesia Taipei Economic and Trade Office Jakarta, Indonesia
Japan Taipei Economic and Cultural Representative Office in Japan	Japan Taipei Economic and Cultural Office in Osaka
Japan Yokohama Branch, Taipei Economic and Cultural Representative Office in Japan	Japan Sino—Ryukyuan Cultural & Economic Association, Ryukyu Office
Japan Fukuoka Branch, Taipei Economic and Cultural Office in Osaka	Macau Taipei Economic and Cultural Center, Macau
Malaysia Taipei Economic and Cultural Office in Malaysia ,Kuala Lumpur, Malaysia	Palau Embassy of the Republic of China
New Zealand Taipei Economic & Cultural Office, Auckland, New Zealand	New Zealand Taipei Economic & Cultural Office, New Zealand
Singapore Taipei Representative Office in Singapore, Republic of Singapore	Philippines Taipei Economic and Cultural Office in the Philippines
Tuvalu Embassy of the Republic of China Funafuti, Tuvalu	Thailand Taipei Economic and Cultural Office in Thailand
Brunei Taipei Economic and Cultural Office in Brunei Darussalam	Papua New Guinea Trade Mission of the Republic of China (on Taiwan) in Papua New Guinea
India Taipei Economic and Cultural Center in New Delhi	Solomon Islands Embassy of the Republic of China , Honiara, Solomon Islands
Korea, South Taipei Mission in Korea, Seoul, Korea	Marshall Islands Embassy of the Republic of China, Majuro, Republic of the Marshall Islands

The Significance of Costa Rica in Taiwan's Diplomacy and the competition from Beijing

Bahrain Trade Mission of the Republic of China, Manama, State of Bahrain	Israel Taipei Economic and Cultural Office in Tel-Aviv
Jordan Commercial Office of the Republic of China (Taiwan), Amman, Jordan	Mongolia Taipei Trade and Economic Representative Office in Ulaanbaatar
Oman Taipei Economic and Cultural Office, Muscat, Oman	Kuwait Taipei Commercial Representative Office in the State of Kuwait
Turkey Taipei Economic and Cultural Mission in Ankara, Turkey	Russia Representative Office in Moscow for The Taipei-Moscow Economic and Cultural Coordination Commission
Belarus Taipei Economic and Trade Mission in Minsk	United Arab Emirates Commercial Office of the Republic of China to Dubai, United Arab Emirates
Saudi Taipei Economic and Cultural Representative Office in the Kingdom of Saudi Arabia, Jeddah Office	Saudi Taipei Economic and Cultural Representative Office in the Kingdom of Saudi Arabia
Burkina Faso Embassy of the Republic of China , Ouagadougou, Burkina Faso	Chad Ambassade de la Republique de Chine ,N'Djamena, Republique du Tchad
Gambia Embassy of the Republic of China , Banjul, The Republic of the Gambia	Liberia Embassy of the Republic of China , Monrovia, Republic of Liberia
Malawi Embassy of the Republic of China , Lilongwe, Republic of Malawi	Mauritius Trade Mission of the Republic of China, Port Louis, Mauritius
Nigeria The Trade Mission of the ROC (Taiwan) , Abuja, Federal Republic of Nigeria	Sao Tome and Principe Ambaixada da Republica da China na Republica Democratica de Sao Tome e Principe
Senegal Ambassade de la Republique de Chine Dakar, Republique du Senegal	South Africa Taipei Liaison Office in the Republic of South Africa
Swaziland Embassy of the Republic of China , Mbabane, Kingdom of Swaziland	South Africa Taipei Liaison Office in Johannesburg, Republic of South Africa
	South Africa Taipei Liaison Office in Cape Town, Republic of South Africa
Austria Taipei Economic and Cultural Office, Institute of Chinese Culture	Belgium Taipei Representative Office in Belgium

Czech Republic Taipei Economic and Cultural Office, Prague, Czech Republic	Denmark Taipei Representative Office in Denmark
Finland Taipei Economic and Cultural Office ,Helsinki, Finland	France Bureau de Representación de Taipei en France
Germany Taipeh Vertretung in der Bundesrepublik Deutschland	Greece Taipei Economic and Cultural Office Athens, Greece
Germany Taipeh Vertretung in der Bundesrepublik Deutschland, Buro Hamburg	Germany Taipeh Vertretung in der Bundesrepublik Deutschland, Buro Munchen
Holy See Embassy of the Republic of China , Vatican City, Holy See	Hungary Taipei Representative Office, Budapest, Hungary
Ireland Taipei Representative Office in Ireland	Italy Ufficio Di Rappresentanza di Taipei in Italia
Latvia Taipei Mission in the Republic of Latvia	Luxembourg Taipei Economic and Cultural Office, Luxembourg
Netherlands Taipei Representative Office in the Netherlands	Norway Taipei Economic and Cultural Office, Oslo, Norway
Poland Taipei Economic and Cultural Office, Warsaw, Poland	Portugal Taipei Economic and Cultural Center, Lisbon, Portugal
Spain Oficina Economica y Cultural de Taipei, Madrid, Espana	Sweden Taipei Mission in Sweden
Switzerland Delegation Culturelle et Economique de Taipei, Berne, Suisse	United Kingdom Taipei Representative Office in the U.K.
Switzerland Delegation Culturelle et Economique de Taipei, Berne, Suisse	United Kingdom Taipei Representative Office in the UK , Edinburgh Office
	WTO Permanet Mission of the Separate Customs Territory of Taiwan,Penghu,Kinmen and Matsu to the World Trade Organization
Canada Taipei Economic and Cultural Office, Canada	USA Taipei Economic and Cultural Representative Office in the United
Canada Taipei Economic and Cultural Office, Toronto	USA Taipei Economic and Cultural Office in Atlanta
Canada Taipei Economic and Cultural Office, Vancouver	USA Taipei Economic and Cultural Office in Kansas City, Missouri

The Significance of Costa Rica in Taiwan's Diplomacy and the competition from Beijing

USA Taipei Economic and Cultural Office in Miami	USA Taipei Economic and Cultural Office in Chicago
USA Taipei Economic and Cultural Office in New York	USA Taipei Economic and Cultural Office in Seattle
USA Taipei Economic and Cultural Office in Boston	USA Taipei Economic and Cultural Office in San Francisco
USA Taipei Economic and Cultural Office in Honolulu	USA Taipei Economic and Cultural Office in Guam
USA Taipei Economic and Cultural Office in Houston	USA Taipei Economic and Cultural Office in Los Angeles
Argentina Oficina Comercial y Cultural de Taipei en la Republica Argentina	Belize Embassy of the Republic of China , Belize City, Belize
Bolivia Oficina Comercial-Consular de la Republica de China, La Paz, Bolivia	Brasil Escritorio Económico e Cultural de Taipei, Brasil
Brasil Escritorio Económico e Cultural de Taipei, Sao Paulo, Brasil	Brasil Escritorio Económico e Cultural de Taipei, Río de Janeiro, Brasil
Chile Oficina Económica y Cultural de Taipei , Santiago, Republica de Chile	Colombia Oficina Comercial de Taipei, Santa Fe de Bogota, DC,
Costa Rica Embassy of the Republic of China , San Jose, Republic of Costa Rica	Republica Dominicana Embassy of the Republic of China, Roseau, Commonwealth of Dominica
Dominican Republic Embassy of the Republic of China, Santo Domingo, Dominican Republic	Ecuador Oficina Comercial de la Republica de China, Quito, Ecuador
El Salvador Embassy of the Republic of China, San Salvador, Republic of El Salvador	Grenada Embassy of the Republic of China, St. George's, Grenada
Guatemala Embassy of the Republic of China, Guatemala City, Republic of Guatemala	Haiti Embassy of the Republic of China, Port-au-Prince, Republic of Haiti
Honduras Embassy of the Republic of China, Tegucigalpa, Republic of Honduras	México Oficina Económica y Cultural de Taipei en México
Honduras Consulate-General of the Republic of China, San Pedro Sula, Republic of Honduras	Panamá Embassy of the Republic of China, Panama City, Republic of Panama

Nicaragua Embassy of the Republic of China, Managua, Republic of Nicaragua	Panamá Consulate General of the Republic of China , Colon, Republic of Panamá
Paraguay Embassy of the Republic of China, Asuncion, Republic of Paraguay	Perú Oficina Económica y Cultural de Taipei, Lima, República del Perú
Paraguay Consulate-General of the Republic of China, Eastern City, Republic of Paraguay	St. Vincent & Grenadines Embassy of the Republic of China, Kingstown, St. Vincent and the Grenadines Embassy of the Republic of China, Kingstown,
St. Christopher & Nevis Embassy of the Republic of China, Basseterre, Saint Christopher and Nevis	Venezuela Oficina Económica y Cultural de Taipei, Caracas, Republica de Venezuela
Uruguay Oficina Económica de Taipei , Republica Oriental del Uruguay	

Source: The Republic of China Yearbook, Taiwan 2001, pp. 533-552.

Appendix 4

Countries having diplomatic relations with the Republic of China

ASIA
1. Republic of the Marshall Islands 2. Republic of Palau 3. Solomon Islands 4. Tuvalu
AFRICA
5. Burkina Faso 6. Republic of Chad 7. Republic of The Gambia 8. Republic of Liberia 9. Republic of Malawi

10. Republica Democratica de Sao Tome e Principe 11. Republique du Senegal 12. Kingdom of Swaziland	
EUROPE	
13. Holy See 14. Republic of Macedonia (no longer allied since June, 2001)	
CENTRAL AND SOUTH AMERICA	
15. Belice 16. República de Costa Rica 17. Commonwealth of Dominica 18. República Dominicana 19. República de El Salvador 20. Grenada 21. República de Guatemala 22. República de Haití 23. República de Honduras 24. República de Nicaragua 25. República de Panamá 26. República de Paraguay 27. Saint Christopher and Nevis 28. Saint Vincent and the Grenadines	
SOUTH AMERICA COMMERCIAL AND CULTURAL OFFICE OF TAIPEI IN:	
Argentina	Colombia
La Paz, Bolivia	México
Brasil	Perú
Chile	Uruguay
Venezuela	

Source: The Republic of China Yearbook, Taiwan 2001. pp. 533-552

Taipei has other offices in the following countries:

Taipei Economic and Cultural Offices:	
Hanoi	
Ho Chi Minh City in Vietnam.	
ASIA: Commerce and Industry Offices:	
AUSTRALIA:	
Trade and Tourism Office:	
Fiji	
India-Taipei Association in India	
Indonesian Economic and Trade Office Association in Indonesia	
Economic and Cultural Office in Israel	
Interchange Association in Japan	
Jordanian Commercial Office in Jordan	
Korea Mission Office in Taipei	
Malaysian Friendship & Trade Centre in Taipei	
New Zealand Commerce and Industry Office in New Zealand	
The Sultanate of Oman Commerce Office in Taipei	
Manila Economic and Cultural Office in Philippines:	
Manila Economic and Cultural Extension Offices:	
1. Kaohsiung	2. Taichung
Russia: Moscow-Taipei Economic and Cultural Coordination Commission in Taipei	
Saudi Arabian Trade Office	Singapore Trade Office in Taipei
Thailand	Vietnam
Turkey	
Nigeria Trade Office in Taiwan	
Liaison Office of South Africa in Taipei	
Europe: Trade Delegation and Tourism office in Taipei from:	
1. Austria	10. Ireland
2. Belgium	11. Italy
3. Czech Republic	12. The Netherlands
4. Denmark	13. Norway
5. Finland	14. Poland
6. France	15. Spain
7. Germany	16. Sweden
8. Greece	17. Switzerland
9. Hungary	18. United Kingdom

Source: The Republic of China Yearbook, Taipei, 2001.

Appendix 5

Jiang Zemin's Eight Points

Source: From his speech of January 30, 1995, entitled *"Continue to Promote the Reunification of the Motherland"*

a. Adherence to the principle of one China is the basis and premise for peaceful reunification. China's sovereignty and territory must never be allowed to suffer split. We must firmly oppose any words or actions aimed at creating an "independent Taiwan" and the propositions "split country and rule under separate regimes", "two Chinas over a certain period of time", etc., which are in contravention of the principle of one China.

b. We do not challenge the development of nongovernmental economic and cultural ties by Taiwan with other countries. Under the principle of one China and in accordance with the charters of the relevant international organizations, Taiwan has become a member of the Asian Development Bank, the Asia-Pacific Economic Cooperation forum, and other international economic organizations in the name of "Chinese Taipei". However, we oppose Taiwan's activities in "expanding its living space internationally", which are aimed at creating "two Chinas" or "one China, one Taiwan". All patriotic compatriots in Taiwan and other people of insight understand that instead of solving the problems, such activities can only help the forces working for the "independence of Taiwan" undermine the process of peaceful reunification more unscrupulously. Only after the peaceful reunification is accomplished can the Taiwan compatriots and other Chinese people of all ethnic groups truly and fully share the dignity and honor attained by our great motherland internationally.

c. It has been our consistent stand to hold negotiations with the Taiwan authorities on the peaceful reunification of the motherland. Representatives from the various political parties and mass organizations on both sides of the Taiwan Straits can be invited to participate in such talks. I said in my report at the Fourteenth

National Congress of the Communist Party of China held in October 1992, "On the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter, including the form that official negotiations should take, a form that would be acceptable to both sides". By "on the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter", we mean naturally that all matters of concern to the Taiwan authorities are included. We have proposed time and again that negotiations should be held on officially ending the state of hostility between the two sides and accomplishing peaceful reunification step by step. Here again I solemnly propose that such negotiations be held. I suggest that, as the first step, negotiations should be held and an agreement reached on officially ending the state of hostility between the two sides in accordance with the principle that there is only one China. On this basis, the two sides should undertake map out plans for the future development of their relations. As regards the name, place, and form of these political talks, a solution acceptable to both sides can certainly be found so long as consultations on an equal footing can be held at an early date.

d. We should strive for the peaceful reunification of the motherland since Chinese should not fight fellow Chinese. Out not undertaking to give up the use of force is not directed against our compatriots in Taiwan but against the schemes of foreign forces to interfere with China's reunification and to bring about the "independence of Taiwan". We are fully confident that our compatriots in Taiwan, Hong Kong, and Macao and those residing overseas would understand our principle position.

e. In the face of the development of the world economy in the twenty-first century, great efforts should be made to expand the economic exchanges and cooperation between the two sides of the Taiwan Straits so as to achieve prosperity on both sides to the benefit of the entire Chinese nation. We hold that political differences should not affect or interfere with the economic cooperation between the two sides. We shall continue to implement over a long period of time the policy of encouraging industrialists

and business people from Taiwan to invest in the mainland and enforce the Law of the People's Republic of China for Protecting the Investment of the Compatriots of Taiwan. Whatever the circumstances may be, we shall safeguard the legitimate rights and interests of industrialists and businesspeople from Taiwan. We should continue to expand contacts and exchanges between our compatriots on both sides so as to increase mutual understanding and trust. Since the direct links for postal, air, and shipping services and trade between the two sides are the objective requirements for their economic development and contacts in various fields, and since they are in the interests of the people on both sides, it is absolutely necessary to adopt practical measures to speed up the establishment of such direct links. Efforts should be made to promote negotiations on certain specific issues between the two sides. We are in favor of conducting this kind of negotiations on the basis of reciprocity and mutual benefit and signing non-governmental agreements on the protection of the rights and interests of industrialists and businesspeople from Taiwan.

f. The splendid culture of five thousand years created by the sons and daughters of all ethnic groups of China has become ties keeping the entire Chinese people close at heart and constitutes an important basis for the peaceful reunification of the motherland. People on both sides of the Taiwan Strait should inherit and carry forward the fine traditions of the Chinese culture.

g. The twenty-three million compatriots in Taiwan, whether born there or in other provinces, are all Chinese and our own flesh and blood. We should fully respect their lifestyle and their wish to be the masters of our country and protect all their legitimate rights and interests. The relevant departments of our party and the government including the agencies stationed abroad should strengthen close ties with compatriots from Taiwan, listen to their views and demands, be concerned with and take into account their interests and make every effort to help them solve their problems. We hope that Taiwan Island enjoys social stability, economic growth and affluence. We also hope that all political parties in Taiwan will adopt a sensible, forward-looking and

constructive attitude and promote the expansion of relations between the two sides. All parties and personages of all circles in Taiwan are welcome to exchange views with us on relations between the two sides and on peaceful reunification and are also welcome to pay a visit and tour places. All personages from various circles who have contributed to the reunification of China will go down in history for their deeds.

h. Leaders of the Taiwan authorities are welcome to pay visits in appropriate capacities. We are also ready to accept invitations from the Taiwan side to visit Taiwan. We can discuss state affairs or exchange ideas on certain questions first. Even a simple visit to the other side will be useful. The affairs of the Chinese people should be handled by ourselves, something that does not take an international occasion to accomplish. Separated across the Straits, our people eagerly look forward to meeting each other.

Appendix 6

Labor Recruiting Agency Regulations of China (Promulgated Apr. 21, 1918)

ARTICLE 1. All citizens of the Republic of China, who are laboring in foreign countries, shall be called emigrant laborers.

ART. 2. Emigrant laborers shall be limited to the following classes:

(a) Those selected and sent abroad by the Government; (b) those directly recruited by agencies; (c) those recruited by contractors.

ART. 3. An emigrant laborer at the time of the employment shall be required to fulfill the following conditions: (a) Age from 20 to 40; (b) sound and healthy body; (c) free from contagious diseases; (d) possessing no bad habits; (e) good conduct and having committed no criminal offenses.

ART. 4. The emigration of these laborers under class (b) of the article 2 shall be reported to and approved by the Chinese Government emigration bureau.

ART. 5. Petitions to the emigration bureau regarding the emigration of laborers under class (b) of article 2 shall give the following information: (a) Name of the country and its specific locality in which the laborers are to work; (b) Name of the agency by which they are recruited; (c) the nature of work for which they are to be employed.

ART. 6. Without a special permit from the emigration bureau, no contractors shall be permitted to recruit laborers.

ART. 7. The recruiting of laborers shall be undertaken according to the labor recruiting agency regulations.

ART. 8. All contracts for Chinese labor, except those made by the Government, shall be referred to the emigration bureau for its approval. These contracts shall be made in accordance with the labor contract regulations.

ART. 9. All laborers going abroad shall be required to provide themselves with passports, issued by the emigration bureau. All the passports, heretofore issued by the various organs to emigrant laborers, shall be canceled after the promulgation of the law.

ART. 10. At least 20 per cent of the wages of an emigrant laborer shall be set apart for his family. This sum shall be deducted from his wages by his employer every month and remitted to the director of the emigration bureau of the cabinet. It will be forwarded through a bank in China designated by the director of the emigration bureau to the laborer's family, and if the laborer has no family, the money shall be deposited in the bank and returned to himself upon his return home. (Such money shall be handed to either the Chinese legation or the Chinese consulate at the locality, by the employer, for remittance to China.)

ART. 11. No one shall be allowed to act as interpreter for emigrant laborers without being approved by the emigration bureau and without being given a permit.

ART. 12. Should there be any specific provision in treaties concerning Chinese emigrant laborers, such provision shall be observed.

ART. 13. Fees to be paid to the Government by laborers, prior to their going abroad in accordance with usual practice, shall be collected by the emigration bureau or its branch bureau in localities in which laborers are recruited.

ART. 14. If circumstances warrant, emigration commissioners shall be appointed to be stationed in the countries or specific places in which Chinese laborers are working. Such commissioners shall be appointed by the prime minister upon the recommendation of the emigration bureau. Members of the Chinese legations or consulates near the places where there are Chinese laborers may be authorized to act in such capacity.

ART. 15. Local authorities who assist in the recruiting of laborers shall be required to submit reports of their doings through the highest official of the locality to the emigration bureau.

ART. 16. This law shall take effect on the day of its promulgation.

Appendix 7

An Act to Prohibit the "Coolie Trade" by American Citizens in American Vessels, 1862.

No citizen or citizens of the United States or foreigner coming into or residing within the same shall, for himself or for any other person whatsoever, either as master, factor, owner, or otherwise, build, equip, load, or otherwise prepare any ship or vessel, on any steamship or steam vessel, registered, enrolled, or licensed, in the United States, or any port within the same, for the purpose of procuring from China or from any port or place therein or from any other port or place the inhabitants or subjects of China,

known as coolies, to be transported to any foreign country, port, or place whatever, to be disposed of, or sold, or transferred, for any term of years or for any time whatever, as servants or apprentices or to be held to service or labor. And if any ship or vessel, steamship or steam vessel, belonging in whole or in part to citizens of the United States, and registered, enrolled, or otherwise licensed as aforesaid, shall be employed for the said purposes or in the "coolie trade", so called, or shall be caused to procure or carry from China or elsewhere, as aforesaid, any subjects of the Government of China for the purpose of transporting or disposing of them as aforesaid, every such ship or vessel, steamship, or steam vessel, her tackle, apparel, furniture, and other appurtenances, shall be forfeited to the United States, and shall be liable to be seized, prosecuted, and condemned in any of the circuit courts or district courts of the United States for the district where the said ship or vessel, steamship or steam vessel, may be found, seized, or carried.

SEC. 2. Every person who shall so build, fit out, equip, load, or otherwise prepare, or who shall send to sea or navigate, as owner, master, factor, agent, or otherwise, any ship or vessel, steamship, or steam vessel, belonging in whole or in part to citizens of the United States, or registered, enrolled, or licensed within the same, or at any port thereof knowing or intending that the same shall be employed in that trade or business aforesaid, contrary to the true intent and meaning of this act, or in any wise aiding or abetting therein, shall be severally liable to be indicted therefore, and on conviction thereof shall be liable to a fine not exceeding \$2,000 and be imprisoned not exceeding one year.

SEC. 3. If any citizen or citizens of the United States shall, contrary to the true intent and meaning of this act, take on board of any vessel or receive or transport any such persons as are above described in this act for the purpose of disposing of them as aforesaid, he or they shall be liable to be indicted therefore and on conviction thereof shall be liable to a fine not exceeding \$2,000 and be imprisoned not exceeding one year.

SEC. 4. Nothing in this act hereinbefore contained shall be deemed or construed to apply to or affect any free and voluntary emigration of any Chinese subject, or to any vessel carrying such person as passenger on board the same: Provided, however, that a permit or certificate shall be prepared and signed by the consul or consular agent of the United States residing at the port from which such vessel may take her departure, containing the name of such person and setting forth the fact of his voluntary emigration from such port or place, which certificate shall be given to the master of such vessel; but the same shall not be given until such consul or consular agent shall be first personally satisfied by evidence produced of the truth of the facts therein contained.

SEC. 5. All the provisions of the act of Congress approved February 22, 1847, entitled "An act to regulate the carriage of passengers in merchant vessels", and all the provisions of the act of Congress approved March 3, 1849, entitled, "An act to extend the provisions of all laws now in force relating to the carriage of passengers in merchant vessels and the regulation thereof", shall be extended and shall apply to all vessels owned in whole or in part by citizens of the United States, and registered, enrolled, or licensed within the United States, propelled by wind or by steam, and to all masters thereof, carrying passengers or intending to carry passengers from any foreign port or place without the United States to any other foreign port or place without the United States; and that all penalties and forfeitures provided for in said act shall apply to vessels and masters last aforesaid.

SEC. 6. The President of the United States shall be, and he is hereby, authorized and empowered, in such way and at such time as he shall judge proper to the end that the provisions of this act may be enforced according to the true intent and meaning thereof to direct and order the vessels of the United States and the masters and commanders thereof, to examine all vessels navigated or owned in whole or in part by citizens of the United States and registered, enrolled, or licensed under the laws of the United States, wherever they may be, whenever, in the judgment of such master or commanding officer thereof, reasonable cause shall

exist to believe that such vessel has on board, in violation of the provisions of this act, any subjects of China known as "coolies", for the purpose of transportation; and upon sufficient proof that such vessel is employed in violation of the provisions of this act to cause such vessel to be carried, with her officers and crew into any port or district within the United States, and delivered to the marshal of such district, to be held and disposed of according to the provisions of this act.

SEC. 7. This act shall take effect from and after six months from the day of its passage.

Approved, February 19, 1862.

BIBLIOGRAPHY

1. Archivos Nacionales, San José, Costa Rica.
2. Bianco, Lucien; **"Origins of the Chinese Revolution, 1915-1949"**; Stanford University Press, Stanford, California, 1993.
3. Biblioteca del Congreso, San José, Costa Rica.
4. Biblioteca del Ministerio de Relaciones Exteriores y Culto, San José, Costa Rica.
5. Buckley Ebrey, Patricia, **"China"**; Cambridge: Cambridge University Press, 1996.
6. Casey, Jeffrey; "La Inmigración China", *Revista de Historia* 1, No. 1 (1975):145.
7. Chen, Ta, A.M.; **Chinese Migrations, with special reference to labor conditions**; U.S. Department of Labor. Bureau of Labor Statistics, Original Edition Published by Washington Government Printing Office, 1923, Reprinted by Ch'eng-Wen Publishing Company, Taipei, 1967.
8. Cheng, Tun-jen, Chi Huang, Samuel S.G. Wu; **Inherited Rivalry, Conflict Across the Taiwan Straits**"; Lynne Rienner Publishers, Boulder, London, 1995.

9. Chiao, Linda, Myers, Ramon H.; **"Democracy's new leaders in the Republic of China on Taiwan"**; Hoover Institution on War, Revolution and Peace, Stanford University, 1997.
10. Clark, Cal; **"Taiwan's Development"**; Implications for Contending Political Economy Paradigms. London, England: Greenwood Press, 1989.
11. Clarke, Adam W., **"Taiwan-China: A most Ticklish standoff"**; Novinka Books, Huntington, N.Y. 2001.
12. Cohen, Mark J. **"Taiwan at the Crossroads, Human Rights, Political Development and Social Change on the Beautiful Island"**; Asia Resource Center, Washington, D.C., 1988.
13. Cohen, Robin, **"The Cambridge Survey of World Migration"**; Cambridge University Press, Cambridge, 1995.
14. Convention on the Elimination of All Forms of Discrimination against Women, CEDAW/C/CRI/1-3, December 26, 2001.
15. Copper, John F., **"Words across the Taiwan Strait"**; University Press of America, Inc., Lanham, New York, London, 1995.
16. Copper, John F.; **"Taiwan: Nation-State or Province?"**; 2nd edition (Boulder, Colo.: Westview Press, 1996.
17. Davidson, James W.; **"The Island of Formosa, Past and Present"**; New York: New York, 1903.
18. Dreyer, June Teufel; **"Flashpoint in the Taiwan Strait"**; University of Miami, Fall 2000.

19. Foner, Philip S., Rosenberg, Daniel; **"Racism, Dissent, and Asian Americans from 1850 to the Present, - A Documentary History"**; Westport, Connecticut and London: Greenwood Press, 1993.
20. Gong W. Gerrit; **Taiwan Strait Dilemmas: China-Taiwan-U.S. Policies in the new century"**; The CSIS Press, Center for Strategic and International Studies, Washington, D.C. 2002.
21. Guillen-Nuñez, César; **"Images of Asia: Macau"**; Oxford and New York: Greenwood Press, 1984.
22. Higman, B.W. **"Slave Population of the British Caribbean 1807-1834"**; Baltimore: Johns Hopkins University Press, 1984.
23. Ho, Ping-ti, **"Studies of the Population of China, 1368-1953"**; Cambridge, Massachusetts: Harvard University Press, 1974
24. Hsiang-nin, Liu; **"The Migration to and Colonization of Manchuria during the Ch'ing Period"**; vol. II, no. 5.
25. Hsiao, Frank S.T. and Lawrence R. Sullivan, **"The Chinese Communist Party and the Status of Taiwan, 1928-1943"**; Pacific Affairs, Vancouver, B.C., University of British Columbia (Fall 1979), Vol. 52, No. 3.
26. Huesmann, James L., **"The Chinese in Costa Rica, 1855-1897"**; Historian, Summer 1991, Vol. 53 Issue 4, p. 711, p.10, Oklahoma: Blackwell Publishers, 1991.
27. Joei, Bernard T.K.; **"In Search of Justice; The Taiwan Story"**; The China Post for Taiwan, Republic of China, 1997.
28. Kan, Shirley A.; **"China/Taiwan: Evolution of the 'one China' Policy Taiwan-China: A Most Ticklish Standoff"**; Adam W. Clarke, Editor; Novinka Books, Hungtinton, New York, 2001.

29. Karol, K.S., **"Guerrillas in action: The course of the Cuban Revolution"**; New York: Hill & Wang, 1970, p. 340.
30. Lee, David T.; **"The Making of the Taiwan Relations Act"**; Twenty Years in Retrospect; Oxford University Press, 2000.
31. León Azofeifa, Moises Guillermo; **"Chinese Migrants on the Atlantic Coast of Costa Rica, the Economic adaptation of an Asian minority in a pluralistic society"**. Ph.D. dissertation. Tulane University, New Orleans, Louisiana, USA, 1987.
32. Lijun, Sheng; **"China's Dilemma"**; The Taiwan Issue; Institute of Southeast Asian Studies, Singapore, 2001.
33. Lyman, Stanford M.; **"Chinese Americans"**; Random House, Inc. Canada Limited, Toronto. 1974.
34. Meagher, Arnold Joseph, **"The Introduction of Chinese Laborers to Latin America, 1847-1874"**; Ph.D. Dissertation, University of California at Davis, 1975, p. 492.
35. Myers, Ramon H.; **"Two Societies in Opposition. The Republic of China and the People's Republic of China after Forty Years"**; Hoover Institution Press, Stanford University, Stanford, California, 1991.
36. Payne, E. George; **"An Experiment in Alien Labor"**. Illinois, Chicago, 1912.
37. Pérez, Francisco Luis; **"Las relaciones diplomáticas entre Taiwán y Latinoamérica durante los veinte primeros meses de la presidencia de Chen Shui-bian (20 de Mayo del 2000 a Febrero del 2002)"**; Encuentros en Catay, Revista Anual, No. 15, Departamento de Lengua y Literatura Españolas, Universidad Fuijen-Taipei, 2001.

38. Perrin, Linda, **"Coming to America. Immigrants from the Far East"**; New York, New York: Delacorte Press, 1980.
39. Ranis, Gustav; **"Lessons from Taiwan's Performance: Neither Miracle nor Crisis"**; Edited by Peter C.Y. Chow: "Taiwan in the Global Economy", Westport, Connecticut, London: Praeger Publishers, 2002.
40. Roy, Denny; **"Taiwan: A Political History"**; Ithaca and London: Cornell University Press, 2003.
41. Saunders, K. **"Indentured Labour in the British Empire 1834-1920"**; London: Croom Helm, 1984.
42. Segal, Gerald; **"Chinese Politics and Foreign Policy Reform"**; Kegan Paul International, London and New York for the Royal Institute of International Affairs, London, 1990.
43. Sheridan, Greg, **"Tigers, Leaders of the New Asia Pacific"**; South Wind Production, Singapore, 1997. pp. 294-317.
44. Simon, Denis Fred; Kau, Michael Y.M.; **"Taiwan Beyond the Economic Miracle"**; Armonk, New York: M.E. Sharpe, Inc. 1991.
45. Steve, Tsang, **"In the Shadow of China: Political Developments in Taiwan since 1949"**; Hong Kong: Hong Kong University Press, 1993.
46. Sutter, Robert G. **"Taiwan: Entering the 21st Century"**; Sewanee, TN., University Press of America, 1988.
47. Tan, K.Y.; **"China and ASEAN: Competitive Industrialization through Direct Foreign Investment"**; Brookings Institution, Washington, D.C. 1997.

48. Tien, Hung-mao; **"Taiwan's Evolution Toward Democracy: A Historical Perspective"**; Armonk, New York: M.E., Sharpe, Inc. 1991.
49. Tinker, H. **"A new system of Slavery: The Export of Indian Labour Overseas 1830-1920"**; London: Oxford University Press, 1974.
50. Tong, Benson; **"The Chinese Americans"**; Westport, Connecticut and London: Greenwood Press, 2000.
51. Vertovec, S.; **"Hindu Trinidad Religion, Ethnicity and Socio-Economic Change"**; London: McMillan, 1991.
52. Vogel, Ezra F.; **"Living with China: US-China Relations in the Twenty-first Century"**; W.W. Norton & Company, New York, 1997.
53. Wan Jr, Henry; **"Taiwan's Role in the World Market"**, Edited by Peter C.Y. Chow: **"Taiwan in the Global Economy"**; Westport, Connecticut, London: Praeger Publishers, 2002.
54. Wang, Jianwei, **"Same bed, different dreams?"**; South China Morning Post, Hong Kong, China; October 30, 2002.



THAÍS M. CÓRDOBA is a full professor of International Affairs at the School of International Relations, Universidad Nacional, Heredia, Costa Rica. She completed her undergraduate and graduate studies at Tulane University, New Orleans, Louisiana, in English Literature and in Latin American Studies, with emphasis on Political Science. She held the position of Chancellor of the Consulate of Costa Rica in the city of New Orleans and Director of the Institute of Latin American Studies at the Universidad Nacional. Among her primary teaching research interests have been the development of the international system; the mechanisms for maintaining international relations; the current

distribution of power within the international system; international organizations which maintain the peace and security of signatory states to the United Nations Charter in 1945; equilibrium among the great powers. Also, Latin American affairs and trade treaties, among other issues, rank prominently among her interests.

She has written eleven anthologies as source material for her students. She also writes articles for the International Relations publications of the Universidad Nacional, as well as other published on newspapers and periodical about international and national issues.

Since 1998 she has been avidly pursuing the introduction of Asia-Pacific studies at the Graduate School of International Relations of the Universidad Nacional. She visited some of the most important related programs offered by major Asian in the year 2000, including Tokyo, Seoul, Taipei, Hong Kong, Bangkok, Singapore and Beijing.

Currently, on her university sabbatical year, she completed a serious work for a book publication on "The Significance of Costa Rica in Taiwan's Diplomacy and Competition from Beijing," based on related research completed at the City University of Hong Kong, having already visited Taipei and Beijing to interview some of their resident scholars.

The Secretary of the Central American Federation of University Women bestowed upon Professor Córdoba, at the University of Panama, in the year 2000, the "Order Miriam Reynosa de Batres Medal," for her efforts to strengthen the Federation's development and for her contribution to enhancing the ties of integration and solidarity through a regional project and friendship among the members of the above mentioned Federation. Another recognition has been for her achievement in the Central American associations, empowering young women to work across the generations to help them think through and feel the complexities faced in the impact of globalization. Her portrait was unveiled at the Gallery of ex-Secretary Generals of the Federation of University Women, in June 2004.

As President of the Costa Rican Association of University Women, Professor Córdoba also represented her country and her association at the International Federation of University Women sponsored triennial conferences held in Graz, Austria, in 1998, in Ottawa, Canada, in 2001 and in Perth, Australia in August, 2004. She participated in the 27th Conference about "Globalization: Connections through Education," where she presented an Interdisciplinary Seminar about "Costa Rican response to the Declaration and Programme of Action on a Culture of Peace." She represented her country and the Universidad Nacional at the Sixth World Assembly of International Affairs in Williamsburg, Virginia. Her participation was on the "Research on Continuity and Change in Global Affairs: Toward a Transnational Community of Scholars.