

KMT digs its grave on assets issue

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For some time now, it has been clear to any politician who aspires to reach high office that if a president or ruling party were able to put aside all the difficulties and distractions of government and focus on completing two major tasks — dealing with the Chinese Nationalist Party's (KMT) ill-gotten assets and pension reform — they would have a relatively easy time in office.

Earlier this week, the Democratic Progressive Party (DPP) successfully guided the Act Governing the Handling of Ill-gotten Properties by Political Parties and Their Affiliate Organizations (黨產處理條例) through a third reading in the legislature. The Cabinet is to respond shortly by establishing a committee on ill-gotten party assets to undertake the follow-up work.

This is without doubt a historic and important initial step in the right direction.

The KMT has long been the wealthiest political party in the world and it has a complex web of affiliate organizations whose tentacles are spread throughout Taiwanese society. Since 1945 to this day, the party has spread across the country. Following democratization, Taiwan's two main political parties have had the opportunity to address this problem, with the KMT having had even more leeway to do so.

The party could have chosen a moderate course of action by studying how transitional justice was handled after German unification in 1990. However, the KMT dragged its feet on the issue, and continues to do so to this very day, almost as if it has a death wish.

Regardless of whether the party continues to arbitrarily resist the act, the KMT will now be left with no choice but to agree to whatever the government demands of it.

Although there is now a legal basis for transitional justice and the KMT's assets are on the chopping block, it is far from certain whether the government will be able to meet public

expectations and with the skill of a practiced butcher, quickly and efficiently dismember the beast.

The answer lies in the soon-to-be-established Executive Yuan committee; whether its members possess sufficient practical expertise and patient conviction to tirelessly chisel away at the issue. They must perform an in-depth investigation without a pre-determined endpoint and leave no stone unturned in pursuit of the truth.

Is President Tsai Ing-wen's (蔡英文) administration's independent committee orientated toward pandering to the masses and propaganda? Or has it been established with an aim toward reasonableness and pragmatism? This is the key to its success or failure.

This huge project will be drawn out over many years and it will be incredibly demanding. The committee must therefore establish a series of graded targets, spread over the course of the project, to enable a series of gradual, phased successes and settlements. In addition, the committee must regularly report to the public on progress and keep up internal pressure on itself, while striving to maintain public support.

As a basic minimum, once the act comes into force, the government must move to prohibit and take disciplinary action on all assets unrelated to party spending, political donations and subsidies, election campaign donations and coupons held by the KMT and its affiliate organizations — even those assets that have already been transferred or registered with trustees.

However, the massive funds managed by Central Investment Co and party-run enterprises will continue to fund KMT party affairs and election campaigns, so the government must draw a line in the sand to ensure such practices cease. This aspect alone is already having a seismic impact upon Taiwan's political structures.

Putting aside the estimations and rumors that were floating around at the time, according to data released by the Control Yuan, during the presidential and legislative elections earlier this year, KMT presidential candidate Eric Chu's (朱立倫) campaign team declared that they had received political donations of more than NT\$200 million (US\$6.26 million at current exchange

rates). By comparison, Tsai's campaign team received NT\$6 million.

Just look at the yearly dividends from Central Investment Co. KMT financial reports show that in 2008, the first year of former president Ma Ying-jeou's (馬英九) administration, earnings from dividends were as high as NT\$2.49 billion. In 2014, that figure was NT\$1.78 billion. On this scale, even if one sets aside all the KMT's other assets, it is not difficult to guess where all this yearly income is going.

Despite the KMT's financial resources, it suffered a catastrophic defeat at the election and it cannot use its money to buy back the political territory it ceded to the DPP. Nevertheless, the party's robust structures have for so many years created an uneven playing field.

Through this system, it promotes and supports politicians that would otherwise have been eliminated and this has acted as a brake on raising the quality of Taiwan's politicians, and it has had an even deeper negative impact on Taiwanese politics, distorting political consciousness and delaying the formation of a more robust civil society.

Despite the damage they have inflicted on Taiwan, KMT elites are still trying to flee the scene of the crime. Recently, they have even resorted to applying for a constitutional interpretation and pursued a scorched-earth policy in the legislature, attempting to bring other parties down with them.

A powerful party that has ruled over China and Taiwan for a century, in a last-ditch scramble for survival, seems to have impetuously decided upon a course of action akin to collective suicide. Its preposterous actions mean it is essentially administering its own last rites.

The KMT's self-destructiveness will only quicken the pace of the transitional justice process. Even if the return of the party's ill-gotten assets is delayed, the space vacated by the KMT in Taiwanese politics will quickly be filled by new parties and policies that more closely reflect public opinion. This will result in increased competition and a more effective opposition, which will be able to hold the government to account.

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Looked at from this perspective, if the KMT insists on dragging its feet over its ill-gotten assets — and in doing so digs its own grave — it can only be a good thing for the future of Taiwan.

Translated by Edward Jones

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