

29th July – 2nd August 2007

1. We note that Taiwan consciousness and sense of identity is considered to be continuing to rise, and there is a strongly held view that this trend will not change. Substantial numbers of Taiwanese are working (de facto settled) elsewhere in South East Asia, and Taiwanese are said to be significant achievers in some Chinese cities.

2. The application to join the United Nations under the name of Taiwan – perhaps a "mission impossible" as President Chen Shui-ban is quoted as having described it – appears to be mainly for legacy and internal political purposes. UN membership seems to be supported in principle but with varying levels of enthusiasm by the DPP and KMT party candidates for President.

3. We regret that in our conversation President Chen appeared to be countering PRC "one China" pre-conditions for the improvement of political relations, with his own, including China giving up Communism and the introduction of democratic elections; party politics; and 100% freedom of speech, faith and the media.

4. From our conversations and observations, we suggest that Taiwan has established a modus vivendi with its neighbours (for instance, economic investment – Taiwan is now the largest investor in Vietnam – tourism, family and health interchanges with China) from which it might be concluded that nations of the region are best placed to work through their own salvation over time without external interference.

5. We are concerned that China continues to target missiles on Taiwan; hope that there are no "test firings" aimed at next year's elections; and are impressed that President Chen asserts that the most powerful Theatre Missile Defence is democracy.

6. We conclude that the posture of Taiwan's armed forces is in practice defensive in nature, and poses no effective threat to its neighbours, despite rhetoric. Conscription has been reduced to 14 months; we met conscripts who opted for public service instead; previous fortifications such as those on Kinmen have been turned into tourist attractions; the Navy has no blue-water capability; and spending is around 3% of GDP. We particularly welcome an assurance from the Defence Minister that Taiwan wishes to "prevent wars happening in this region" and has "no intention to have an arms race". The US continues to be the principal, and definitively influential, defence partner.

7. We congratulate Taiwan on its startling economic progress; its diverse and free media, despite difficulties this may sometimes cause; its robust judiciary; and the progress of its vibrant democracy over the last 20 years; and wish its people continuation of all of these in the future.