



PURSUING THE BEST FOR OUR PEOPLE
ADDRESS TO THE NATION ON RELATIONS WITH
CHINA AND TAIWAN

Delivered by

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and

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INTRODUCTION

Fellow Saint Lucians,

Over the past few months, there has been considerable debate on the future of ties between Saint Lucia and the Republic of China on Taiwan, better known to us all, as simply Taiwan. I have also noted the keen interest of the Opposition United Workers Party in this matter. The Government of Saint Lucia, after careful review of the situation, is ready to announce its decision at this time.

However, in doing so, we cannot ignore the history of our relations with Taiwan, especially over the period 2007 to 2011 because it tempers the outlook of future relations. As such, I must provide the contextual realities of the past.

A SORDID HISTORY

The clandestine manner in which diplomatic ties were established between Taiwan and Saint Lucia will be etched in all our minds for a long time. It remains one of the more sordid episodes in our political history. It has left many lingering questions for the state and for our citizens. For instance, it is an intriguing question as to why the late Sir John Compton, who was the architect of diplomatic relations with Taiwan during the period of the Cold War, was in fact willing to maintain diplomatic relations with mainland China; relations which were established by the Labour Administration in 1997. Furthermore, we are still unsure of what truly transpired in those fateful days and weeks of April 2007. Up to this day, this Government still cannot find any record of a formal agreement establishing bi-lateral relations with Taiwan, even though former Prime Minister Stephenson King makes mention of it in correspondence relating to the disbursement of Taiwanese funds.

These lingering mysteries are not the full extent of concern that this Government has with the way things were managed in the past. It is no

secret that the Saint Lucia Labour Party was exceedingly unhappy by the behaviour of the Embassy of Taiwan in Saint Lucia and specifically Ambassador Tom Chou, during the period of the former Administration.

We repeatedly stated our opposition to the bypassing of the Consolidated Fund, to which all funds given to the Government must be deposited. We warned against giving such funds straight to members of the former Government through self-serving entities created by them, in contempt and deliberate disregard of the Finance Administration Act of Saint Lucia.

We opposed and condemned the direct distribution of millions of dollars to local politicians personally selected by Ambassador Tom Chou.

We condemned the creation of local government structures and private companies for the sole purpose of receiving and dispensing of Taiwanese funds.

We condemned the “red envelopes affair”, the distribution of wads of money in red envelopes to leading public officials after the official visit of the now disgraced former President of Taiwan, Chen Shui-bian, in 2008. It was this President who was in office at the time of the establishment of diplomatic ties between Taiwan and Saint Lucia. I note that he is now spending time in jail for corruption.

And most of all, we condemned, throughout his stay here, the naked interference in Saint Lucia’s internal political affairs by the then Taiwan Ambassador, Tom Chou. Many will remember his open and undiplomatic distribution of money to a sporting club in Castries Central, his chief witness being the Parliamentary Representative. Some will recall the Ambassador’s famous comment that he liked the colour *yellow*. Others may remember his statement, in Babonneau, to the effect that he would continue to ignore the Consolidated Fund and that he had no use for it. I recall that this statement elicited laughter from his audience. You may also recall the Taiwanese funds featuring on political bill boards in Barre St. Joseph. Still others, I am sure, will recall that Mr. Chou was very present

on a political platform in the town of Soufriere in the run up to last year's General Elections.

THE POSITION IN OUR MANIFESTO

My fellow citizens, conscious of the dynamic reality of global geo-politics, we made no binding statement or commitment about the issue of our future ties with Taiwan in our 2011 Manifesto. We were content to say simply that:

"An SLP Government will never negotiate Saint Lucia's foreign policy via secret deals and personal gifts and promises. Whenever our Party establishes relations with another country, it will always be on the basis of principle, mutual respect, shared interests, and sound international practice."

THE AFTERMATH OF THE GENERAL ELECTIONS

Nevertheless, it was natural to have expected that, having won the last General Elections, the new Government would have taken action. A wide

range of options was open to us. We could have immediately broken relations with Taiwan; we could have expelled Ambassador Chou with dispatch to Taipei; we could have stopped all Taiwanese funded projects in Saint Lucia; and we could have asked all Taiwanese functionaries on the island to go back home. However, we did none of those things. Instead, I repeatedly emphasized that we would not vulgarise our handling of diplomatic issues with Taiwan and would approach the issue of our future relations in a civilized way. Saint Lucia cannot look as if it is just prepared to jump from one side to another, after every general election, just for more largesse. We cannot behave as if our sovereignty is for sale to the highest bidder.

VISIT BY TAIWANESE FOREIGN MINISTER

Within days of being elected to office, the Taiwanese Foreign Minister paid a visit to Saint Lucia. In my discussions with the Foreign Minister, I made it clear that the Government of Saint Lucia would not work with Ambassador Tom Chou for the reasons which I stated earlier at the commencement of this address. Understandably, the Foreign Minister feigned ignorance of the

behaviour of Ambassador Tom Chou and the immense disrespect and displeasure caused by him. He requested, and I agreed, that since Presidential Elections were pending in Taiwan in January 2012, the issue of withdrawal of Ambassador Tom Chou be resolved after the elections.

All of this is well known as it was shared with the public, save in one important detail. The Foreign Minister disclosed that his Government would henceforth make available to the Government of Saint Lucia, a sum of US 12 million or EC 32.6 million dollars annually for the funding of projects. This figure was confirmed by the new Ambassador. This amount, we believe, is a far cry from what was made available to the former UWP Government during its tenure, but more on this later.

A GESTURE OF GOODWILL

As a gesture of goodwill, Saint Lucia accepted an invitation to attend Taiwan's official 2012 Presidential Inauguration. The delegation was led by the Deputy Prime Minister, Hon. Philip J. Pierre, and included four Cabinet Ministers. It was one of the largest high profile delegations in attendance.

This visit was followed by the arrival in Castries of the new Taiwan Ambassador, His Excellency James Chang. We have extended the usual courtesies to him, both diplomatic and otherwise. In my discussions with Ambassador Chang, I have warned that what occurred in the past with former Ambassador Tom Chou must not be repeated under his tenure. I emphasized that diplomatic relations exist between countries and peoples, not between countries and political parties.

A DIFFERENT TIME

I have often said in opposition and repeated since my party returned to office, that this is a new era when we have to summon our courage and our common will to think and act differently. This view must also apply in the sphere of external relations. Our foreign policy has to be conducted in accordance with our growing needs in a quickly changing world. This is as much so for us, as it is for Taiwan.

In the past few years, Taipei has had to undergo fundamental changes in its foreign policy and its relations with Beijing and indeed, the rest of the world. After 60 years of hostility across the straits that divide China and Taiwan, the two sides have, in the past four years, entered into an era of co-operation and peaceful co-existence and shared understanding. They have signed many bilateral agreements based on peaceful cooperation in everything, from trade to tourism, travel, science and technology. Under the current Taiwan Government, China and Taiwan are rapidly *building bridges* across the straits that have hitherto divided them. Both sides have ceased traditional hostilities. We applaud them both.

Saint Lucia, like Taiwan, cannot pretend that China does not exist. Nor can we escape the fact that China today is the world's second most dominant economic power. It is forecasted that within the next decade, the economy of China may surpass that of the United States. Even without diplomatic relations, China's trade, economic and commercial ties with Saint Lucia remain a fact of life. Like Taiwan has had to do, we have to find ways and means of engaging and re-engaging China in the interest of our country and our people. Our citizens, whether on business or vacation, will require

visas to travel to China. We need to position ourselves to assist them when it becomes necessary.

These issues have pre-occupied us over the past nine months.

OUR DECISION

As you may be aware, the Government of Saint Lucia has undertaken a Foreign Policy Review that will guide us in our relations with the rest of the world. This review will, in time, be made public, once it has completed its journey through the Cabinet of Ministers. The review has been helpful in arriving at a decision. In respect of the issue of relations with Taiwan, it is interesting that the Review concluded thus:

".....It is, in our view, an anomaly to perceive or present diplomatic recognition of Taiwan as an alternative to recognition of the PRC, a now global economic and political player.

Any decision to maintain recognition of Taiwan will be perceived in the arenas of international diplomacy, and pre-eminently at the

United Nations, as inevitably temporary, the result of specific contingent circumstances and objectives of the Saint Lucian state, and therefore subject to change and lacking final certainty.

It is our view that Saint Lucia will be perceived as similar as others are presently perceived, as mere "players."

As I have indicated above, Saint Lucia clearly recognizes today's global realities. We are fully aware of the fact that, as the Government of the People's Republic of China has said, that *"the One-China principle is the political basis for the establishment of relations between China and Latin America and the Caribbean countries and Regional Organisations."*

We recognise too that, in China's language, *"there is but one China."* But we also recognise the present circumstances in which we have been placed over these last many years, and the necessity to move, not like a *Jack-in-the-Box*, jumping from one country to another every few years, but to follow the evolution of relations between China and Taiwan, and then to act accordingly.

Against this background, the Government of Saint Lucia has decided to maintain diplomatic relations with Taiwan and to explore new avenues for mutual support and bilateral cooperation in the interest of both sides. We have made it clear to the new Ambassador that our future relationship with Taiwan must be based on respect for our laws, our traditions, culture and absolute non-interference in our domestic political affairs.

What then is our likely relationship with China?

MAINTAINING PARTY TIES

It is no secret that the Saint Lucia Labour Party has had historical and fraternal ties with the governing party in China over several years. Many will recall that several months after our defeat at the polls in 2006, I led a delegation of my party on a goodwill visit to China.

The Saint Lucia Labour Party will maintain those ties. We simply cannot cast aside our friends. We believe those ties are essential given the evolving history in the relationship between Taiwan and China. In that spirit, the Saint Lucia Labour Party has accepted an invitation to send, at the expense of the Chinese, a delegation of party officials to China to discuss issues of mutual interest to both parties. The delegation left the island over the weekend and is led by the Second Deputy Leader of the Saint Lucia Labour Party, the Hon. Alva Baptiste. It includes the General Secretary, Mr. Leo Clarke, the Fraternal Relations Officer of the Party, Mr. Earl Bousquet, and a representative each from the party's women's and youth organisations.

This visit is without prejudice to our decision to maintain diplomatic ties with Taiwan. The Chinese have been so advised. Apart from discussions on how best our fraternal party-to-party relations can be developed, the delegation will also discuss with our Chinese friends how best we can benefit from the new and positive ties being developed across the straits between China and Taiwan.

It would be both historic and helpful – indeed it would be perfect – if Saint Lucia could find a way to benefit from ties with both China and Taiwan, however defined. This is a dream many countries share and there has been no better time than now to engage China and Taiwan on this issue - as it relates to Saint Lucia - in the context of their increasing “cross straits” mutual cooperation and understanding.

ON GOING INVESTIGATIONS

Finally, you may remember that the Labour Party in Opposition expressed, on several occasions, concern regarding the alleged payments made to UWP members of Parliament by the Government of Taiwan and its agents upon the establishment of diplomatic relations and during the ensuing period. We expressed the view that in our judgment, such payments and procedures, if made, breached both the law and acknowledged parliamentary practices in the authorisation of use of the funds.

I wish to indicate that the Government of Saint Lucia has engaged the services of Bob Lindquist, the senior partner in his international forensic accounting firm, to look at these alleged transactions. Mr. Lindquist will gather the relevant information to permit better knowledge of the events which transpired, and if necessary, the Government will take action in the spirit of good governance, justice and respect for the laws of Saint Lucia.

This audit will go beyond the issue of Taiwanese funds. Further information will be provided on the other areas to be covered by the audit on a subsequent occasion, as this address is not the most appropriate forum in which to do so.

In passing, I wish to confirm that Government will also soon be in possession of a report conducted by a Cabinet appointed review team, into the operations of the Local Councils, many of which were used as conduits for dispensing Taiwanese funds. This report will give all of us a better sense of how much money was dispensed by Ambassador Tom Chou to these councils and who utilised these funds and for what purposes.

THE BEST FOR OUR PEOPLE

In conclusion, let me end by reassuring all Saint Lucians that my Government remains committed to doing what it will take to pursue the best for our people and our nation's development.

That you can count on.

Good night to one and all and may God be with all of you at this time, now and in the future!