P.S. to the NEWS
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TAIWAN'S SUCCESS STORY

Pulling yourself up by your own bootstraps is something that not many individuals or nations can do. It takes just too much hard work, stamina, and determination.

Taiwan is a nation that did just that. From a land with almost no natural resources and which started at the bottom of the pile after a half century of Japanese occupation, it has become America's ninth largest trading partner. Taiwan is a modern miracle which should inspire and fortify the free enterprise ideology and lay to rest any illusion that Socialism (even of the Swedish variety) is the wave of the future.

From 1895 to 1945, Taiwan was ruled as a Japanese colony. They stripped it bare before they were ejected at the end of World War II and Taiwan was returned to China.

When the Communists took over Mainland China in 1949, the Republic of China moved its seat of government to Taiwan. There began the 20th century's most remarkable economic success story.

The foundation for Taiwan's 30-year growth was its commitment to freedom in the 1950s, its modern land reform, its encouragement to small entrepreneurs, and its major industrial construction.

Unemployment is less than three percent in Taiwan today because its government has fostered a pro-growth economic environment. Tax incentives are offered to technology-intensive industries, limits are placed on business income taxes, and R&D programs can be written off against operating expenses.

In the last five years, Taiwan's real Gross National Product has almost doubled, while per capita Gross National Product has more than doubled. From 1960 to 1979, Taiwan's exports rose from $164 million to $16 billion, and imports rose from $297 million to $14.8 billion.

The economic success of Taiwan is built on trade. It is one of the few nations in the world whose trade exceeds its Gross National Product.

Diplomatic isolation has had no effect on the economic growth of Taiwan, which is

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ranked as one of the best investment lending markets in Asia. Only 21 countries still recognize Taiwan diplomatically, but more than a hundred countries are recognizing Taiwan with trade and cultural exchanges.

What makes Taiwan so much more attractive for U.S. investment is Taiwan's guarantee that U.S. firms will not be stolen from their owners. Foreign investors can enjoy up to 100% ownership and all net profits can be converted and transmitted. In Communist, Socialist, and third world countries, the ruling regimes use the jargon "nationalization" and "expropriation" to cloak their theft of entire businesses, loans are uncollectible, profits are nontransferable, and executives are the prey of terrorists and kidnappers motivated by politics or ransom.

President Carter's abrupt derecognition of Taiwan effective January 1, 1979, was a non-event in regard to the steady growth of U.S.-Taiwan trade, now totalling more than $9 billion a year. Some 35 U.S. firms have put their money on Taiwan's future, and they have every prospect of success.

The governing instrument of U.S.-Taiwan official-non-official connection is the Taiwan Relations Act. It established the legal basis for trade relations between the two countries, declared U.S. opposition to any military or economic harassment of Taiwan, and stated U.S. willingness to sell Taiwan necessary defense weapons. The Act gives legal status to U.S. investments in Taiwan and to Taiwan's interests in the U.S.

Unfortunately, the Carter Administration has dragged its feet and denied full implementation of the Taiwan Relations Act. The Act permits Taiwan to have as many offices in our country as it used to have, which is 15, but the Carter Administration now permits it to have only nine.

The Act permits Taiwan to purchase weapons necessary to its self-defense, but the Carter Administration has denied reasonable requests to buy U.S. aircraft and submarines. The Act permits direct contacts between U.S. and Taiwan representatives, but the Carter Administration has barred all direct contacts between our State Department personnel and Taiwan representatives.

It is time to fulfill the intent and purposes of the Taiwan Relations Act, and to stop favoring Red China over our oldest and best ally in the Pacific, the Republic of China on Taiwan.

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