

The ball and chain of the KMT assets

Written by Taipei Times Editorial
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The Chinese Nationalist Party (KMT) is the world's wealthiest political party. Having money is no sin, but the KMT's wealth stems from assets seized from the departing Japanese colonial government, money siphoned from government coffers during an era when the KMT ruled as a one-party state and from confiscated private property. The KMT has long faced criticism over issue.

When President and then-KMT chairman Ma Ying-jeou (馬英九) first ran for the top job in 2008, he promised to resolve the controversy over the party's assets once and for all. He has since stepped down as chairman and is soon to finish his tenure as president, and while the party assets have been placed in a trust, much remains to be done. If KMT Chairman and presidential candidate Eric Chu (吳敦義) wins the presidency, he must deal with this complex issue that keeps coming back to haunt the party.

Despite public demands that the KMT deal with the issue, the party has been running newspaper ads selling its assets — 26 plots of land and 80 percent of the shares in a hotel in Palau. These, together with three recently established funds valued at NT\$90 million (US\$2.72 million) are estimated to be worth NT\$1.4 billion, and this has caused a furor among opposition parties and the public.

Trying to avoid public scrutiny over the sale so close to the presidential and legislative elections would be difficult for the KMT. The assets it is now trying to divest are probably worth three times the annual revenue of the nation's about 200 political parties, and twice the Democratic Progressive Party's (DPP) budget for the 2012 presidential and legislative election campaigns. It is not difficult to imagine the effect it would have on the fairness of the upcoming elections if the KMT got its hands on this money.

No wonder then that DPP presidential candidate Tsai Ing-wen (蔡英文), who is in part funding her campaign with donations from a piggy bank campaign, is demanding that Chu deal with this issue head-on.

As a result of public antipathy and pressure, the KMT has placed its assets in trust. However, the trust has given over the handling of the assets to Central Investment Co and Hsinyutai Co, which still gives the KMT full control of their use. This kind of party-asset trust is nothing but smoke and mirrors and an attempt at a cover-up.

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Very few people believe it when the KMT says that the sale of assets worth more than NT\$1 billion just ahead of the elections is part of a trust company's normal operations, and even fewer believe the party when it says that this has nothing at all to do with the elections.

If such a huge sum of money is injected into the elections, its effects will ripple out. It should come as no surprise that opposition parties suspect the KMT plans to use this money to buy votes, or that it is attempting to cash in its assets before it finally breaks up.

The sale would have a damaging effect on the KMT's election prospects. Even if the party could clear itself of all suspicion, the fact is it has been postponing dealing with the issue for years. There is no reason the party should not be able to wait another month or two. It should stop all attempts to divest its assets before next month's elections.

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